What does Business Transformation involve?

- **Business Transformation** is a change management strategy which has the aim to align People, Process and Technology initiatives of a company more closely with its business strategy and vision. It is about making fundamental changes in how business is conducted in order to help cope with a shift in market environment, and can be considered a large scale change programme. It is driven by external changes in the market, such as products or service becoming out of date, funding streams being changed, new regulations coming into force, market competition becoming more intense or streamlining mergers and acquisitions to have commonality of systems/processes/reporting whilst introducing best practices at the same time.
- Instrumental in delivering continuous improvement, lean exercises and business process re-engineering projects to systems, policy and planning, corporate initiatives, business and performance systems,
- Providing the delivery of corporate strategy via planned and transformational activities, management of ICT services and ultimately providing innovative leadership and solutions to improved organisational capabilities often through organisational re-structuring, adding value, increasing market share, improving customer satisfaction, reducing costs or part of a re-branding activity. Transformation involves realigning the way staff work, adjusting the core products or service portfolio and then how technology is used in concert with process re-alignment. There are typically 10 steps to the process:
- Step 1: The organisation recognises the need for change and consensus is gained from the stakeholders that change is necessary.
- Step 2: Funding is allocated and teams are established to lead the organisation through the business transformation. It typically happens through several stages rather than one big bang approach because of the organisations change appetite and to reduce the impact on current development and operations. Supply Chain is usually a good place to start, followed by engineering, and then moving onto the more complicate functions of finance/ commercial & HR with the introduction of ERP type systems.
- Step 3: The Transformation Teams produce the artefacts, workbooks/playbooks, training materials, testing materials for the new organisational way of working and its support and management, whilst paying particular attention to the introduction of the corporate processes, reporting mechanisms and inter-site/locations interfaces.
- Step 4: Usually involves testing the transformation at a small site, capturing the lessons learnt and adjusting all the artefacts before a full rollout is approved.
- Step 5: Is the corporate approval for wider initiation and scheduling in when each site/ location is expected to start the business transformation. A directive is usually distributed from the head of the company and instructions on what sites/locations need to do in advance in preparation for the first phase/wave. The transformation usually happens in waves over a number of years to avoid each site experiencing change fatigue whilst also giving time for the new ways of working to get embedded before further change comes in the next phase/wave.
- Step 6: Involves a pre-transformation visit and assessment by some members of the transformation team, and a business readiness report is completed and signed off by the head of site. The readiness report also contains details and agreements of what from the change should take for each individual site, any anomalies or changes to the strategy, agree the objectives of the change and the over-arching vision that will derive the better future (how the site migrates from the AS IS state to the TO BE state). At this time, the site gives a commitment that it will support the business transformation, provide time out of the daily routine to allow for training, assign local change agents from within each site and make the necessary investments in the required infrastructures.
- Step 7: This is when the Transformation Team arrive on site. The Lead Transformation Manager arrives earlier than the rest of the team in order to prepare the ground for their arrival. It involves a lot of administration, developing relationships with the site management team, getting to know the change agents and priming the site.
- Step 8: This is when the main Transformation Team arrive and the Business Transformation Training and Implementation start in ernest. It usually happens over a short period of time. There are train the trainer events, the compelling need for change for the individual site is jointly created with the site, change agents are trained up usually using site nominate

- projects, the Transformational Team embed themselves as part of the site and help/assist implement the changing working practices on existing projects and programmes.
- Step 9: This is what is called the bedding in period, where most of the Transformational Team have left, leaving a skeleton small number of advisors to help make sure that the organisations doesn't move back into the old ways of working and stays the course and starts to achieve the intended benefits.
- Step 10: Is an independent Director Review of the Business Transformation that captures all the activities that are going on (good and bad), with recommendations for further improvement and in some instances, parts of the Transformation Team may be sent back to the site for additional training or consultancy to help reinforce problem areas. These reviews need to occur periodically, to make sure the Business Transformation is fully bedded in, whilst also providing opportunities for best practices sharing between sites.

- The drivers for change include: Technology Drivers for Exponential Growth (New Applications, Processing Power, Data and Storage, Interfaces, Bandwidth or Mobile), Social Drivers to improve Expectations (Opportunity, Meaning, Excellence, Transparency, Accountability), Business Landscape Changes in Economic Structures (Divergence in Performance, Modular Business, Distributed Work, Media, Acquisitions/Mergers), Business Landscape in Consumer Power (Reputation Visibility, Group Buying, Decreased Loyalty, Customer Voices Amplified, Seeking New Customers) or Business Landscape in Competition Intensity (Everything Global, Pace of Innovation, Demand for Talent, Blurring Industry Boundaries) in order to provide New Drivers for Success (Flexible Organisational Structures, Distributed Innovation, Tapping Talent, Delivering Dynamic Strategies, Creating Scalable Relationships, Governance for Spiral Transformation).

- Business Transformation is essential a corporate magnification of the Change Management Process, where organisations Prepare for Change (Define the Change Management Strategy, Prepare the Change Management Team, Develop the Sponsorship Model), Manage Change (Develop Change Management Plans, Take Actions and Implement Plans) and then Reinforce Change (Collect and Analyse Feedback, Diagnose Gaps and Manage Resistance, Implement Corrective Actions and Celebrate Success). It is initiated through tools and techniques such as Readiness Assessments, Communication Strategies & Plans, Sponsoring Activities & Sponsor Roadmaps, Training for Managers & Change Agents, Training Development & Delivery, Resistance Management Techniques, Change Initiatives and Small Scale Evaluations on Real Systems, Employee Feedback & Corrective Action, Success Reinforcing Change Events, and After Project Reviews & adjustment of Management Strategies & Plans.

- Rules for Business Transformation and Change Management include:
- Achieving personal change will be more successful if you use the same approach where relevant.
- Transformation and Change entails thoughtful planning and sensitive implementation, and above all, consultation with and involvement of the people affected by the change.
- If you force change on people this is when problems can easily arise.
- Transformation and Change (just like Requirements) must be Specific (Accurate, Unambiguous & Clear to all), Realistic, Achievable, Timely, Measurable.
- Transformation and Change will also involve some element of personal change to yourself and your teams, so be aware of this side effect.
- Be totally clear and make sure you know what you want to achieve out of the transformation / change, why and how you will know that the change has been achieved (bear in mind there may well be other opportunistic changes that you may also want to include along the journey).
- Check who is affected by the transformation/change and how will they react, so you can plan mitigation strategies in advance. Nudge is a good example of an immensely powerful methodology for understanding how and why people think the way they do, make the decisions they do and act the way they do, so you can shift people's thinking and decisions, and thereby the behaviours of groups, departments and even organisations.
- Be clear on your capacity and strengths in terms of understand how much you can achieve on your own or with you own resources, and what parts of the change you will need help with.

- Be warned that selling change to people is not a sustainable strategy for success because they don't put their heart into it, have reservations and doubts, and worst still do not get personally involved.
- Check with people that they understand the need for change (help them create a view of today 'as is' and a better future state view 'to be') and then a need for action (jointly develop a 'burning platform' idea to help them move off the current platform onto the newer platform).
- Rushing change often leads to disaster. Question the real urgency and put in place proper tools, techniques, consultation, involvement and buy-in, which all takes time to plan, implement and resolve.
- The more complex the transformation or change (especially the tough changes involving loosing people, closures, merges and acquisitions), the more you need to use consultative communication to agree and gain support for the reasons for the change, so involving the people affected in the planning and implementation will create a sense of ownership and familiarity among the people.
- Personalities, styles and reactions plays a key part to success. Take time to understand them and how you are going to deal with them.
- Be mindful that the biggest fear can be fear itself, and the people in general do not relish any change and just fear change. Your people's fear of change is as great as you own fear of failure.

What personal skills will you need?

- Experience of leading transformation programmes, in phased delivery, including re-engineering how the business operates, changing locations and remit of teams.
- Leading teams, with a size of 10-20+.
- Talents for engaging people and stakeholders across the organisation.
- Collaborate style in ensuring delivery of outputs and outcomes.
- Understanding of people.

What qualifications will you need?

- A degree in Business, Transformational Change or ICT, an Institute of Leadership and Management or similar management qualification.