Coming out of the Pandemic Business Slowdown

Topics

Business Process Management (BPM), Business Architecture (BA), Digital Business (DBiz)

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There is no consistency to the business shutdown between states, counties, industries or anything I can think of. Each governor handled it differently and most of the time the rules really didn't make sense. But one thing is clear, the governors are not through yet as each listen to their own physicians and advisors- each of whom have their own ideas. It seems that with each spike, large or small, the lockdown is back on. And we may be heading into another lockdown as winter approaches.

This article is not about politics or the Pandemic itself. It is about the yo-yo response that companies have to live with and if possible, not only stay in business but find a way to thrive - and some are thriving while others die.

For most companies this has been a time of hardship and surprisingly innovation out of necessity. The creativity I am seeing is really great. This need to respond to the constantly changing situation has forced many companies to expand their technical and customer-facing capabilities much farther than they would have in the same amount of time had the Pandemic not occurred.

But history has shown that constant small changes, even those performed under six sigma guidance, each creates what I call micro fractures in the business operation - both the part directly affected and in places down stream in the process. The same is true of application systems and the technical support infrastructure.

Unfortunately, the yo-yo world of change this year has revealed many of these weaknesses which can set companies up for real operational and support problems.

In looking into some recent projects that are attempting to respond to the "new normal" we all face, I find that a significant problem is a mono perspective on change. Here some architect is assigned to the change or transformation

effort and it is assumed that he or she knows everything about transformation in today's world. The fact is that no one does.

Collaboration Among Architects

In our work we have evolved business transformation to adjust to changing technology, significant disruptions like the Pandemic, shifting customer and market values, as well as financial and transformation realities. Today I will focus on a single major difference in how to approach designing, planning, and implementing successful change in the "new normal". We call this the Architects of Change™. In our approach we bring together six different architectural disciplines who are challenged to work together to drive a new target business model. These different architects are shown in the diagram below.

Business Transformation Is Now Constant

Technology and the global market, as well as global issues that affect everyone, are causing even more disruption as they challenge the old norms and drive both small and significant changes in our businesses.

As serious disruption causes an accelerating business change, the issue is becoming "how can the company keep up and adjust to the new technical capabilities and truly disruptive events?" The fact is that some companies will recognize opportunity and invest in at least some of the new capabilities to innovate and gain market share. Sooner than later, everyone will try to take advantage of these innovations to jump ahead of their competition in some way. For those who are ready and nimble enough, this time of hyper competition will provide new ideas which they can adapt to win.

The issue is related to the scrambling to adjust and to leverage anything they can find to jump ahead. In this normal quest, the different internal groups will make ongoing changes to the business operation. These are in addition to and separate from, the normal changes made to respond to legislative requirements, financial performance and the list goes on. Layer this on top of leaderships' attempts to "transform" the organization and we have an unorganized and expensive attempt to make the organization more effective. While in reality scarce resources are pulled in different, and at times conflicting, directions causing unnecessary internal confusion and chaos.

Today, this pace of change has become significant enough to move business transformation to an almost constant effort. However, because it is so fragmented in many companies, this acceleration has gone largely undetected.

This is exacerbated by the fact that these changes are normally made without any consideration of other changes - there is little collaboration other than with those who in the scope of the individual small changes. Each of the many changes that are made each month stand alone. This causes small fractures in the normal process activities - especially those downstream.

When added to the technology and global environment related changes, the total number of changes causes serious ongoing business disruption and drives inefficiency.

The Architects of Change

To address this constantly accelerating change and chaos companies are dealing with right now and will continue to deal with into the foreseeable future, we have applied our specialty, business transformation, and redesigned the business transformation process along with its approaches and techniques. We call this new approach "Business Transformation 2.0™". One of the foundational concepts of this evolved and more successful approach to transformation is the Architects of Change™, and their unique role in orchestrating change across the enterprise. From experience over the last 20 years we recognized that collaboration is critical, but it seldom goes far enough. Our first change some years ago was to expand collaboration to go beyond those directly in scope to include those who would be affected by the transformation. This broadening helped form a more complete picture of the business and the real impact and cost of the changes. That was helpful but it didn't give us the access to company expertise we knew was needed. So we evolve the approach again to include experts - architects with the experience and perspectives to give every aspect of the effort the advantage of multiple expert viewpoints.

This created a significant difference in how everyone was able to creatively work together and how we could develop a richer new business model. It also improved productivity as communication improved and all teams developed a common understanding of the transformation and what was being discovered in both the current state discover and in the ongoing new discoveries and information updates. The biggest advantage was that everyone knew the business operation and where innovation could be most effective.

Transformation Architect: We found that the transformation needed senior level skills even beyond that normally found in specialty architects so we created a Transformation Architect. This person has senior level skills in multiple disciplines and solid skills in all the other disciplines. The Transformation Architect will lead the transformation and manage the multiple different activities and their teams to make certain the teams are consistent and produce design products that "fit together". This person is responsible for building the project plan with the project manager and customizing the methodology to control the project. Based on this information, the Project Manager can manage the project's work and the Transformation Architect can guide the effort and control quality.

Business Architect: Like others, we came to realize that transformation projects were really strategy projects and needed someone to make certain that business vision aligned to the strategic plan and that the plan defines the business capabilities that are needed. The Business Architect is responsible for working with the process architect to determine how the needed capabilities are provided in the business operation.

To support the strategic direction and thus the vision of the future for the company, the business will need to be able to execute specific groups of activity - capabilities. These capabilities must be completely supported in the company's operation - processes.

The Business Architect and Process Architect look at how the needed capabilities are supported today and identify which are either poorly supported or not supported at all. This support, good or poor, is through process and they will be able to find exactly how the capabilities are supported. This aligns strategy with process and points our ways in which they need to evolve to support future business operations. The Business Architect now works with senior management to determine the timeline and defines strategic evolution for the company. This step allows the Business Transformation Architect to work with the other architects to create an initial evolution plan that is focused on providing the needed changes to deliver capabilities when they are needed. I also loosely define what must be built/licensed/bought/changed at given milestone delivery points in the evolution.

This role is critical as the company recovers from the global business near shutdown. Money is tight, company senior officers struggle to understand what their best course of action will be. This creates a fluid situation where different responses are tried and many discarded. The objective in this process is to cancel any response that is not showing significant promise, before much money is spent on it. This requires a new level of flexibility in all the architects and a new level of both investigative speed and decision-making - and yes, decision risk. The Business Architect is in the center of this activity and is responsible for evaluating how well optional changes provide the needed business capabilities at the right points in the strategic evolution of the company over the new few years.

The Process Architect: Process transformation has been helping companies for at least the past 100 years as companies have evolved through the industrial revolution, the advent of digital automation, online systems, the internet and now the explosion of innovative digital capabilities. Through all this, business operations have transformed - often painfully.

Today, business transformation has become what I call an umbrella transformation discipline. Multiple separate disciplines combine under this umbrella to enable business transformation today. Although all the disciplines represented by the "Business Transformation 2.0™" are present, one of the primary disciplines is Business Process Management (BPM) - is represented by the Process Architect. This architect is at the core of a web of activity that involves all of the other "Architectures of Change™" and their tools and techniques. As such, the Process Architect works with all others collaboratively to create a picture of the business operation that includes the perspectives of all of the six disciplines of business transformation. This approach produces business designs that are both detailed and miss little. This allows the future state design to both align with strategy and leverage digital transformation. The human resource element can now evolve as given new competencies are needed over the transformation development evolution.

This, in turn, supports customer retention and new customer acquisition.

The Technology (Enterprise) Architect: Technology is exploding in capabilities. We have never seen anything like this before. But with this good, comes real problems in legacy operations as companies struggle to mix the new with the old - often failing environment and applications. To deal with this the Technology Architect role evolved - to be the master of old and new technologies, while creating a roadmap for the digital future. This was the real advent of modern digital transformation. But given the investment in old technologies and applications, and the need for the capabilities and lower cost of the new technologies this just is a very difficult tightrope walk as companies try to adjust. In business transformation this job becomes even harder as transformation teams try to get past IT constraints and IT tries to support the transformation with the acquisition of modern technologies.

In the Business Transformation 2.0™ approach, this role changes and is made easier. The Business Architect and the Process Architect work with the Technology Architect to determine what a future IT operation would look like and what it would be capable of doing. This target is then aligned to the evolution of the business operation as it supports strategic transformation. These architects work with the CIO and CTO to define the technology that will be needed, when it will be needed, its cost, and the experience it will deliver. This combined evolution model can now be supported with an investment plan. This allows the three architect groups to define a transformation approach that is affordable and minimally disruptive.

The Organization Architect: Care must also be taken in looking at how the future state solution will be organized. For example, will it be remote to other cities or countries? Will people be regrouped or remain distributed? How many levels of managers will there be in the business area? How will people be trained and how will they keep their skills current? This will define how the business operation should change and when. This allows the new organization design change to maximize the organization model, while providing time to distribute the operation if needed or consolidate it. It also allows time for the company to define knowledge and skill changes and to train managers and staff - providing time for people to gain the experience in their roles needed to excel.

The UX or User Experience Architect: Almost everyone worldwide has become computer literate to some degree. This is making people less willing to put up with applications that don't work and less tolerant - people are coming to expect website and any contact point with a company to work, be convenient, and be easy to understand. Unfortunately, few applications or interaction points meet these requirements - but those that do will soon begin to draw customers from those that don't.

A type of automation curse is the applications that almost work or that fail to work consistently as advertised. These "undocumented features" drive people crazy and make them move to try another similar application. In addition, interacting over the phone with call centers and other direct interaction points is notoriously poor. For example, I recently had to change an account at a major international bank. Every call started with holding on the line for at least an hour. Then I was transferred multiple time and usually dropped. Then I had to start over. I cancelled my accounts and went to another bank - losing the perks I was supposed to get as a long-time customer. Perks that do not work are not perks.

Correcting these and user interaction design issues is the role of the Experience Architect. As prospective customers become ever more demanding and less tolerant of difficult interactions, the Experience Architect will play an even greater role. This is the usability issue and it applies to both customers and internal users who must have applications systems that actually save them time and make interaction easier to use and understand.

Bringing the Disciplines Together

Each of these architects provides a different perspective and will catch different issues based on their disciplines. Together they leave little to imagination as virtually every aspect of the business is identified, looked at, improved and then collaboratively reconstructed leveraging innovation as ideas build back and forth in debate amongst the different architects. Like many, we have found that real, open, collaboration promotes a common understanding - in this case of the transformation and the new business operating model. This in turn helps avoid problems with the different phase constructions and acceptance by almost all who will use the solution as it evolves.

This approach is a redesigned version of the old concept of collaboration. Like most things in business transformation, new ways to leverage old approaches are replacing old ways in an effort to beat the high failure rate. The challenge to seasoned business transformation and large-scale improvement professionals is to keep an open mind and constantly look for a better way.

Benefits The benefits of multiple perspective, each provided by an expert in the six architectural disciplines that are discussed in this article are related to reduced risk of a design that has failed to include everything it should, the avoidance of serious rework in both the new business design and supporting application systems, and a type of controlled evolution over time that makes the transformation much easier, less disruptive, easier to fund, and easier to control.

Please call or email Dan with comments or if you would like to discuss how MCT can help your company with training of Business Transformation advisory support. Check out my latest paper on hyper-automation. Hyper Automation and Business Transformation

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