



**We've written elsewhere about the value of using a robust measurement model for understanding IT capability and its contribution to business goals. But how do leaders go about using such a model to guide the transformation of their businesses? A tool without method is useless - and may even be dangerous. In this paper we look at the "how" of measurement-based transformation, presenting a structured approach to making confident, sustained changes in the way IT makes your business work.**

## More than one path

In order to choose the optimum way of managing transformation, managers need to appreciate that there are indeed alternative ways of approaching the activity. This sounds obvious, and yet few organisations recognise any plurality in this area. The topic of transformation is thought to be "IT", and therefore the natural approach is IT-led. However, we all know that the real target of transformation is business performance. IT is a complex bundle of technology, services, agreements and expectations that can contribute to business performance - but that's all. While managers need to take the generic capabilities of IT into account while exploring their options, they can't afford to constrain their thinking or planning according to the same qualities. They must focus firmly on the business, not the technology.

In our experience, most transformation programmes are primarily defined as technology design exercises, with contingent activities around solution selection, deployment and

training. This is hardly surprising since technology design is what technologists are good at - there's a clue in their name. And, since technologists have traditionally been left in charge of technology, they tend to bring their major professional skill to the transformation task. Once organisations recognise that "transformation" isn't a technology issue, but a business one, the suitability of this approach immediately comes into doubt. However, given the lack of plurality in understanding the business-IT relationship, most organisations fail to hit on an alternative approach. They beseech their technologists to be more business-focused, and the technologists do their best - usually by absorbing the more fashionable elements of current business-speak and creating lots of slides with the word "alignment" in them.

Decision makers can begin to see better ways of dealing with this leadership problem by placing the default technology design-led strategy in a larger context. The diagram in Figure 1 locates technology change design as one potential area of activity.



## Walking through the framework

The first thing to notice about this framework is that the measurement model doesn't appear as an explicit entity. This is because the measurement model is implicit in each of the arrows that relates the areas to each other. Because it's a stable, credible and persistent description of IT/business capability built from hard data, the measurement model acts as a mediator between different professional concerns, as well as creating a vehicle for the transmission of understanding through time. The measurement model, then, acts as a kind of glue and a communications medium for the various teams and individuals engaged on the transformation journey.

The second feature of the framework to note is its division into three main phases and the results. Though it's possible to iterate across these phases, they are shown in logical order. The first phase is labelled "What and Why". This is the phase of transformation concerned with gathering, recording, verifying and understanding what the business wants to achieve. It's the phase in which the organisation's measurement model is conceived and populated. This is where the rational focus of the change programme - the 'What' - emerges from the data in the measurement model. This is also where the business case for change - the 'Why' - emerges and provides the robust defendability necessary to carry through subsequent phases. The second phase is the "How" phase. Here the organisation moves into designing the detail of the changes that are to be carried out. The third phase is the

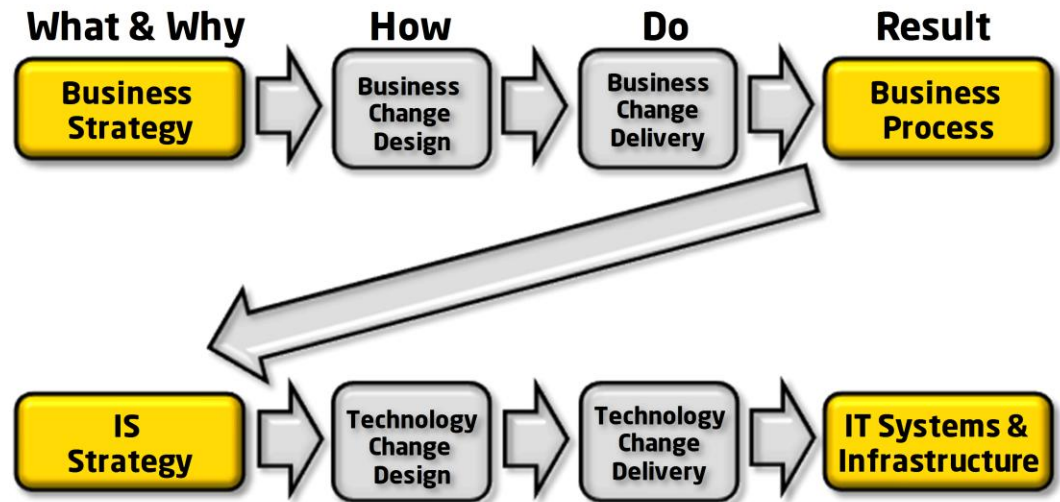


Figure 1

"Do" phase, which is concerned with executing the defined changes.

The final feature of the framework is its mirroring of business and technology topics. The framework distinguishes between - but relates via the measurement model - the twin aspects of each phase. So, in the "What and Why" phase, we have separate but related views of business and IT capability, while in the "How" phase we maintain a distinction between designing business and technology change. This strategy is carried over into the "Do" phase, where business change delivery is given equal weight to technology change delivery.

Traditionally, the business elements in the framework are either not performed, or are performed in isolation from each other and from the technology stream. "Business change delivery" has become a hot topic in recent years as organisations strive to embed new systems into their business processes and existing organisational structures; unfortunately, pushing the loud pedal at this stage in the game rarely produces much effect. If you haven't addressed the business needs consistently throughout the transformation programme, accentuating



business outcomes at the delivery stage will be a case of too little, too late.

“Business change design” has also tended to be an orphan activity. Where explicit design activity is carried out on business change issues, it has tended to happen at the behest of business sponsors and performed in isolation from the rest of the transformation activities - which will typically be technology-only ones. Worse, design of business change is often handed to external consultants. Consultants will strive to deliver a clean and compelling business design document, and will maintain a level of objectivity that in-house staff may strain to demonstrate. However, as the work of outsiders, consultant-driven business change designs often fail to gain credibility or support within the organisations that commission them, and are omitted from subsequent decision making.

In fact, only two of the elements in our framework are generally treated with the level of attention they deserve, and related (almost) in the way they should be. These are “technology design change” and “technology change delivery”, which form the bulk of the major project management methodologies. The origin of these methodologies in the military and government sectors accounts for their limited focus: they were created for use in well-understood, stable circumstances, where business goals didn’t change, and business processes were simple and rigid. In any case, the binding between the design and execution stages in traditional approaches will be technology-led, rather than informed by the kind of measurement model we have described - so even this partial match between engrained practice and optimum practice is somewhat illusory.

## Start (w)here

With the framework in mind, it’s easy to see that while several of the activities shown may well be in progress at any one time, the average organisation *begins* transformation in the wrong place: at “technology change delivery”. This is

because most change exercises are technology-led rather than business-driven. Transformation is triggered by the availability of a solution, and commitment to the solution forces managers to induce a business case that rationalises their action. They’re buying the answer: now they need to stumble upon the question. But since the solution they’re buying is by its very nature generic - it’s been designed for “people like them” - then the problems it addresses must surely be ones that the organisation has failed to see. Desperate to identify a trigger to rationalise the buying decision, decision makers latch on to local manifestations of generic problems without considering whether these problems are actually significant to them.

This sad state of affairs means that business leaders are effectively allowing the technology market not only to steer their development but to define their businesses. It’s plain, for example, that a slew of businesses redefined themselves as “customer-centric” and channelled investment into CRM systems partly because they bought the rhetoric (who could resist?) and partly because the solution seemed so enticing - yet customer centricity may not necessarily have been on their true agenda, let alone their top priority.

We’ve seen this effect many times over the last decade or so, from the race to “get online” through the debacle of CRM and then the panacea of outsourcing. Of course, we’ve also seen many more technology-inspired changes crash and burn rather than finding traction in organisations: for every CRM wave there are a million failed solution pitches. However, that’s not a particularly cheering thought, because it means that not only does the IT industry regularly hijack the change agenda with a “winning” solution category, it also wastes everyone’s time taking random shots at businesses in the troughs between booms. Have no doubt on this score: technologists will happily keep throwing solutions at the wall until something sticks. Business leaders can save a lot of time and money - and insulate their organisations from risk - by denying vendors the



venue they need to play this particular game. Close your wall, and they'll have nothing to throw their balls at.

Instead of allowing solution providers to dictate events by initiating transformation from the "technology change delivery" box, leaders must re-take ownership of the business and found their transformation ambitions in the top left of our framework - at Business Strategy<sup>1</sup>. Transformation must start with an end in mind - but that end must never take the form of a pre-defined technical solution. The aim of any transformation has to be a measurable change in business performance tied to one or more attributes of the business that its stakeholders care about.

Every exercise in true Business Strategy suspends the role of technology and defers decisions about technical realisation. This is not to deny the eventual role of IT in delivering to the business, but to redress the balance in the relative attention paid to business and IT concerns. When all is said and done, whatever technology you are using, its function is to record data, transform it in defined ways, and share it. What that data is, how it is to be transformed, and who shares it - these matters are the stuff of business, and they can be debated and defined without reference to any technology.

## Framework discipline

The framework we propose here is a powerful way of putting capability measurement models to work. It is also an expression of the classic, logical approach to management, in that it begins with the task of defining goals and actions, moves through solution design, and ends with delivery control. Why, then, put so much emphasis on it as an explicit approach?

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<sup>1</sup> *Procertis has developed a product named BizMaps for use in this area. We have used the generic term Business Mapping in order not to claim exclusive ownership of this crucial aspect of transformation planning and execution. We invite our peers to contribute their own tools and perspectives in this area.*

The reason for articulating the framework and making it visible to all the teams and individuals involved in transformation is not to patronise them, or to imply that they don't know the first thing about logical sequencing of activities. It's to communicate the overall shape and scope of the common journey that everyone is involved in, and thereby locate the logical sequence of events in the right place, and at the right level.

Without an overarching framework, a good manager will apply the sequence of definition, design and execution to the part of the pie for which he or she has responsibility. In fact, managers are usually rewarded for the way they handle their "piece" rather than their share of the overall success. It's hardly surprising that they apply management discipline at the level over which they have control. If they are conscientious, ambitious, or bound by active governance procedures, they may also pay attention to how their areas impact adjacent areas.

Organisations usually appoint programme managers to supply and enforce an overarching character to their transformation efforts. But programme managers are not generally equipped with any specific tools to help them maintain integrity and continuity across the programmes they manage. A "good programme manager" is often simply an experienced, patient and politically astute one who is capable of monitoring and synthesising a large number of reports. These are important skills - but a transformation framework informed by a capability measurement model is a far more valuable tool. The framework provides orientation for the combined team, and a master plan for ensuring that the transformation succeeds in remaking the business in the business's image.



## Authors

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Gordon has 20 years in IT after gaining a degree in Computer Science and Pure Mathematics from the University of Liverpool. He has vast experience as a business architect, with in-depth business modelling and system specification skills. Using a wide range of capturing and presentation techniques, he has undertaken consultancy engagements for government and large organisations, mentoring key staff within client organisations on the use of best practice methodologies and tools for large project delivery.

### **About Procertis**

Procertis is an independent Consultancy and Intellectual Property development company focussed on IT and business inter-relationships. We develop rational frameworks which help organisations define and implement major integrated business/IT change agendas, and measure the resulting benefits. We work with single organisations and with large initiatives involving multiple parties, where our longer term role is to keep all stakeholders focused on and honest to the developed vision.

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