

Business Alignment & Change Management

Business Alignment & Change Management is the foundation of Impact 21 Group's project management model and provides our clients with the ability to successfully implement new processes/technologies and more importantly, to sustain them. The following **objectives** are the focus of these efforts:

- Leverage cross-functional approach to remove manual and redundant processes company-wide
- Develop communication, competencies and training to reinforce change
- Provide business intelligence to bring accountabilities and metrics to all roles in the organization
- Manage change to ensure sustainability

The key processes that support Business Alignment & Change Management are as follows:

- Sponsorship and Stakeholders Engagement
- Change Readiness Assessment
- Communications
- Content Management
- Learning & Development
- Apply Metrics
- Sustain & Evaluate

In order to provide the greatest level of support to our clients, Impact 21 Group recommends a Gap Analysis prior to beginning large projects. This Gap Analysis provides a level-set for our clients to determine their current Business Alignment & Change Management position and how their organization will manage change. This process will provide key insights into where Business Alignment & Change Management efforts should be focused and will also give clients a comprehensive view of their immediate and future opportunities, quantify their expected returns (cost/benefit analysis) and provide detailed project plans for moving forward.

Gap Analysis

In order to assess a company's ability and readiness to undertake a major initiative, such as technology implementations or major process changes, Impact 21 Group's Gap Analysis provides an assessment of readiness and opportunities and an objective view of organizational effectiveness. The Gap Analysis will identify specific opportunities and challenges for future change, capture internal/external best practices, build credibility and support for a future direction by involving and educating key stakeholders and documents all finding, recommendations and project plans for moving forward. Key Deliverables of the Gap Analysis are as follows:

- Key Findings
- Immediate Opportunities
- Recommendations Roadmap
- Organizational Alignment
- Cost/benefit Analysis
- Project Plans for Moving Forward
- Detailed Appendix
- Delivery to Senior Management

The Gap Analysis process consists of a management group presentation defining the scope of our Gap Analysis, Category Management Framework and the Progression of Retail Automation along with the business process disciplines required to leverage retail automation. We will proceed with in-depth, one-on-one interviews with key employees (senior staff and representatives from Accounting/Auditing, Operations, Marketing, IT, etc.) The interviews are scheduled and organized for minimal disruption to your team. Questions are specific to functional departments and designed to evaluate the current business processes and communication patterns.

Store visits will also be conducted to observe the Marketing, Merchandising and Operations processes at work in the stores. As we observe the status of your organization and your current automated systems, we also look to identify those operating policies and procedures that must be modified for the implementation of scanning and other retail technologies.

In addition to guidance offered during the interviews, the Gap Analysis will include a presentation of findings which will reflect recommended changes to the organization and processes needed to leverage current and future retail technologies. Additional documentation will be provided to support resource allocation, cost/benefit analyses and detailed project management plans for recommended next steps.

Cost/Benefit Analysis

The ability to support strategic decisions and provide the required return on investment is critical when implementing current and future technologies. Impact 21 Group's retail automation and category management performance metrics are designed to assist retailers in capturing all available returns during each step of the automation process. Impact 21 Group, with its experience in retail automation project implementations, works with retailers to define these anticipated costs and benefits when moving forward with the next steps of their retail automation initiatives.

Impact 21 Group's cost/benefit analysis process positions retailers of all sizes to successfully integrate the organization's balance between capital and human resources to measure automation return on investments. The following requirements are core to gaining a return on automation investments:

Retailer Inputs

Retailer inputs provide the basic operating targets and budgets used as a basis in any analysis. This information is updated as business strategies shift or as objectives are met and new targets are set.

Provider Inputs

Solution providers are valuable partners in running your operations. Costs incurred for technologies and training are often underestimated and should be considered when looking at internal costs.

Benefits

Impact 21 Group's Cost/Benefit Analysis Model defines specific benefits separately so that you can more easily quantify the results from a business perspective. Retail Automation Technologies and associated processes are very integrated; therefore they must be referenced in multiple areas when capturing benefits. Each section contains a brief introduction, which outlines the areas covered in the analysis as well as highlights for industry experience of benefits gained.

Costs

Due to the various types of providers and technologies available in the industry, it is almost impossible to provide an average cost. Impact 21 Group works with each client's solution partners to incorporate external costs as they relate to hardware, software and outsourcing. Through this process, a complete cost analysis can be completed.

Industry Averages

Impact 21 Group's benefits analysis attempts to quantify specific benefits under each section in terms of a "high" and "low" range. Industry averages are considered along with additional insights from Impact 21 Group experiences as retailers and over 10 years of work with our retail clients and automation partners. The ranges allow clients to determine where to expect to find the greatest opportunities. Retailers will assess whether the organization is performing better below average.

Business Alignment Teams

Business Alignment and Change Management starts at the top and is an important element of all company-wide projects and endeavors. Gaining Sponsorship and Stakeholder Engagement within an organization is often the most challenging, but always the most important element to the success of a project. Impact 21 Group recommends a business alignment "team approach", consisting of a Senior Level Steering Committee, a mid-level Business Alignment Team (BAT) and a Project Management Team.

The Senior level Steering Committee is responsible for sponsoring the project and gets involved when budgets, timelines, resources and financial reporting are affected. The mid-level Business Alignment Team (BAT) consists of representatives from all departments, and serves as the communication and decision-making vehicle for all areas of the project. This team is comprised of those individuals who are most affected by change and are currently working in key areas of the organization. Therefore, selection of the BAT team and its leadership become very important roles for the Project Sponsor and/or Senior Level Steering Committee. The Project Team consists of Project Managers and Subject Matter Experts that have been assigned

Business Alignment Team Members Represent Functional Departments

- Champion departmental initiatives and issues
- Communicate decision points to departments and solicit feedback
- Empowered to make policy and procedure decisions for the department
- Reinforce roles, policies and communication protocols within department

During any project, it is critical to initiate an on-going stakeholder engagement process to assess and maintain a "pulse" of the stakeholders and understand their specific needs. This often requires a "high touch" approach in order to identify change readiness and communications required and identify interdependencies with other parts of the organization. This will include one-on-one interviews, group discussions and informal and formal status updates.

Change Management Model

Our experience has shown that Change Management is often the most important element in determining the success of any project or program. It's not the level of change that is important, but rather how well an organization deals with change and has the right tools and processes in place to sustain their efforts and continue to gain benefits along the way. Impact 21 Group's Change Readiness Assessment is conducted during the Gap Analysis and provides answers to the following questions:

- What specifically will change?
- What is the impact of these changes?
- Who will be affected and how much?
- What are the implications?
- How ready is the company for the change?
- What needs to happen to improve readiness?

The change Readiness Assessment will also provide organizational role alignment, strategies to manage competing priorities, required disciplines and sustainability plans and accountabilities.

The following areas are key components in Impact 21 Group's Change Management Model:

Communications

- Cross-functional team "Information Gatekeeper" for company
- Audience, timing, message and media
- Multiple messages, many audiences
- On-going and continually refined

Content Management

- Accountability of the cross-functional team
- Change management components
- Device integration & data synchronization
- Content, business and system requirements validation

Learning and Development (L&D)

- Build Competencies - What will be required longer term versus what we do today
- Learning objectives, audience assessment & key considerations
- Blended approach (e-learning, kick-off, deep dive, train the trainer)
- Program events & tracks
- Content integration for head office and store level processes
- On-going assessment & refinement

Apply Metrics

- Cascaded & measurable
- Ensures accountability
- Provides benchmarking
- Begins during pilot and continues beyond deployment
- Develops analytical competencies

Sustain and Evaluate

- Cost, operations & capability beyond deployment
- Organizational Alignment
- Demonstrated & measured competencies
- On-going L&D and communications effort
- Updated support organization & infrastructures