

REPUTATION

to

RESULTS

Change Management Impact Analysis

Change Initiative: Supply Chain Transition to 3PL

Timing: Q2

Impact Areas:

Safety: Will jobs be impacted?

Inclusion: What role will they play in change planning?

Power: Will decision making be impacted?

Control: Will control be increased or reduced?

Competence: Does change require new skills?

Fairness: Will people perceive they're being treated fairly?

Stakeholder Group	Current State	Future State	Change Impact	Intensity
Supply Chain	In-house SC handles all SC functions including inventory, logistics, and forecasting	In-house SC will have oversight of 3PL with limited decision making	Safety: 50% staff reduction Inclusion: Main oversight of change Power: Reduced decision making Control: Decreased control Competence: new skill as relationship manager not currently present Fairness: Current employees do not believe being treated fairly	Very High Very High Very High Very High High Very High
Finance	Direct oversight of purchasing and budget	Purchasing shift to 3PL, will still control budget	Inclusion: little role in change planning Power: Decision making greatly reduced Control: Reduced control	High Medium Medium
Field Sales	Managers have control of ordering and stock levels	3PL will determine stock levels and ordering will be automatically processed	Inclusion: little role in change planning Control: Reduced control Fairness: Feel being treated unfairly	High Very High High
IT	Handles all IT	Must create interface with 3PL systems	Control: Reduced control	Medium

REPUTATION

to

RESULTS

Change Management Impact Analysis

Change Initiative: Supply Chain Transition to 3PL

Timing: Q2

Summary/Recommendations

The current SC team not only will be the most impacted, they will be the most involved in the transition to 3PL. Team is aware there will be force reductions and morale is low.

Recommend retention incentives and enhanced severance package to retain talent necessary to the transition.

Finance will perceive loss of control therefore need to be included in transition planning to ensure no resistance.

Field Sales will have a negative reaction to transition and see it as a loss of control and ultimately unable to control their business. Recommend bringing in Field Sales representation to project team and create near term processes to ensure stores have proper stock.

IT will not be greatly impacted long term but extensive front-end work will be necessary to ensure company and 3PL systems communicate properly. Recommend additional temp help be brought in to handle work overflow.