Driving Outcomes

Delivering On-time On-budget Business Outcomes - every time

Position Paper

It would seem common sense that packaged software systems exist to ensure that change projects are on time and budget ...yet this is not the case.

In fact the inability to bring in projects on time and budget within certain service sectors has led to a high level of failure being accepted as the norm - a condition psychologists call *learned helplessness.*

Why?

A better way to drive business

Managing business can be likened to driving a car. It's fine while crossing a desert in a straight line. But when you reach the mountains at the other side you must respond to the curves in the road.

Handling a change in business is like meeting a bend in the road - you can't see what lies ahead so you need to be able to respond quickly and accurately. For some organizations, handling bends is too tricky and they come off the road - sometimes with fatal results.

To see what lies ahead organizations turn to data held in their enterprise systems. This is akin to using a rear-view mirror to negotiate bends. The data can tell you how fast you are going (revenue) and the oil level (inventory) but in fact enterprise systems impede the process of change.

The complexity of enterprise systems means that even the smallest of changes requires extensive testing, which precludes a quick response to the need for change.

To negotiate bends in the road ahead, organizations need a system that is designed to handle change and minimize the risks of driving an increasingly challenging course.

Enterprise Process Planning (EPP) helps tame the risks inherent in business change by enabling you to predefine the process for handling a change.

Change is a people issue: The more people, the bigger the issue - exacerbated by their all-too-human aversion to the risk that change represents. The more people are affected by the change and the longer it takes to implement, the greater the chance for issues to arise and derail the plan.

At the heart of the problem is a lack of facilities to define and communicate what needs to be done to successfully execute change. Knowledge of how work is done is often tacit. Procedure manuals typically collect dust on a shelf or a disk - outdated almost as soon as they are completed.

As long as the business is driving in a straight line and people do what they did the day before, all is well, but as soon as management introduce a change, a bend, things go off track.

Failure to communicate - its effects

Making a change is dependent on your ability to define and communicate:

1. Instructions to each staff for handling changed tasks
2. Changes required to the flow of work between staff
3. Data and forms needed to support a changed process
4. Actions to go from the old to the new way of working

> The reason that automated outcome processes have not been available is that until now the cost of modifying a packaged solution to fit a specific organisation's environment has been prohibitive.

Change is the Challenge

Changing the way an organization works creates problems - the larger the change the greater the risk. Restructuring a department, merging companies or installing IT systems are change initiatives that are known for their high rate of failure. But even a small scale change can pose a risk.

This may sound straightforward, even trivial, but without an underlying support infrastructure the complexity of coordinating them among staff and making subsequent adjustments drives change projects off the road.

The problem is exacerbated by the traditional hierarchical management structure of an organization. Departmental boundaries impede the communication of change to staff.

The result: Elaborate procedures are created to cater for unknowns, duplicated and mismatched activities, rapidly increasing project complexity and creating the need for a large project team:

1. Few projects stick to their budgets - most overrun

2. Many are terminated prematurely once it is apparent that they will not work, only to be restarted and have the same result.

3. Projects have a high cost in dollars and opportunity, and usually require significant additional funds.

The inability to respond quickly when undertaking a change project has several negative consequences:

1. Errors: Work instructions being set incorrectly lead to implementation errors. Communicating corrective actions relies on your ability to identify the parts of the plan that are affected. Figuring this out without an automated system can lead to more problems.

2. Miss-communication: Keeping a change project on track depends on delivering correct instructions to the staff charged with executing the new actions - knowing who is doing what and ensuring they have everything they need to do their job.

3. Invisibility: Managing change usually involves project software, but altering plans takes time and there is no big picture. How is the project going? Where are the problem areas? Like a driver without a GPS, they can't see where they are in the process, and this makes responding to unanticipated changes difficult.

The Solution

A change project can be defined in detail and trialed before it is applied in real life. It is possible to create specific systems for each type of change project outcome - such as a company merger or the implementation of a brand of enterprise software, such as SAP.

As a packaged solution this type of system would require extensive customization to tie the steps in a process to the real life artifacts and people affected by the change - plus integrate the documents, software and training material required in the process.

Customization is uneconomical using traditional software methods – software changes require extensive testing to eliminate potential problems.

Enterprise Process Planning (EPP) software solves this problem - with two features.

o EPP is built for change. The rules that govern the components of its predefined business model prevent the errors that haunt traditional software, such as removing process functions that are used in multiple parts of the business.

o EPP engages people affected by change. It reflects their real life environment and activities. Experience shows this only come from the people doing the work. To enable staff to buy into a process EPP uses language and images that reflect their real life work environment.

IT Systems Example

IT system projects fail - they're cancelled, cost more than budgeted or miss deadlines - for one of three reasons:

1. Projects lack a known starting point. Companies do not define what they do. Without a starting point how can you create an accurate plan for change?

2. IT people see their systems as generic and easy to fit to an organization. They don't see human aspects - the real life workplace and change to daily routine.

3. The project lacks an integrated change process and so is not responsive to changes that could derail the initiative if not dealt with.

For a copy of our White Paper on how to Drive Change Outcomes contact enquiry@xsol.com ... or for more about XSOL visit www.xsol.com