



ÉCOLE DE
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PARIS-LA DÉFENSE

CHANGE MGT & DIGITAL TRANSFORMATION

THE GUIDE TO SCALING L'OCCITANE
TO AN AGILE ORGANIZATION

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INTRODUCTION

The L'Occitane Group is a global manufacturer and retailer of natural cosmetics and wellness products. The group is committed to developing high quality products and demonstrates respect for the environment at every stage of the process. L'Occitane owns 6 brands and currently has over 9,000 employees in 90 countries. The group's biggest markets are the US, China and Japan. The company is part of the beauty market and in recent years, new growth trends have appeared on the market, which have brought many competitors to L'Occitane. For this reason, the group has identified the need to transform the way of working within the company, and over the last two years, L'Occitane has led some agile teams such as SCRUM and KANBAN in the organization.

In the past decade, the market of beauty and retail has become more and more competitive and saturated. L'Occitane seeks to create a strategic plan for cultural change in the beauty industry, they are considered pioneers because no other beauty company goes as far in the organization by involving many departments as L'Occitane does.

And to make this transformation project a success, they called upon a team of experts in change management, composed of Jose Debernardi, Annamarie Galante, Daphnée Turpin and Sebastian John.

After much research, discussions and meetings, the team agreed on a unique and well thought-out strategy. To carry out this transformation project, the experts established an action plan -with 15 specific steps to follow, without which the objectives will not be achieved- that will be developed and detailed in the next sections.



OBJECTIVES

Because we believe L'Occitane is a company that has big ambitions it should follow a step-by-step progress in order to reach its objectives. This will be a real challenge for the company, but this is what it takes to become a fast-moving, adaptive organization. L'Occitane will create substantial benefits while implementing agile methods into the organization's strategy.

5-7 years to obtain results according to Bezos.

Long-term objective 1: Through the implementation of an agile framework, we plan to see the increasing speed for prototypes, product deliveries, and new ideas, and we hope that this will result in an increase in dividends within 7 years. Long-term objective.

Long-term objective 2: Having agile practices and values instilled into the company's culture within a timeframe of 4 years.

Short-term objective 1: Within the next 9 months, 25% of L'Occitane's employees will be trained under the agile framework. Within 15 months 50% of L'Occitane's employees will be trained under the agile framework. Within the 30 months, 100% of L'Occitane's employees will be trained under the agile framework.

Short-term objective 2: Streamline workflows across various agile teams ensuring seamless processes by 3 years.

Short-term objective 3: Within 3 years of agile-framework plan, we hope to see, through internal feedback processes, that at least 90% of employees involved feel motivated in the application of agile values.

Short-term objective 4: By July 31, 2021, recruit 10% of L'Occitane to be "L'Occitane Ambassadors" (volunteers for L'Occitane's new vision).

Short-term objective 5: Beginning June 15th, 2021, send a weekly internal company-wide email that contains the relevant summary of "L'Occitane's Transition to Agile Success" portal that has an average CTR of 13%.

STRATEGIES & ANALYSIS

ANALYSIS

Teams with elevated levels of uncertainty in their outputs, where creativity and innovation in finding the best solution are more important than predictability, planning, and control can adopt Agile; And teams that work under low level of uncertainty where predictability, planning, and control are more important than creativity and innovation cannot adopt agile frameworks. Teams that adopt agile can always choose between Scrum and Kanban based on the project complexity and how dynamic the team is

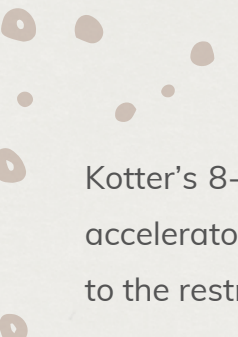
.After analyzing the teams within L'Occitane, teams relative to Product development, IT (Information Technology) development and crisis management teams can adopt the scrum methodology and teams such as customer support, IT maintenance and some projects with floating requirements can work under Kanban. Temporary teams that could be formed for urgent product requirements which might need resources from various teams and can adopt any one of the Agile frameworks.

After deeper analysis, we can understand that soon any member from any team in the organization might find himself /herself in a project team which would work under an agile framework. Taking this factor into consideration, L'Occitane must train all its employees in agile methodologies and mindset. The agile coaches can train the entire teams and specific individuals from certain teams over the specified timeframe based on the upcoming transformation mission statement. Cross-team agile training from certified agile coaches can also be extremely effective and could help in an easier and smoother transition.

STRATEGY

We will follow the Kotter 8 Step Model to begin the implementation process of transforming L'Occitane's organization into a completely agile framework and manage the change itself . In this section, we will explain our overall strategy of how we plan to implement the change and ensure that helping our employees adjust to these new changes is a top priority..

We will now review the 8 steps within Kotter's model and how we plan to apply each step to our change strategy.



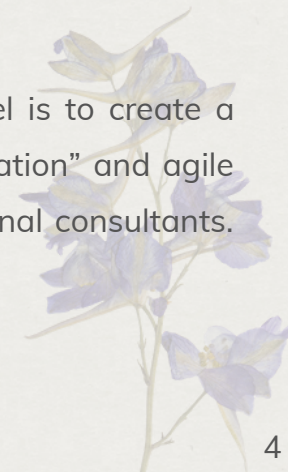
Kotter's 8-step model, developed by change management professional John Kotter, contains 8 accelerators that help guide organizations on the path to managing new, daring change similar to the restructuring of L'Occitane (Cameron and Green).

1.- **Creating a sense of urgency.** Kotter explains that this is the first step to successfully managing change and even goes on to say that "sufficient urgency around a strategically rational and emotionally exciting opportunity is the bedrock to which all else is built" (Kotter Accelerate!). This is why it is imperative that this stage in the agile transformation is taken with the utmost seriousness. In order to begin the change into an agile organization, it is necessary for the C-suite to communicate to all of L'Occitane employees the strategic advantage of a beauty/retail company being able to quickly adapt to change especially when the beauty/retail market is only becoming increasingly competitive. It is imperative that this sense of urgency begins at the top of L'Occitane with the C-suite because according to Kotter, "urgency starts at the top of the hierarchy" (Kotter Accelerate!).

The C-suite must communicate that the ability to respond quickly is paramount to L'Occitane's ability to not only survive, but also thrive. The C-suite's communication about just how serious the competition is today and the dire need for flexibility and quick change will begin the sense of urgency needed to catapult L'Occitane into the agile organization it hopes to evolve into. The communication from the C-suite should most importantly be data-centric and explain specifically ways that L'Occitane is falling short in comparison to other brands, this will provide objectivity to the sense of urgency and how it compliments the organization's need to be competitive.

The C-suite can also address the possible employee concerns such as feeling skeptical about the effect of the change. More than competitor influence, the possibility of an increase in efficiency and increased internal benefits would motivate the employees more. The C-suite has to make sure that the learning and benefits of the previous agile implementation within the company reaches its employees.

2.- **Form a powerful guiding coalition.** The next step in Kotter's 8-step model is to create a guiding coalition (GC) that is composed of "volunteers throughout the organization" and agile experts composed of Internally trained agile experts, scrum masters and external consultants. Forming the GC will be a crucial step to L'Occitane's transition.



L'Occitane is in a particularly advantageous position and has a head start in its ability to form a strong GC because there are already 36 teams across the world that have adapted an agile framework within L'Occitane's organization.

Therefore, there are already people within L'Occitane that know the benefits of an agile framework (the change we plan to implement) and could serve as advocates for the transformation. Applications to be a part of the GC will be released to everyone who is currently in an agile team (scrum and kanban) as well as to employees who have been recommended by managers as "adaptable and enthusiastic". Each GC can have an influential employee who can serve as a source of motivation for other employees. After the GC members have been chosen by Human Resources and agile experts, Human Resources will introduce the GC team and let the GC team begin to work together and form its own plan. The GC can include or exclude external agile consultants based on the overall expertise within the GC's resources.

3.- **Creating vision and values.** In this step of the Kotter 8-step model, an executive is intended to work with the GC to build a mutual vision of successful change (Cameron and Green). The GC will be tasked with creating a mission statement for L'Occitane's change that will appeal to the entire company and ideally, according to Kotter, will be feasible, easy-to-communicate, as well as emotionally-appealing (Kotter Accelerate!). The CHRO will provide any assistance necessary including but not limited to the review and approval of the vision statement.

4.- **Communicate the vision.** Kotter considers this step in the process to be crucial and will begin the viral act of "attracting employees who buy into the ambition of the message and begin to share a commitment" (Kotter Accelerate!); this will be extremely important to helping transition employees throughout the agile transformation process and maintaining a worldwide positive attitude about the change. The goal within this stage of the model for L'Occitane will be to revise the standards for recruiting employees within Human Resources so that new employees are considered to be flexible to change, the release of the vision for L'Occitane's mission to become an agile organization made by the GC, and for the recruitment of at least 900 "L'Occitane Change-Bassadors".

These 900 change advocates will represent 10% of L'Occitane's employees; Kotter states that in order to get a volunteer army to advocate for your change and implement real motivation to change, it only requires 10% of the organization and in this case, L'Occitane has 9,000 employees (Kotter Accelerate!). The Change-Bassadors have been evenly distributed across all departments for creating an effective influence.

Kotter explains that in order to truly recruit the motivation and employee buy-in for a new change like this, one should expect to “communicate at least 10 times the amount you expect to have to communicate (Cameron and Green). Therefore, we plan to launch a high-scale internal “vision campaign” that includes lunch and learns for employees to learn about the vision, an internal communication plan, virtual conferences about the agile framework change, and constant communication of these new values.


5.- Remove roadblocks. In this step of the model, Kotter advises change management professionals to help include more employees and remove the obstacles that prevent employees from succeeding in the new change (Cameron and Green). In this stage, employees throughout the world will already have begun training or transitioning to scrum and Kanban practices.

Therefore, in order to ensure that that the transitions are going smoothly, employees will receive weekly automatic anonymous (optional) internal feedback surveys from Human Resources about the training and transition, team dynamics, effectiveness, and the survey will end with the option to sign up to become a “L’Occitane Change-Bassador” volunteer. These surveys will be mandatory to ensure that L’Occitane is obtaining as much data as possible, and the teams will be flagged if the entire team does not complete the survey.

These surveys only have the option to not be named, Human Resources will see which team is submitting these surveys in case any members of the team are struggling with the transition. These weekly surveys are once again an example of how a cyclical approach is taken with this new change because they will be conducted throughout the entire change process and for the future as opposed to just one period of time; the purpose of these surveys is to not only obtain positive data, but also, to obtain negative feedback from employees and take action necessary to remove roadblocks. A new department within HR will be created titled “Internal Feedback Review” to review this feedback and to choose the actions necessary to proceed and remove roadblocks.

For example, if a survey is submitted stating that the team is not adjusting well to the new scrum structure and that they do not like it and think it is ineffective, a member of the “Internal Feedback Review” will receive this information about the specific team and bring a GC member to host an informal lunch conversation with the scrum team on how they are adjusting, and ultimately make recommendations and give the team members the tools to proceed.





This department's purpose is to ensure that the agile teams are transitioning well and to give them the resources/tools to be successful, and to ultimately solve problems within their scrum team on their own. This extra assistance will help push resistant employees and struggling teams in the right direction, will be quantified, and checked in on consistently. The teams that are experiencing success within the new framework will also be checked in on to create success stories, will be highlighted within the weekly company-wide agile internal emails, and will be showcased on the employee portal.

Once again, highlighting successes and small wins within this new framework to the entire company is something that can be considered to be cyclical and will occur throughout the entire change process as opposed to just one portion of it. In this step, the Internal Feedback Review acts as change agents because, as mentioned, they play a huge role to play in the restructuring of the organization and this position allows them to provide both technical know-how and also the social support needed to tackle any roadblocks. Although they might face some challenges, because they come from backgrounds, they also have the advantage of having relationships with every team member, they can also connect with the most influential people in the company of different departments and they are also very familiar with the company's culture.

6.- Plan for and create short-term wins. In this stage, Kotter states the importance and necessity in celebrating the wins of the organization's new change because a "networks' credibility won't last long without confirmation that its decisions" are truly benefiting the organization (Kotter Accelerate!). In our strategic plan, we have already begun the integration of celebrating short-term wins through our intranet portal, our virtual conferences in which we celebrated the success stories of L'Occitane teams that are already in agile teams, and through our weekly internal emails.

Individual progress and enthusiastic participation can also be categorized under short wins, and can be encouraged with appreciation emails. Once again, this is an example of a step in the Kotter model in which our plan is to be cyclical and continue throughout the entire change process as opposed to following a linear timeline. Additionally, we introduced these short-term wins much earlier in our change management process.

7.- Sustain. In this step in Kotter's model, Kotter states the importance in continuing to "energize the process of change" with new projects and resources (Cameron and Green).

We believe that at this point in the process, the consistent process of recruiting new “L’Occitane Change-Bassadors”, the quarterly lunches with C-suite for the GC and the volunteer army, the cooperation and coordination between the “Internal Internal Feedback Review” and struggling teams, are all ways that we believe will sustain the energy around constantly evolving and constantly working towards. We believe that all of these practices will maintain L’Occitane’s lively and motivating energy towards change.

8.- Institutionalize the strategic changes. In this step of Kotter’s model, he states the importance in ensuring that the strategic change is implemented into the everyday actions of the organization. We believe that we can complete this final step (and continue to ensure that the agile framework is constantly applied to L’Occitane) by the end of our 3 year goal. We believe that through transition phases, the support of our GC and ever-recruiting volunteer army (“L’Occitane Change-Bassadors), and our revisal of talent acquisition standards, L’Occitane will transform into an agile organization that is always ready for the next challenge.

ACTION PLAN

1.- In the first week of April 2021 (April 1-7) a company wide meeting (within one month of releasing this plan), the C-suite needs to communicate how although they are aware that everyone knows this already, the beauty/retail market is becoming more saturated, more competitive, and evolving at a faster rate than ever and therefore, it is necessary that L’Occitane be able to adapt to changing trends and competitors at a moment’s notice. These sentiments, the recording of the company wide meeting, and the main statistics around how competitive the beauty/retail market is should be sent to all of L’Occitane immediately after the meeting.

2.- In the second week of April 2021 (April 8-15), a second email should be sent to each department reminding each department of the sense of urgency for a fast-adapting organization. This should also once again include statistics on the quickly growing beauty/retail market in order to repeat, instill, and communicate the urgency for a fast-growing organization. This same week, department wide meetings will also be held to open both an open forum discussion to understand how the employees received the information from the C-suite. Most importantly, the leaders of these departments will also be communicating and reiterating the main points from the initial C-suite to once again instill a sense of urgency.

3.- By mid-April 2021, it is important that L'Occitane capitalizes on the momentum of this sense of urgency, an application to be a part of the GC will be released to all members of current agile teams (because they will enter the GC with a wealth of knowledge on how agile teams work) and department heads will be given both the chance to apply to be a part of the GC as well as to recommend 5-10 employees who he/she deems as "adaptable", "flexible", "influential" and "enthusiastic" to exclusively apply to be a part of the GC. Because the organization is so large, we are limiting the applications to department head recommendations to help reduce the number of applications while also looking to include the most optimistic and flexible leaders within the organization. These applications will first state the overall vision of the transformation into an agile organization and the employees must submit why they believe an agile framework could be useful for L'Occitane as well as, an idea provided by John Kotter, "how they plan to handle the additional workload" (Kotter Accelerate!).

4.- By May 2021, Human Resources will sort through what we expect to be 300 applications and choose 30-50 employees who they deem to be vision leaders, who come from different skill-sets, and who see the extremely important advantage to transforming into an agile framework. These employees will be notified of their acceptance into the GC by latest May 15. The GC will also include Scrum masters from the existing agile teams, agile SMEs and external agile consultants.

5.- The Chief Human Resources Officer (CHRO) will hold the first GC meeting by the latest May 20th, 2021 and communicate to the employees the valuable role that they will play in L'Occitane's future in order to encourage them. The CHRO will set the standard within the GC for mutual respect and the importance of no hierarchy. According to Kotter, in order for a GC to be successful, all members should be equal because hierarchies slow down the transfer of information (Kotter Accelerate!). The GCs will sign an agreement that they themselves create within the first meeting that agrees to mutual respect, inclusion, and the commitment to making L'Occitane the best it can be. The GC will be required to meet weekly in order to ensure that the transformation into an agile organization is moving smoothly and to strategize for optimization.

6.- After the first ice-breaker meeting, the GC will be tasked with creating the mission statement for L'Occitane's agile transformation. As mentioned earlier, this mission statement must have emotional appeal as well as appeal to all members of the organization worldwide and must align with the company's overall vision statement. The GC will have three weeks to create this mission statement as it should be created with the utmost priority as it can help serve the foundation for change within L'Occitane and sets the stage for what other L'Occitane employees should expect with this new transformation. By May 30th, the GC's mission statement for L'Occitane should be written and approved by the CHRO.

7.- In the beginning of June 2021, the GC's vision statement will be released on the employee network portal at L'Occitane containing the entire C-suite's stamp of approval.

8.- By the latest of June 15th, 2021, L'Occitane's C-Suite along with a designated speaker from the GC will hold a day-long company wide conference that will communicate the plan for L'Occitane's change and the vision for how this will improve L'Occitane as well as the employee's lives. There will be a Q&A session moving forward that allows each and every employee to submit anonymous questions for the C-Suite. The purpose of this conference is to officially announce the change and help begin the recruitment of change-bassadors, to reiterate and communicate the vision that the GC has created, and to help all of L'Occitane feel involved and tended to. Agile framework speakers will also present from different successful agile companies including Spotify organizational coach Henrik Kniberg who will explain to L'Occitane employees how Spotify has benefited from their agile framework as well as how it works for them from a logistical standpoint so that L'Occitane employees can begin to envision how L'Occitane could benefit from this organizational change. The conference will end with explaining to employees the new concept of "L'Occitane Change-Bassadors". The CEO will explain that these "L'Occitane Change-Bassadors" will be considered to be the volunteers needed to continue L'Occitane's vision (as referenced in Kotter's 8 Step Model). The CEO will explain that these volunteers are "on-board" with L'Occitane's vision and are willing to encourage others. At the end of the virtual conference (in-person conference COVID-19 willing), employees will be prompted to answer a 15 second survey that asks the employees if they are willing to be considered a "L'Occitane Change-Bassador". These employees will be added to an email list and will be added to a virtual employee chat room in which they can discuss ideas, ask questions about the vision, and find ways to support and encourage L'Occitane's new vision. The CEO will reiterate that if you are not still set on the idea of an agile framework, you can still become a "L'Occitane Change-Bassador" down the line if you become sold on the idea.

9.- The same day that the virtual conference is held, on June 15th, 2021, a portal within L'Occitane's online employee center will be launched completely dedicated to the agile transformation titled "L'Occitane's Transition to Agile Success". This portal section will contain:

- 1) Recordings of the virtual conference split into different sections (for example: one video specifically for the CEO's introduction to the new transition, one video specifically for Henrik Kniberg's speech on how Spotify utilizes its agile framework to stay competitive),
- 2) Resources and articles about what Scrum and Kanban is from acclaimed organizational coaches.
- 3) The option to schedule a live chat or a virtual coffee with a member from the GC about any concerns with the framework

- 4) Success testimonials from all 36 of the L'Occitane teams that have already transitioned into an agile setting
- 5) A success story section that will be continuously updated with small wins as the organization transitions-- this section will highlight new employee testimonials and will be a slideshow
- 6) A button to become a "L'Occitane Change-Bassador" at any moment if a person becomes more and more convinced of the agile framework.

10.- For the employees that signed up to be "L'Occitane Change-Bassadors", as well as the GC, there will be a quarterly lunch with members of the C-suite to show thanks for their commitment to making L'Occitane better.

11.- A weekly internal email will be sent to "L'Occitane Change-Bassadors" on how to recruit more "L'Occitane Change-Bassadors" and how to confront and comfort L'Occitane employees that are resistant to change. There will be a separate section within the "L'Occitane's Transition to Agile Success" portal for the "L'Occitane Change-Bassadors" that contains a monthly schedule with opportunities to speak to the GC to learn more about the change and resources on how to serve as the best active volunteer for L'Occitane's vision.

12.- By July 15th 2021, in a company-wide email the CEO will introduce the new human resources scrum team with 15 employees titled, "Internal Feedback Review" will be created completely focused with the long-term mission that teams are experiencing successful transitions into an agile framework. This team will be responsible for reviewing the weekly internal feedback surveys, deciding next steps for the teams that are experiencing difficulty and giving them the resources/tools to solve these problems on their own, and highlighting the teams that are experiencing success as well as making sure that these successes are celebrated company-wide throughout the entire change process. The "Internal Feedback Review" will work constantly to improve the feedback survey so that L'Occitane is gaining the most valuable feedback (both positive and negative) and will operate in a Kanban form working with teams in high priority consultation needs, middle priority consultation needs, and low priority consultation needs.

13.- By July 23rd permanent teams will evaluate different agile frameworks such as Scrum, Kanban etc. and establish a roadmap and internal goals for their transition. On the same day teams who are not planning to adopt agile frameworks must report to the GC stating the nature of the team's work processes, activities and a complete report on reasons why they are comfortable in adapting to an agile framework.

By 30th a list of different teams and the respective frameworks that they are adopting must be reviewed and approved by the GC and the agile experts. A tentative list of possible frameworks for different teams is given below :

- a) IT teams - All IT teams can implement Scrum methodology
- b) Product development teams - Scrum Methodology, and R&D teams with the product development department can use hybrid models such as Scrumban
- c) Specific marketing teams such as Content marketing teams and Digital teams with the marketing departments - Scrum Methodology
- d) Traditional Marketing teams - Kanban Methodology
- e) Finance Teams - Kanban and some teams can use hybrid models like Scrumban
- f) HR teams - Scrum methodology specific operations and Kanban for traditional processes
- g) Operations team - hybrid methodology like scrumban
- h) Purchase and Merchandising teams - Kanban methodology

14.- As the new teams and individuals transition, as mentioned above, they will be sent mandatory partially-anonymous surveys so that the “Internal Feedback Review” team can work on a case-by-case basis to help consult, help, and gain insight from the transitioning teams.

This will be a continuous process that will continue for the duration of L’Occitane’s change process. Once 90% of the organization deems that they feel motivated in the application of the agile framework change, the internal feedback surveys will reduce from weekly to monthly. This will continue for the duration of the transformation into agile teams.

15.- By September 2021, the new requirements for talent acquisition should be officially established and in place, with the largest emphasis on hiring employees that are transparent, flexible, and adaptable to change.



CONCLUSION

After a 360-degree analysis of L'Occitane's existing organizational structure and agile implementation activities in certain teams we submitted an effective strategy and an efficient action plan for L'Occitane to move forward.

The devised Strategy based on Kotter's 8-step model will help the organization to better manage the change and constructively tackle the difficulties and complications that arise during the change. Since the strategy is based on Kotter's 8 step model it is easy for teams to understand and helps them stay on track.

The proposed action plan includes precise actions for the entire organization following which would ensure a smooth transition. By adopting the proposed strategy and aligning the implementation process to the presented action plan L'Occitane will successfully transform to an agile organization which is more empowered to act, more collaborative, nimble, responsive and quicker to decide.



APPENDIX:

Figure n°1:

L'Occitane's Strategy & how we are advising to apply it to Kotter's 8-Step Model

L'Occitane will institutionalize the strategic changes through these consistent practices

Create a sense of urgency with company-wide meeting about competition in beauty/retail market

Form a powerful Guiding Coalition made up of volunteers in L'Occitane's already-made agile teams

L'Occitane will continue to sustain the energy surrounding agility through recruiting L'Occitane Change-Bassadors, quarterly lunches with the C-Suite, and cooperation with the Internal Review Feedback Team

The GC will create a vision and values for L'Occitane with the CHRO's approval and help.

L'Occitane will plan for and celebrate short term wins through our "L'Occitane's Transition to Agile Success" employee portal and weekly internal emails

L'Occitane will remove roadblocks by creating an Internal Review Feedback Team who will ensure a smooth transition into agile teams

L'Occitane will communicate the vision by revising recruitment standards and L'Occitane employees will be encouraged to become L'Occitane Change-Bassadors

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- Kotter, John P. "Accelerate!" Harvard Business Review, 19 May 2015, hbr.org/2012/11/accelerate.



A thank you card is centered on a textured, brown paper background. The card is a light cream color with a vertical crease down the middle. Two pieces of yellow adhesive tape are attached to the card, one on the top right and one on the bottom left. In the top right corner, there is a sprig of small, bright yellow flowers. In the bottom left corner, there is a sprig of blue flowers. The overall aesthetic is rustic and handmade.

**THANK
YOU !**