

# Impact Analysis and Implementation Planning Guide

## Introduction

Most change models move from the Design phase directly to Implementation. A far better practice is first to conduct a thorough Impact Analysis of the Desired State design on the existing organization to inform your implementation planning, and to confirm whether your design solution can be implemented effectively without unexpected ramifications. The work of impact analysis and implementation planning is outlined in this guide. It covers and corresponds to two phases of *The Change Leader's Roadmap*—Phase V: Analyzing the Impact, and Phase VI: Planning and Organizing for Implementation.

Impact analysis is the first step in planning for implementation. The two go together. An impact analysis produces two primary outcomes: (1) it confirms how your organization will be impacted by the design of your Desired State and identifies the issues that will need to be addressed and resolved during its implementation, and (2) it confirms if the scope of the impacts of your design can be tolerated and effectively dealt with by the organization, or whether they are too significant and a partial or complete re-design is required. Gathering this intelligence *before* you dive into implementation is a far better option than allowing it to surface unexpectedly during implementation when resolving issues becomes far more difficult. Taking this approach to implementation planning will make your implementation go much smoother, as you will see.

This process will help you clarify the magnitude of work required to put your Desired State into place and help ensure that the design will operate effectively, at least as planned. To determine the magnitude of change, you will assess the impacts that your Desired State will have on your current organization, and its culture and people. In essence, this is a detailed gap analysis that uncovers the differences between the old state and your Desired State, revealing the specific issues you must address prior to understanding how implementation can proceed. Implementation planning then takes those issues and determines the specific actions required to resolve them, including the resources needed and time frame. You then compile all of these detailed actions for resolution of impacts into a realistic and comprehensive Implementation Master Plan.

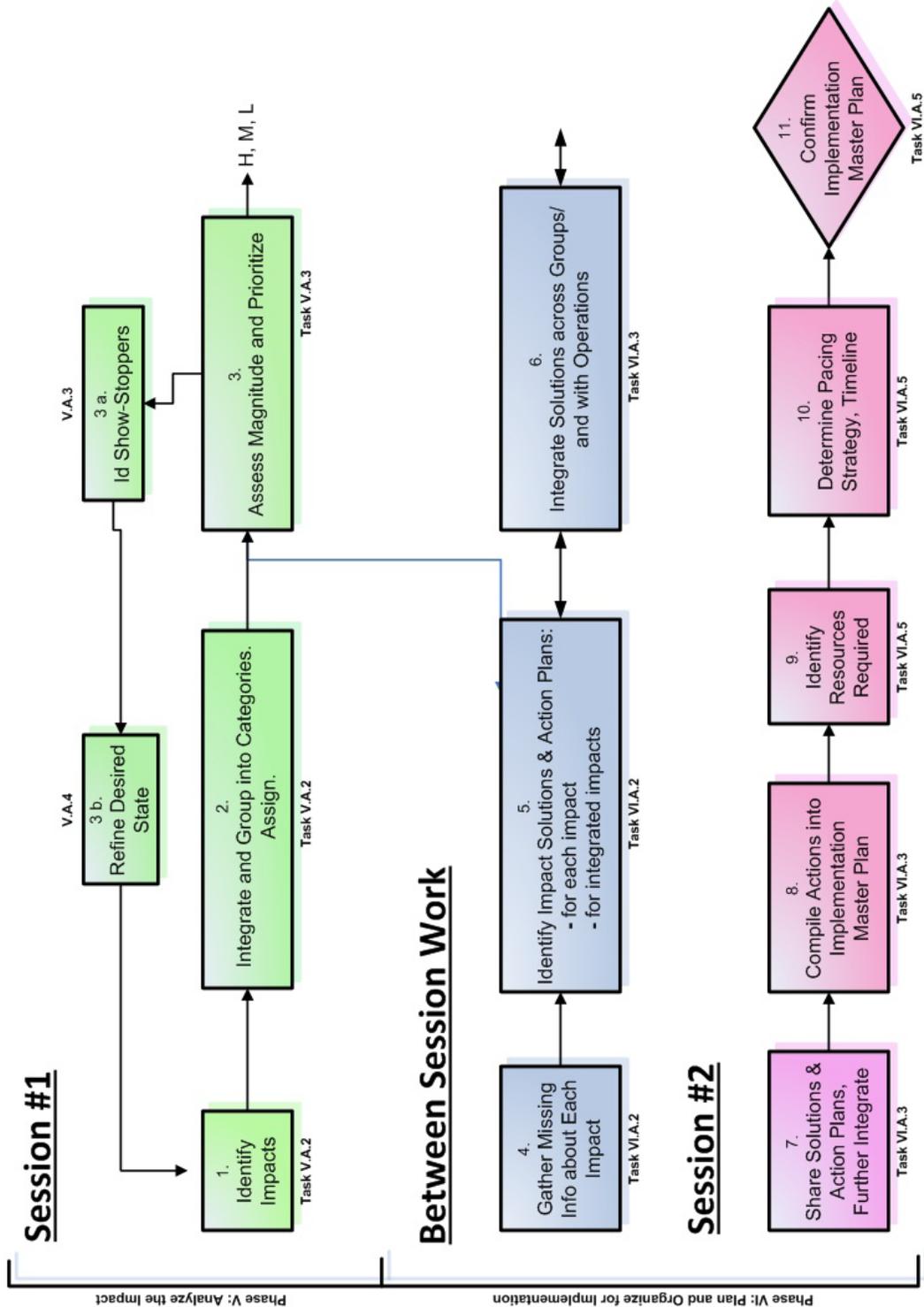
The following diagram portrays the flow of events in the entire Impact Analysis and Implementation Planning process, culminating in an approved Implementation Master Plan. The graphic lays out three distinct sets of activities to get the Phase V and VI work done, including two 1½ days working sessions and a series of actions that occur in between those sessions.

The information and resources in this guide support this entire body of work, outlining each session and providing tools to assist you to complete the work of each step in the process. Worksheets are provided throughout the guide. You may wish to tailor these to fit the information you choose to gather, combine them into a longer, master worksheet, or create a database file of consolidated worksheets. Review the entire guide before beginning, noting how you will tailor the guidance to fit your specific needs.

Also, in support of your thinking and execution of this work, be sure to review all the Tools and Info Sheets in Phase V and VI of *The Change Leader's Roadmap*, especially the Tool: *Designing Impact Analysis Process*. You will find this tool in Task V.A.1, *Design Process for Conducting Impact Analysis*. This Tool will help you to further clarify how to get this work done.

# Impact Analysis and Implementation Planning Process

## Impact Analysis and Implementation Planning Process



# Session 1

## Impacts and Magnitude

The goal of this working session is to identify the impacts of your Desired State design on your current organization and to assess the magnitude of change involved in this effort. There are three main activities in this session:

1. Identify impacts. You may have identified Impact Topic Areas to study in advance of this session, or do it early in this session.
2. Cluster impacts into groupings or categories, integrate them as much as possible, and assign them to leaders for resolution.
3. Prioritize the issues through a magnitude assessment and get organized for the integration and resolution process.

The work of this session may reveal critical issues that can derail your success, called “show-stoppers.” If you identify show-stoppers, you must go back to the Design phase, adjust your Desired State design, and then host a fresh “Session 1” meeting to perform a new impact analysis process on your refined design.

We will review each of the three main activities of Session 1. Use the worksheets that follow to guide your work. You will need to engage the right people to accomplish these activities, and design the best process to do so in your actual working session.

### 1. Identify Impacts

The work of analyzing impacts begins with honing in on the priority Impact Topic Areas most relevant to your Desired State. These topics can be identified using the Worksheet: Determining Your Impact Topic Areas. The lists in this worksheet address two areas to focus on to generate detailed impact issues: (1) the CONTENT of your change effort, or the formal organization, including structures, management systems, business processes, skills, numbers of people, technology, work practices, and so on; and (2) the PEOPLE topics: the human and cultural aspects of your organization, including Human Resources systems and processes, plus mindset, behavior, relationships, and all elements of culture. You will assess these areas by comparing them between what is called for by your future state design and the way the larger system currently operates. You may also want to consider how they are described in your Desired State to see if they are clear and complete.

This part of the process is your gap analysis. If your current state already achieves or supports the needs of your Desired State, there is no issue to resolve. If you identify conflicts between your current organization and your future state design, gaps between your current state and your future state, issues that need further exploration, or simply questions, then you have an “impact” that needs attention and resolution. You may find it useful to frame your impacts using the question, “How do we...?”

This Phase V impact analysis differs from the initial impact analysis you performed when you built your Case for Change in Phase I. Your initial impact analysis was based on your conceptual future state. It provided information about the general magnitude of your transformation for determining its scope. Now that you have created a precise picture of what your new state will be and how it will need to operate (your design solution), you will perform a more comprehensive impact analysis with which to plan for its implementation.

After you have filled in the Worksheet on Determining Your Impact Topic Areas, you may want to scan your input from the tool you used to do your initial impact analysis (see Tool: *Performing an Initial Impact Analysis*) back in Phase I, Case for Change.

Here is a sample list of impacts to help you see the types of issues that may surface in your impact analysis:

- How will we reduce the organizational structure by one layer of management
- How will we consolidate products “X and Y” for ease of sale and delivery to customers
- How will we redesign the resource allocation process
- How will we build stronger and more sustainable customer relationships and cultural norms in the sales operation
- How will we broaden the “ABC” family of products (for example, acquisition or in-house start-up)
- How will we overcome the attitude of entitlement in the Research and Development department
- How can we redesign the reward system to motivate greater team performance and reduce “rugged individualism”

Identification of your Impact Topic Areas will help to scope what to study in Session 1. The Worksheet: Scope of Your Impact Analysis, provides questions to assist. Use the Worksheet: Determining Your Impact Topic Areas to further define the areas you will study.

When you have determined and prioritized your Impact Topic Areas, you will assign them to the best people to perform the detailed impact analysis to identify the specific issues, challenges, or questions you have about each topic area. All of these detailed impacts will then be worked in the next step.



## Determining Your Impact Topic Areas

### Content/Organizational Topics

- Visioning process
- Governance and decision-making (by individuals, committees, functional groups in the organization); approval processes/authority levels
- Financial controls: budgeting, accounting procedures, record-keeping formats, capital investment criteria, processes, etc.
- Organizational structure
- Services
- Products
- Shared Services (HR, IT, Finance, etc.)
- Performance analysis systems
- IT systems
- Information management
- Corporate Communications, External Affairs, intranet sites
- Enterprise Resource Planning
- Vendors
- Policies
- Resources
- Sales process
- Customer Relations Management, customer interface
- SAP or similar system
- Performance management and metrics: goal-setting, results, behavioral metrics
- Planning systems: strategic planning, budgeting, operations planning
- Market forecasting and analysis
- Supply chain

- Administrative systems
- Operations tracking, workflow controls
- Scheduling procedures
- Production or technical process systems
- Training systems (craft or professional)
- Quality improvement systems
- Auditing
- OSHA, Safety systems
- Risk management; security protocols
- Maintenance protocols
- Delivery systems
- Locations, space, facilities
- Response to Government Regulations
- Mergers or Acquisitions
- Divestiture
- Start-Ups
- Partnerships
- Other:

## Human Resource Topics

- Role of the Human Resources function
- HR information and management system
- Talent Management; Complement and skills planning (e.g., hiring needs, tracking of complement shifts from one location or group to another, assessment of skills and experience required)
- Downsizing: (e.g., numbers and types of jobs to be laid off; who stays and who becomes surplus, policies for handling surplus)
- Culture, mindset, values, norm changes
- Job design, job evaluation
- Technical training
- Incentives, rewards and recognition system
- Compensation and benefits
- Management succession
- Executive and leader development; leadership style; management development
- Hiring practices
- Diversity
- Employee orientation
- Labor/Unions
- Relocation
- Administration (e.g., Transfer of files, employee records, reporting locations; payroll administration)
- Behavior/Relationships
- Human Resource policies
- Team start-ups
- Learning Systems
- Other:

## 2. Integrate and Group Impacts into Categories and Assign

Once you have identified your detailed lists of impacts for all priority topic areas, you will group them into categories of similar or interdependent impact, such as human resource issues, functional issues, cultural issues, structural issues, technology issues, technology, or issues relating to a specific product, stakeholder group, or business process. You may find that your Impact Topic Areas are categories themselves. The categories will depend on the scope of your transformation and Desired State design. These categories will become your work streams, staffed by people who will resolve the impacts and identify the actions required to implement them.

The Worksheet: Impact Categories, includes a list of ways to categorize your impact issues. Use the worksheet to identify your categories. Add, delete or modify the categories to fit your situation.

Once you have identified your impact categories, use the Worksheet: Grouping and Assigning Your Impacts, to actually group them. Attempt to integrate as many impact issues as possible as you group them—it will save you time later and streamline the planning process.

After you have generated and grouped your lists of impact issues, you will assign “impact group leaders,” who are responsible for getting their impact issues resolved and integrated with others as needed. They will present their group’s solutions during the development of your Implementation Master Plan, which occurs in Session 2.

Impact group leaders must have direct access to the executives who “own” the ultimate design decisions, as some of their issues may require some redesign of the Desired State. It is important to remind impact group leaders that their allegiance must be to the ***overall success of the transformation***, not to their individual impact category or operational group. Group leaders must work well together for the good of the whole effort.

Complete this Worksheet by: (1) listing your impact categories, (2) assigning impact group leaders, and (3) identifying cross-category interdependencies where impact groups should collaborate to resolve an impact.

## Impact Categories

- Customer requirement or segment
- Organizational function
- Cross-functions
- Business process
- Enterprise-wide implications
- Specific levels of the organization
- Stakeholder groups
- Business line
- Geography
- Specialty
- People or human resources related
- Technology
- Training needs (Technical, professional, craft, etc.)
- Mindset and behavior
- Management/Leadership development training needs
- Culture
- Other:

## Grouping and Assigning Your Impacts

CATEGORY	IMPACT GROUP LEADER	IMPACTS	CROSS-CATEGORY INTERDEPENDENCIES

### 3. Assess Magnitude and Prioritize

This activity involves two stages: (1) assessing the magnitude of your impacts, and (2) prioritizing your impacts for resolution based on their magnitude. You will also organize for the work that must be completed between your two working sessions.

Your prioritization will be based on the magnitude criteria you select, such as degree of disruption to the current state, time, money, culture shock, skills needed, etc. The Worksheet: Magnitude Criteria for Prioritizing Impact, includes a list of criteria to consider. Review the list and add, delete, or modify as required.

Once you have identified your criteria, assess the magnitude of each impact, and therefore, its priority for resolution, using the following magnitude ratings:

- **High** impacts can go directly into implementation planning and have no re-design implications. High impacts are very significant and need immediate attention because of their sheer size, or because their resolution will have bearing on how other impacts might get resolved. Consequently, getting them attended to quickly will again maximize efficiency of the impact analysis and implementation planning processes.
- **Medium** impacts are critical to identify their solution now, but do not have top priority. These impacts can often be resolved within an impact grouping team and usually do not have cross-category interdependencies.
- **Low** means impacts that you do not need to attend to right now, that may just resolve as a part of operational activity or with no special attention as the change proceeds.
- **(3a) Show-Stoppers** are impacts that require immediate attention by decision makers as they likely will require a change in your Desired State design. Leaders must review these impacts and confirm or alter the design as quickly as possible to minimize people doing impact resolution work that could be made irrelevant by a shift of design.

**Note that if a refinement of the Desire State is required, you must conduct another Impact Analysis process on the new design, to the degree required.**

The last part of this session is to get organized for the work that needs to happen between sessions. Review who is responsible for each impact category or work stream. This person's responsibilities include gathering any pertinent information needed to know to how best resolve each impact, collaborating and integrating with other impact groups as required, and generating the solutions and action plans to resolve the impact.

Use the Worksheet: Impact Priority and Getting Organized for Implementation Planning, to note this information.

## Magnitude Criteria for Prioritizing Impacts

Before prioritizing impacts, you will need to determine what magnitude criteria you will use. Review the following list and add, delete, and modify as needed for your situation. Then rate each impact using the criteria you select. Use the Worksheet: to record your prioritization.

- Degree of disruption to the current state
- Cost implications
- Time required
- Resource availability (personnel, space, etc.)
- Adequacy of current technology
- Adequacy of current equipment or processes
- Risk of failure if not resolved
- Degree of new or different expertise and skills required
- Readiness to change
- Capacity for making this change
- Culture shock triggered
- Morale damage
- Significant mindset/behavior change required
- Customer impact
- Impact on vendors
- Legal or risk exposure
- Quality of working relationships required among key stakeholders
- Disruption to quality, performance or results
- Other:

## **Impact Priority and Getting Organized for Implementation Planning**

IMPACT ISSUE	PRIORITY (H,M,L,SS)	PERSON(S) RESPONSIBLE FOR RESOLUTION	INFORMATION NEEDED

# Between Session Work

The work between sessions is best accomplished by individuals and impact groups. It involves three key activities:

- Gathering any missing information that the groups need to accurately scope and resolve their issues in the best possible way
- Identifying impact solutions and their action plans—for both individual impact issues and integrated groups of impacts
- Integrating both solutions and action plans across impact groups and with operations

This work is then brought into the Impact Analysis and Planning Session 2.

## 4. Gather Missing Information about Each Impact

In order to resolve many of your impacts, the person(s) responsible will need to gather pertinent information about their issues that they currently do not have. Keep in mind that some information may need to come from outside your area, i.e., industry standards, a different function, region, home office, customers, or partners. For some impacts, information gathering will not be necessary as the people working on them will know everything required about them.

The types of information will vary by impact. Consider the following types of information you may need to gather:

- History of the issue
- Agreement on scope of the issue
- Perceptions about the desired outcome of the issue
- People or teams that have a stake in the old state
- People or teams that have a stake in the new state
- Design requirements or boundary conditions for the outcome (financial, technical, cultural, political, other)
- Further impacts on operations
- Issues with resources, capacity, or timing

- Cultural blockages that are well-entrenched
- Leadership mindsets about the issue
- Political dynamics at play

Be sure to alert the people gathering information to assess whether they should collaborate with people working on other impacts where interdependencies with their impacts exist. Often, information gathered will be useful to both parties and will help resolve both sets of impacts.

## 5. Identify Impact Solutions and Action Plans

Prior to this work, the impact group leaders must agree to a common process for resolving their issues—individually and in groupings. They should also agree to a common template for recording and presenting their impacts and resolution plans so information can be collectively used. Consider this generic impact resolution and action planning process:

### Generic Impact Resolution Process

1. Clarify the questions or needs identified by the impact (or group of impacts) you will be resolving. Make sure you are working on the right questions or needs, and have scoped each accurately.
2. Clarify the decision owner(s) and decision style they will use to make the final decisions about impact solutions. See the Info Sheet: *Decision-Making Styles, Roles, and Process*.
3. Review impacts and decision protocol with the people involved in the change effort's original vision, desired outcomes, and design requirements to see how they may influence your process going forward. Identify with them any parameters or boundary conditions that need to shape your process, resources, or outcomes. Clarify assumptions that may have an influence.
4. Openly explore all information currently known about the background, current state, or solution preferences. Explore any current political or cultural factors that you should consider as you proceed. Also explore any mindset or behavioral issues at play.
5. Generate potential solutions to the impact(s). Go into enough detail to be able to make a decision. If your impact has a cross-boundary interdependency, be sure to collaborate with the other impact owners as you identify potential solutions.

6. Review the pros and cons of your various scenarios and apply them to your design requirements and parameters.
  7. Decide on the best impact solution.
  8. As you identify solutions, constantly assess their impact on other aspects of the organization or the change effort, and whether any solutions can be integrated with others to ease action planning, reduce resource needs, or accelerate implementation.
  9. Identify the actions required to implement each impact solution, both stand-alone impacts and those that have interface issues or interdependencies.
  10. Confirm your solutions and actions. Make sure to address any mindset, behavior or cultural implications in the agreement.
  11. Get approval for your solutions and actions as needed.
- Use the Worksheet: Impact Solutions and Actions, to capture your best impact solutions and actions.

## Impact Solutions and Actions

IMPACT (OR GROUP)	PERSON(S) RESPONSIBLE/ INVOLVED	DECISION OWNER AND STYLE	IMPACT SOLUTION	INTERDEPEN- DENCE/INTER- FACE ISSUES	INFORMATION NEEDS	ACTIONS

## 6. Integrate Solutions across Groups and with Operations

Throughout this Impact Analysis and Implementation Planning Guide, you have been constantly reminded to look out for interdependencies and integration opportunities. Most challenges and problems occur at these touch points. The earlier in the process you attend to these issues, the smoother things will go.

This step is the “formal” opportunity to integrate across impact groups, and between impact groups and operations. If you have been doing this all along, this work should be fairly straight forward.

Once impact solutions and actions have been identified, impact group leaders should compare their plans across impact categories where known interface issues or interdependencies exist. Keep in mind that these “touch points” may exist within your change effort or run parallel to it, between your impact issues and operations, or between the impact issues and areas outside your organization, such as with customers, partners, parent company, vendors, etc.

Sharing the information your team has captured on the Worksheet: Impact Solutions and Actions with other impact group leaders and teams will enable you to:

- Collectively understand relevant information about the solutions and actions you have designed so far
- Integrate impact solutions where possible
- Integrate actions, timing, and resources prior to compiling the Implementation
- Master Plan

### Generic Integration Process

1. Contact the people responsible for areas where you have interface issues or interdependencies, whether they be impact group leaders or operational leaders.
2. Overtly set the tone that you wish to produce what is best for the overall organization, rather than promote one group’s needs or self-interests, and that you wish to collaborate with them to produce that outcome. Confirm their similar intent.
3. With impact group leaders, mutually share your impact solutions and actions. With operational leaders, share your solutions and actions, and gather their input and feedback. Be sure to collect all the information you need.

4. Collaborate to integrate solutions and actions as possible. Alter your plans where necessary.
5. Resolve all interface issues and confirm your new solutions and actions. Record all pertinent data on the Worksheet: Impact Solutions and Actions.

# Session 2

## Integration and Implementation Planning

The participants in this face-to-face meeting must include all of the impact group leaders or their well-informed representatives. Others responsible for individual impacts can also attend as appropriate.

This working session generates your Implementation Master Plan through a series of activities:

- Impact group leaders share their solutions and action plans with each other and look for ways to further integrate and streamline both
- All of the implementation actions are mapped into the Implementation Master Plan format
- Based on the work in the plan, resources are estimated for what is required to complete the plan
- A pacing strategy and timeline is identified, again based on the magnitude of work outlined in the plan
- You confirm the Implementation Master Plan with your change sponsors and appropriate executives

### 7. Share Solutions and Action Plans; Further Integrate

This activity kicks off Integration and Implementation Planning Session 2, which culminates in the creation of your Implementation Master Plan. The impact group leaders share their latest and best thinking on the solutions they and their teams have created, as well as the actions they believe are essential to carry them out. They do this in advance of formally mapping actions into the Implementation Master Plan because further integration opportunities frequently surface when everyone is in a room seeing all of the pieces of the puzzle together. If people have done a good job at integration up to this point, this activity can simply be a report out, or question and answer session if attendees have previously reviewed other teams' solutions and actions.

In real time, as issues or integration needs surface, resolve them and add your data to the appropriate team's Worksheet: Impact Solutions and Actions. Note separately if information needs surface or decisions must be made by people who are not in attendance. Decide how to get

these needs met. Hopefully, someone can get the information or decision made during the meeting so you can complete as much as is possible in this face-to-face session.

## 8. Compile Actions into Implementation Master Plan

This activity brings all of the work to date together into an integrated actionable plan that can be managed by a project manager. Be sure the leaders agree on the Implementation Master Plan format, if they haven't already done so. See the Worksheet: Implementation Master Plan, for a suggested format, and tailor to fit your needs.

Compile your solutions and actions into your Implementation Master Plan. You can do this via computer and projector, post-it notes on butcher paper, or on a series of flipcharts. The requirement is to ensure that all participants can view the mapping as it is done. That way, everyone can be responsible for the plan and continue to look for ways to streamline or “piggy- back” actions, communications, resources, and so on.

## Implementation Master Plan

IMPACT SOLUTION	IMPLEMENTATION ACTIONS	WHERE ACTIONS OCCUR IN ORGANIZATION	PERSON(S) RESPONSIBLE	TIME FRAME	RESOURCES REQUIRED	COMMUNICATIONS/ ENGAGEMENT REQUIRED

## 9. Identify Resources Required

Use the *Worksheet: Implementation Master Plan* to capture your estimated resources required to accomplish your implementation actions. If the team is not sure of the resources needed, note that and identify how you will more accurately determine resource needs after the meeting, and obtain approval for them.

## 10. Determine Pacing Strategy and Timeline

Once you have compiled the actions of your Implementation Master Plan, you will then assess how much time it will take to carry out the plan. In Phase I, you and the change leaders developed your change strategy with milestone events and an estimated timeline. Your timeline was based on strategic-level information and, in truth, either good guesswork or political pressure for speed. This “guess-timate” may or may not prove to have had any basis in reality. It is only now after you have completed the actual planning for implementation, that you can determine a more accurate timeline. Timeline, however, is preceded by your determination of a pacing strategy for how the implementation will be rolled out. Your pacing strategy then determines your timeline.

A pacing strategy consists of the speed of change, scope of the organization that is changing at any one time, and the rollout sequence of actions. Speed is determined by the time actually required to complete the mechanical and human work of implementation. “Scope of the organization” refers to the parts of the organization to be involved in making the change, such as functions, levels, locations, business units, etc. The rollout sequence involves the selection of one or more of the following strategies for rollout:

- All at once
- By phases that overlap
- Sequentially through independent steps—where one step is completed before the next step begins
- Gradual, incremental, evolutionary change over a long period of time that emerges more or less at its own pace

Keep in mind the requirements for your ongoing operations as you determine your pacing strategy.

There are many variables that impact the determination of your pacing strategy. A list of them follows. The data generated by your impact analysis, plus the results of your Phase I assessment of the organization's readiness and capacity to take on the transformation, and the current state of employee morale and commitment to the change, all influence pace and timing. Keep the human factors in mind as you determine your pace and timeline.

Capture your time frames for actions on the Worksheet: Implementation Master Plan.

# Variables Impacting the Determination of Pacing Strategy

To make a conscious and appropriate determination of your project's pacing strategy, consider the following factors as relevant to your project's reality. You will apply your pacing strategy to your compiled Implementation Master Plan as the last step to completing its actions in the right sequence and pace.

- Leader alignment
- Resource availability
- Readiness/resistance
- Capacity
- Integration/interdependencies with other projects or functions
- Political Realities
- Magnitude of skill development required
- Magnitude of culture change required
- Leadership development required
- Technical training ramp-up required
- Degree of urgency
- Vendor dependencies
- Degree of novelty of new state
- Recent change history/residue

## 11. Confirm Your Implementation Master Plan

Your Impact Analysis and Implementation Planning Process culminates in the approval of your Implementation Master Plan. Obtain that approval now and be certain that your change sponsor(s) and the other executives signing off on it are fully cognizant of the work they are agreeing to and how they will need to support it, as well as their ongoing operational duties.

Communicate your Implementation Master Plan to the organization and your stakeholders as appropriate.