



Building a Connected Business

Change Champion Guide

*Help Your Team
Implement a
Connected Business*



Are You Ready to Build a Connected Business?

NAED's Connected Business Assessments can help you and your company determine the answer.

Digital transformation and digital opportunities come in many shapes and sizes. There is no one-size-fits-all digital plan, and companies often struggle to decide where to start, what to prioritize, and how to implement various digital strategies. Our goal is to eliminate guesswork for your company during these uncertain times. NAED now has two assessments to help you get started: Change Readiness and System Readiness.¹

The Change Readiness Assessment is 100 questions and designed to (1) uncover your ability to manage change and (2) guide you through critical success factors for effectively pursuing digital opportunities across business systems.

The System Readiness Assessment is 100 questions designed to (1) uncover your digital maturity and (2) guide you through critical success factors.

The results and recommendations are designed to provide you and your team with a 360-degree view of your company to determine where you may, or may not, want to focus your digital efforts.

NAED has worked with one of the world's top consulting firms, Frost & Sullivan, to develop questions and recommendations that present realistic measure of readiness. NAED also worked with a dedicated task force of NAED members to refine the assessments and evaluate next steps.

DRIVERS OF CHANGE:

These assessments are valuable tools to establish current capabilities, but without individuals to help advocate and implement new ideas and change, then the best-laid plans can remain just that—plans. For companies to foster and drive change, a Change Champion can be the steward of new initiatives and serve as an advocate for its completion. In terms of the assessments, the Change Champion would be the main point of contact for NAED as well as their team who have been asked to complete the assessments.

CHANGE CHAMPIONS

Driving change and helping others embrace change

- Direct change efforts and initiatives
- Regularly connect with leaders and employees
- Communicate change needs consistently and clearly
- Direct change efforts and initiatives
- Direct change efforts and initiatives

¹ Recently, we held workshops with a representative group of our members to identify, validate, and prioritize twenty-one digital opportunities ripe for electrical distributors. The logic, frameworks, and time horizons developed in the workshops serve as the foundation for the assessments. A summary of our workshop activities and key findings is available in *NAED's Building a Connected Business* report (pages 25 – 75). We strongly encourage participants to review the report prior to taking the Readiness Assessment.

IS IT CONFIDENTIAL?

Each participant will have the opportunity to provide a candid (and secure) way to evaluate current capabilities, and help your company address any gaps or potential opportunities on its digital transformation journey. The customized results, recommendations, and next steps are based solely on the scores of your company's participants. And no other company will be able to see your company's or individual survey results. It is modeled on the other surveys that Industry Insights administers for NAED, the NAED PAR Report and Cross-Industry Compensation & Benefits Report.

WHAT IS THE PROCESS?

Each company will be asked to assign one organizational contact for NAED, Industry Insights, and their own team. The main contact, or Change Champion, will be involved with who takes the assessments and will be able to pull the individualized recommendations once all have completed the questions. NAED recommends that a minimum of five and a maximum of ten individuals take each of the assessments to provide a good baseline and view of your company.

WHERE DO I TAKE THE ASSESSMENTS?

NAED has teamed up with Industry Insights for a convenient online portal. The Connected Business Assessment Portal allows your company an individualized way to complete and review recommendations that are customized just for you and your team.

<https://secureii.com/NAEDRAP/Account/login.aspx>

A VALUABLE STARTING POINT:

While you could hire your own individual consulting firm to evaluate your entire operations—sales efforts, IT capabilities, and more—NAED has provided a singular resource to NAED members. A consulting firm would charge thousands of dollars to go onsite and determine this information. In this case, it is only \$999 to learn about your current status with individualized results in comparison to world-class practices and processes. It is a great value to NAED members as the industry continues to face the digital future.

Each assessment includes 100 questions and designed to give you and your team 360-degree of your company and its digital capabilities. About 60 minutes of your time is needed to receive a list of tailored recommendations to drive your company's digital strategies. All questions are multiple-choice to further ease the process. It's worth the time to complete the surveys so your company can determine your point of readiness.

More on the Change Champion

WHAT IS A CHANGE CHAMPION?

For the assessments, the Change Champion is the primary contact for NAED, Industry Insights, and your team who will be involved. Some companies may choose to select Change Champions informally while others set up formal channels, expectations, reporting structures, etc. How you decide to empower your employees and help them transform into Change Champions will depend on your company culture. A benefit of the assessments is that there is some flexibility on who is involved.

To effectively manage the change required for building a connected business, consistent actions are required across change leaders, HR team members, and senior leadership.

WHY BE A CHANGE CHAMPION FOR YOUR COMPANY?

- To drive new initiatives and change in a company, consistent support and communication are critical to foster new ideas and stay on course to successfully implement digital capabilities.
- While the recommendations and assessments included in Building a Connected Business provide the roadmap for strategies and change, it is you and your team that can start and stay the digital course that is right for your company.

ROLE OF THE CHANGE CHAMPION:

- For the assessments available in the Connected Business Portal, the Change Champion will be your organization's point of contact to help identify and track the progress of those who have been asked to participate.
- It's critical to have a singular point of contact to facilitate the completion of the assessments. Since you know your team best, you can ask those individuals to participate and provide a key role in determining a digital roadmap for the company.
- Will the role of Change Champion take a lot time?
 - We know that you are extremely busy, so we've made it very simple:
 - 1) Place your order with the Member Engagement Team to receive your special access to the online portal.
 - 2) You'll receive your special invitation via email to be a Change Champion in the portal.
 - 3) Set up your username and password
 - 4) Invite members of your team to participate in one or both assessments by sending them their own special invitation link
 - 5) Check the progress of your team via the portal's simple user interface
 - 6) Once all have completed their surveys, review the results and share internally with your team.
 - 7) Address gaps and identify opportunities to develop and implement your company's digital transformation journey.
- Can one or more people from my company serve as Change Champion?
 - Ideally, it should be one individual to simplify the monitoring progress and providing access. If it is simply not feasible, please contact NAED Member Engagement Team (memberengagement@naed.org) to discuss further.
- How many people from my company should take the assessments?
 - For each assessment, we recommend that a minimum of five (and maximum of 10) participants complete each assessment. One person can take both assessments if you so choose.
 - The goal is to establish a well-rounded view of digital maturity, and this requires both owners and users of company systems to provide their inputs. However, there are "opt-out" responses available when/if a participant does not have immediate knowledge or understanding to answer a given question.

- Who should participate?
 - We encourage a range of roles and responsibilities to take part in the assessments. Participants with different functions (e.g., HR, marketing, sales, operations, etc.) and titles (e.g., coordinator, manager, senior vice president, executive, etc.) should be included.
 - These are designed to provide a 360-degree view of our company’s current state so different perspectives can help the picture take shape.

HOW LONG SHOULD PARTICIPANTS HAVE ACCESS TO THE ASSESSMENT?

- We recommend a period of two weeks for participants to take the assessments.

HOW DO I ACCESS THE FINAL RECOMMENDATIONS?

- Once all the participants you have assigned to each assessment have completed the surveys, you will be able to access the final list of recommendations (show screen shots).
- You will be able to export the results to share with your team at will.

HOW DO I START?

- We also encourage you to reference the original report, *Building a Connected Business*, which served as the foundation for these assessments.
- Check with a colleague as they may already have a copy. Otherwise, contact NAED’s Member Engagement Team (memberengagement@naed.org) to help you obtain a copy.
- It is open to all NAED members and cost \$999.

Change Readiness

WHY TAKE THE CHANGE READINESS ASSESSMENT?

The Change Readiness Assessment will help you determine if your company has the capabilities required to effectively manage change (e.g., across people, plans, processes, etc.). A reflective assessment gives your team a chance to come together and think strategically about what you are currently pursuing and what is possible. It establishes a baseline view of your change management capabilities – which you can return to in the future to see how and where your company has progressed.

HOW MANY QUESTIONS ARE INCLUDED?

The Change Readiness Assessment has 100 questions focused on people, plans, and processes across business systems, including: Human Capital, Revenue Engine, Operations, Information Technology, and Business Steering.

Section 1: Human Capital	20 Questions
Section 2: Revenue Engine	15 Questions
Section 3: Operations	17 Questions
Section 4: Information Technology	18 Questions
Section 5: Business Steering	30 Questions
Total Questions	100 Questions

NOTE: Our business systems framework was validated during NAED member workshops. See executive summary of NAED’s Building a Connected Business report (pages 25 – 75) for more details. Also, we expect variances in responses as digital maturities and organizational capabilities fluctuate across electrical distributors.

WHAT ARE THE CRITICAL SUCCESS FACTORS?

In coordination with Frost & Sullivan, we determined what requirements enable digital transformation across people (e.g., system users, managers, leaders, other stakeholders etc.), plans (e.g., missions, strategies, objectives, metrics, etc.), and processes (e.g., workflows, organizational structures, etc.) for the business systems included in the Change Readiness Assessment. Each question included in the assessment unpacks a critical success factor for the given business system area.

HOW WILL MY RESPONSES BE ANALYZED?

Each question has five response options as seen below. For a given question, participants select the readiness rating which most accurately reflects the state of their company.

0	1	2	3	4
No immediate knowledge or understanding for the question.	Not Ready	Almost Ready	Ready	Very Ready

Each question in the assessment is equally weighted. Average ratings will be calculated for each section. See example below.

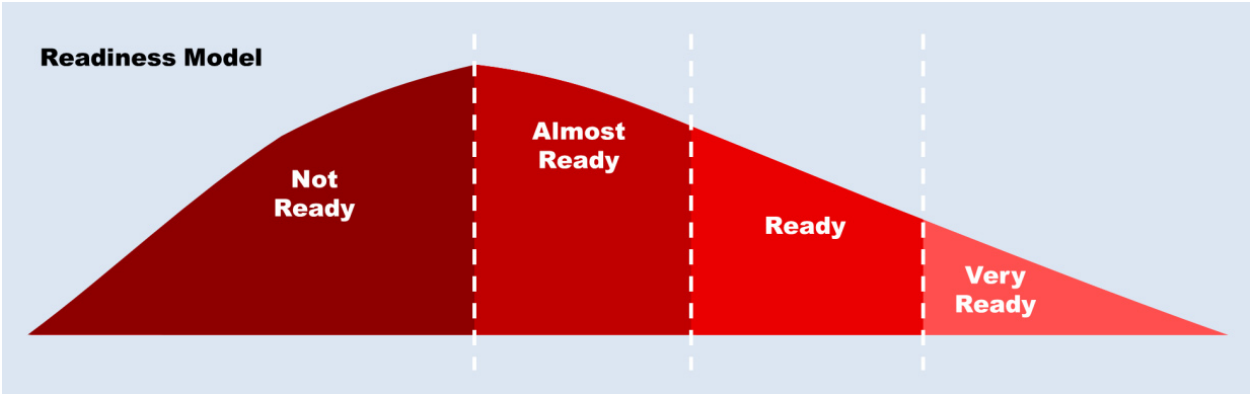
SECTION 1: Human Capital	Q1	Q2	Q3	Q4	Q5	
Participant A	1	1	2	1	1	
Participant B	1	1	1	4	3	
Participant C	2	1	2	4	2	
Participant D	3	2	2	3	4	
Participant E	2	1	1	4	3	
Section Average = 2.08	1.8	1.2	1.6	3.2	2.6	2.08

NOTE: If a participant selects “I do not have immediate knowledge or understanding for the question,” the question is removed from the average response calculations.

Change Readiness Ratings	Avg. Participant Rating	Definition
Section 1: Human Capital	2.08	Not Ready
Section 2: Revenue Engine	3.61	Ready
Section 3: Operations	3.05	Ready
Section 4: Information Technology	2.49	Almost Ready
Section 5: Business Steering	3.55	Ready
Overall Change Readiness Rating	2.95	Almost Ready

READINESS RATING KEY: CHANGE READINESS ASSESSMENT

Our readiness ratings are based on the diffusion of innovation model – which maps the rate at which new ideas and/or technologies are adopted across industries. The rating ranges match the logic behind diffusion of innovation model – where, in a given industry, only a small percentage (e.g., roughly 2.5%) of companies are very ready (e.g., innovators) and approximately half of all companies are not ready (e.g., laggards plus the late majority).



Change Readiness Classification	Not Ready	Almost Ready	Ready	Very Ready
Rating Range	1.00 – 2.29	2.30 – 2.99	3.00 – 3.69	3.70 – 4.00

Remember, this rating is not a commentary on your business performance, but rather a reflection of how ready your company is to build a more connected business.

WHAT WILL I RECEIVE AT THE END OF THE ASSESSMENT?

At the end of this assessment, you will receive a customized report with:

- A summary table of your responses across assessment sections and subsections
- Recommended next steps for your data, users, and technologies

Participant responses (e.g., readiness ratings) dictate what is recommended for next steps –which focus on specific stakeholder actions (e.g., HR team members, leadership, change champions) for each business system featured in the assessment, including: Human Capital, Revenue Engine, Operations, Information Technology, and Business Steering.

These outputs deliver the most value when reflected upon and used to support the prioritization of strategic projects and investments across available digital opportunities.

Instructions for Change Readiness Assessment

Thank you for electing to complete NAED’s Building a Connected Business – Change Readiness Assessment. As you answer the questions, please keep in mind:

- There are **100 questions** – covering digital opportunities (and their critical success factors) over five business systems, including: Human Capital, Revenue Engine, Operations, Information Technology, and Business Steering.
- **Please answer each question.** Our goal is to establish a well-rounded view of your business, and this requires both owners and users of company systems to provide their inputs. Should you lack immediate knowledge or understanding for a given question, you are able to “opt-out” and move on to the next question.
- Some questions contain additional information – indicated by (i) buttons. Hover your mouse over the (i) to access and read the additional information which will help provide specific context, details, etc. for a given question.
- A **progress bar** (at the bottom of the screen) will help you keep track of your completion.
- According to members who helped to develop the assessment, it should take around 50-60 minutes to complete.
- You may exit the survey to take a break (if needed), and your progress will be saved. However, you must **use the same device** in order to pick up where you left off.
- Should you have any issues accessing or using the assessment, please contact Matt Chaffin at mchaffin@industryinsights.com

System Readiness Assessment

WHY SHOULD I TAKE THE SYSTEM READINESS ASSESSMENT?

The System Readiness Assessment will help you determine if your company has the capabilities required to pursue additional digital opportunities (e.g., across data, users, and technologies). A reflective assessment gives your team a chance to come together and think strategically about what you are currently pursuing and what is possible. It establishes a baseline view of your system capabilities – which you can return to in the future to see how and where your company has progressed.

HOW MANY PEOPLE FROM MY COMPANY WILL PARTICIPATE?

We recommend a minimum of five (and maximum of 10) participants from your company complete each assessment. Participants with different functions (e.g., HR, marketing, sales, operations, etc.) and titles (e.g., coordinator, manager, senior vice president, executive, etc.) should be included.

The goal is to establish a well-rounded view of digital maturity, and this requires both owners and users of company systems to provide their inputs. However, there are “opt-out” responses available when/if a participant does not have immediate knowledge or understanding to answer a given question.

HOW MANY QUESTIONS ARE INCLUDED?

The System Readiness Assessment has 100 questions – covering digital opportunities (and their critical success factors) over four (4) time horizons, including: Immediate Term, Near-term (1-2 Years), Mid-term (2-4 Years), and Long-term (4-6 Years).

Section 1: Immediate Term	27 Questions
Section 2: Near-term (1-2 Years)	43 Questions
Section 3: Mid-term (2-4 Years)	20 Questions
Section 4: Long-term (4-6 Years)	10 Questions
Total Questions	100 Questions

NOTE: Our business systems framework was validated during NAED member workshops. See executive summary of NAED’s Building a Connected Business report (pages 25 – 75) for more details. Also, we expect variances in responses as digital maturities and organizational capabilities fluctuate across electrical distributors.

WHAT ARE THE CRITICAL SUCCESS FACTORS?

In coordination with Frost & Sullivan, we determined what requirements enable digital transformation across data (e.g., collection, processing, storage, etc.), users (e.g., technical and non-technical), and technologies (e.g., integration of hardware, servers, software, platforms, applications, etc.) for the opportunities included in the System Readiness Assessment. Each question included in the assessment unpacks a critical success factor for the given opportunity.

HOW WILL MY RESPONSES BE ANALYZED?

Each question has five response options as shown below. For a given question, participants select the readiness rating which most accurately reflects the state of their company.

0	1	2	3	4
No immediate knowledge or understanding for the question.	Not Ready	Almost Ready	Ready	Very Ready

Each question in the assessment is equally weighted. Average ratings will be calculated for each section. See example below.

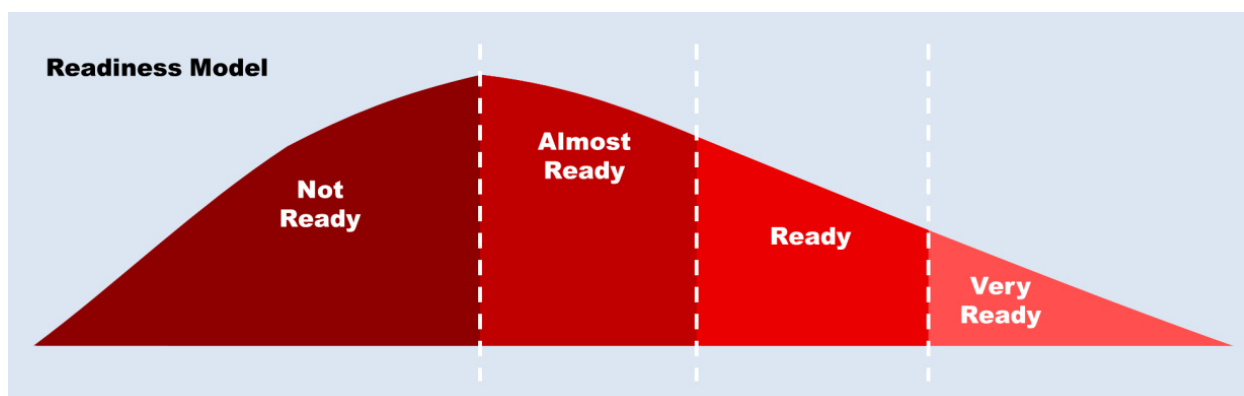
Section 1: Immediate Term	Q1	Q2	Q3	Q4	Q5	
Participant A	1	1	2	1	1	
Participant B	1	1	1	4	3	
Participant C	2	1	2	4	2	
Participant D	3	2	2	3	4	
Participant E	2	1	1	4	3	
Section Average = 2.08	1.8	1.2	1.6	3.2	2.6	2.08

NOTE: If a participant selects “I do not have immediate knowledge or understanding for the question,” the question is removed from the average response calculations.

System Readiness Ratings	Avg. Participant Rating	Definition
Section 1: Immediate Term	2.08	Not Ready
Section 2: Near-term (1-2 Years)	3.61	Ready
Section 3: Mid-term (2-4 Years)	3.05	Ready
Section 4: Long-term (4-6 Years)	2.49	Almost Ready
Overall System Readiness Rating	2.80	Almost Ready

READINESS RATING KEY: SYSTEM READINESS ASSESSMENT

Our readiness ratings are based on the diffusion of innovation model – which maps the rate at which new ideas and/or technologies are adopted across industries. The rating ranges match the logic behind diffusion of innovation model – where, in a given industry, only a small percentage (e.g., roughly 2.5%) of companies are very ready (e.g., innovators) and approximately half of all companies are not ready (e.g., laggards plus the late majority).



Change Readiness Classification	Not Ready	Almost Ready	Ready	Very Ready
Rating Range	1.00 – 2.29	2.30 – 2.99	3.00 – 3.69	3.70 – 4.00

Remember, this rating is not a commentary on your business performance.

Instructions for System Readiness Assessment

Thank you for electing to complete NAED’s Building a Connected Business – System Readiness Assessment. As you answer the questions, please keep in mind:

- There are **100 questions** – covering digital opportunities (and their critical success factors) over four (4) time horizons, including: Immediate Term, Near-term (1-2 Years), Mid-term (2-4 Years), and Long-term (4-6 Years).
- **Please answer each question.** Our goal is to develop a well-rounded view of digital maturity with input from both system users and owners. Should you lack immediate knowledge or understanding for a given question, you are able to “opt-out” and move on to the next question.
- Most questions contain additional information – indicated by (i) buttons. Hover your mouse over the (i) to access and read the additional information – which will help provide specific context, details, etc. for a given question.
- A **progress bar** (at the bottom of the screen) will help you keep track of your completion.
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