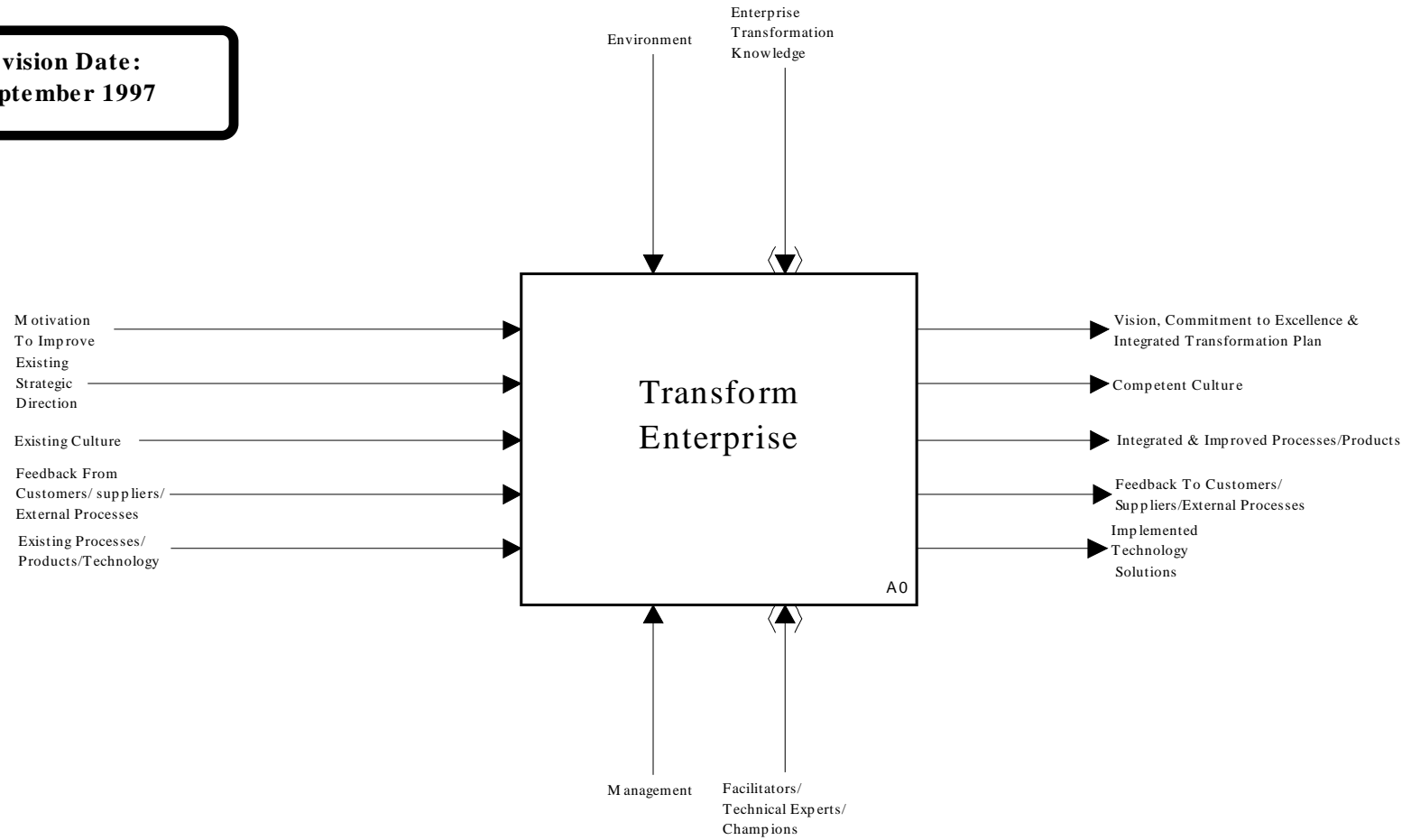


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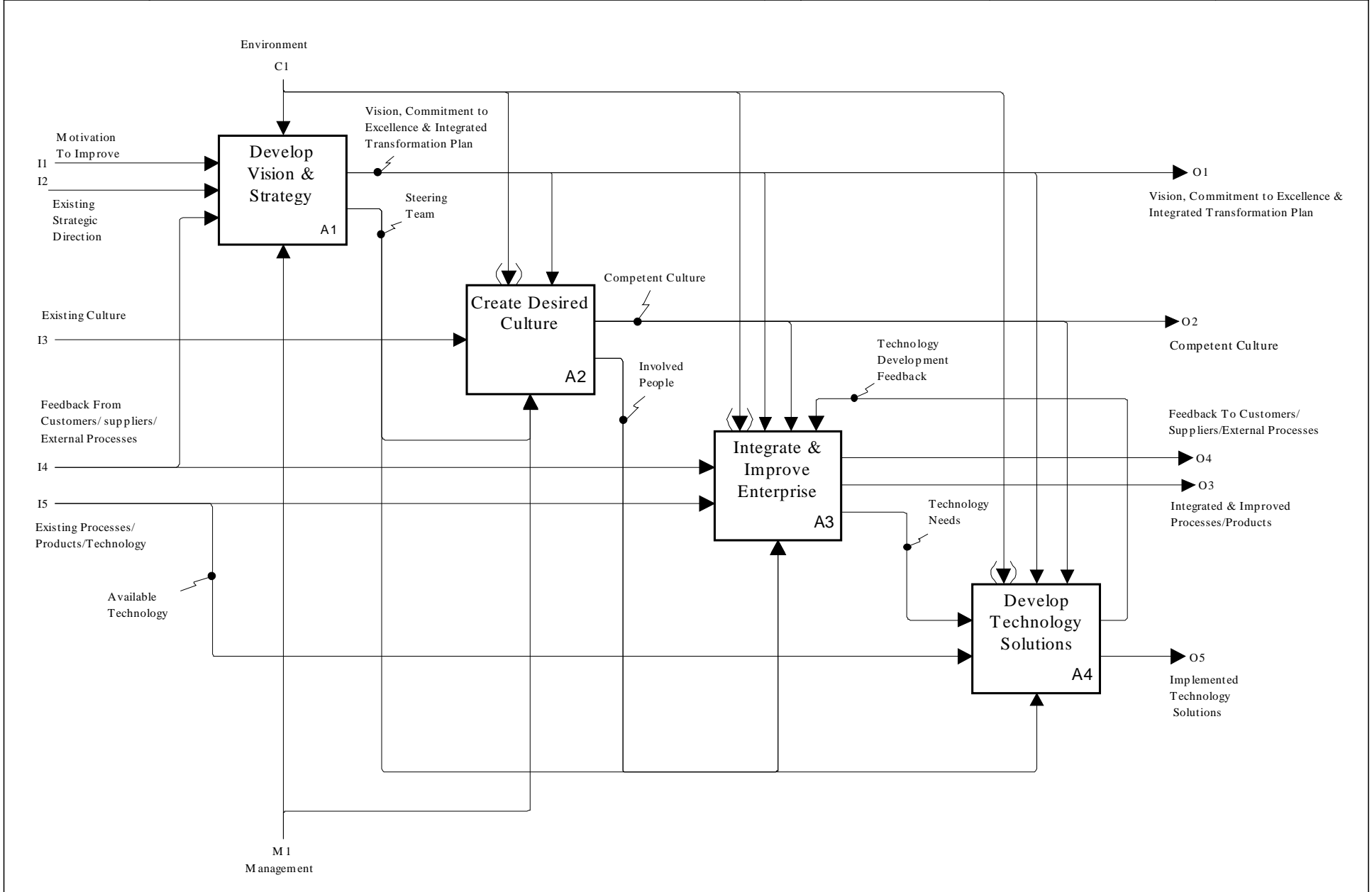
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September 1997**



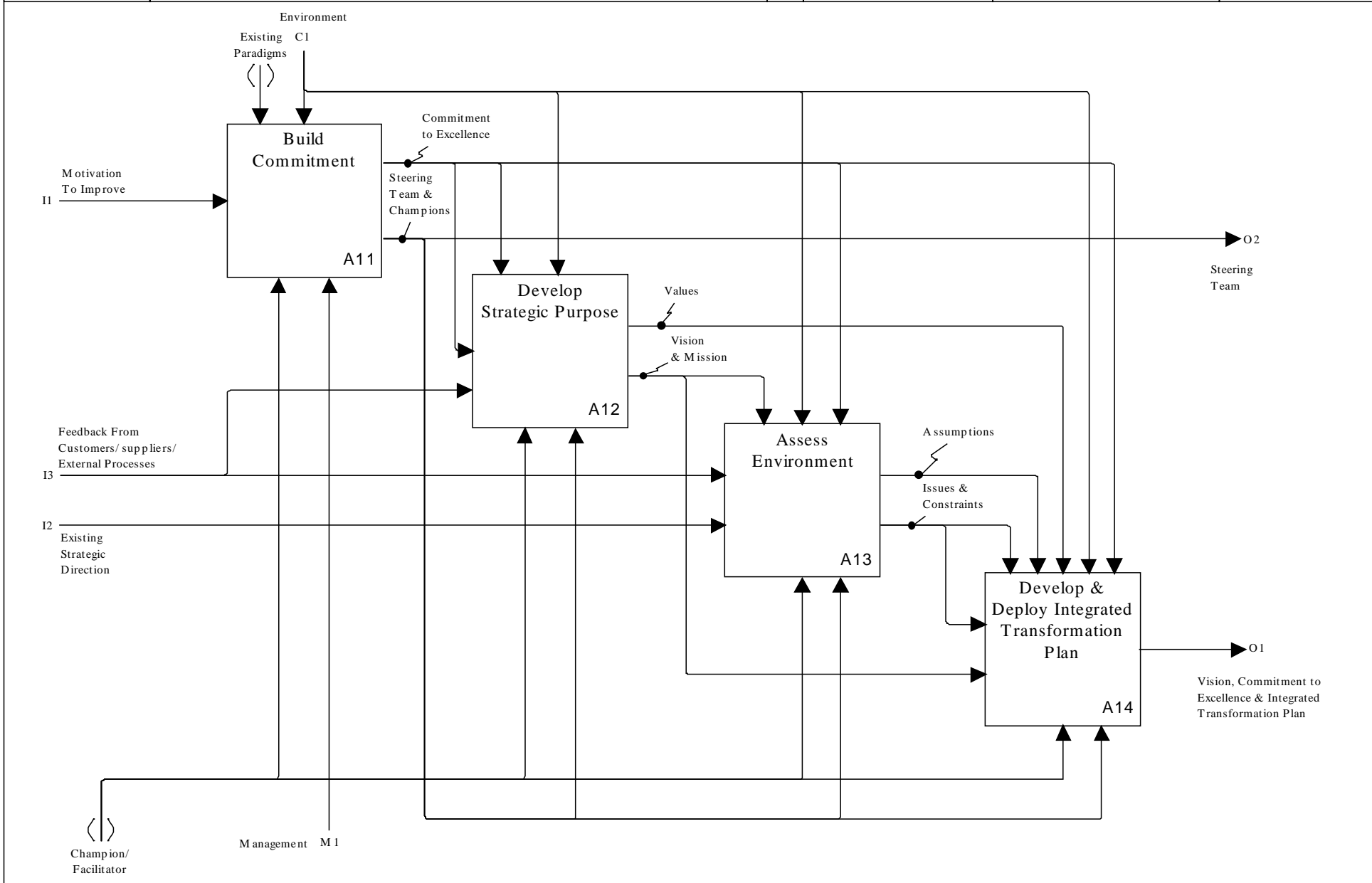
**Purpose:** Document and Define the Enterprise Transformation  
**Viewpoint** Process.

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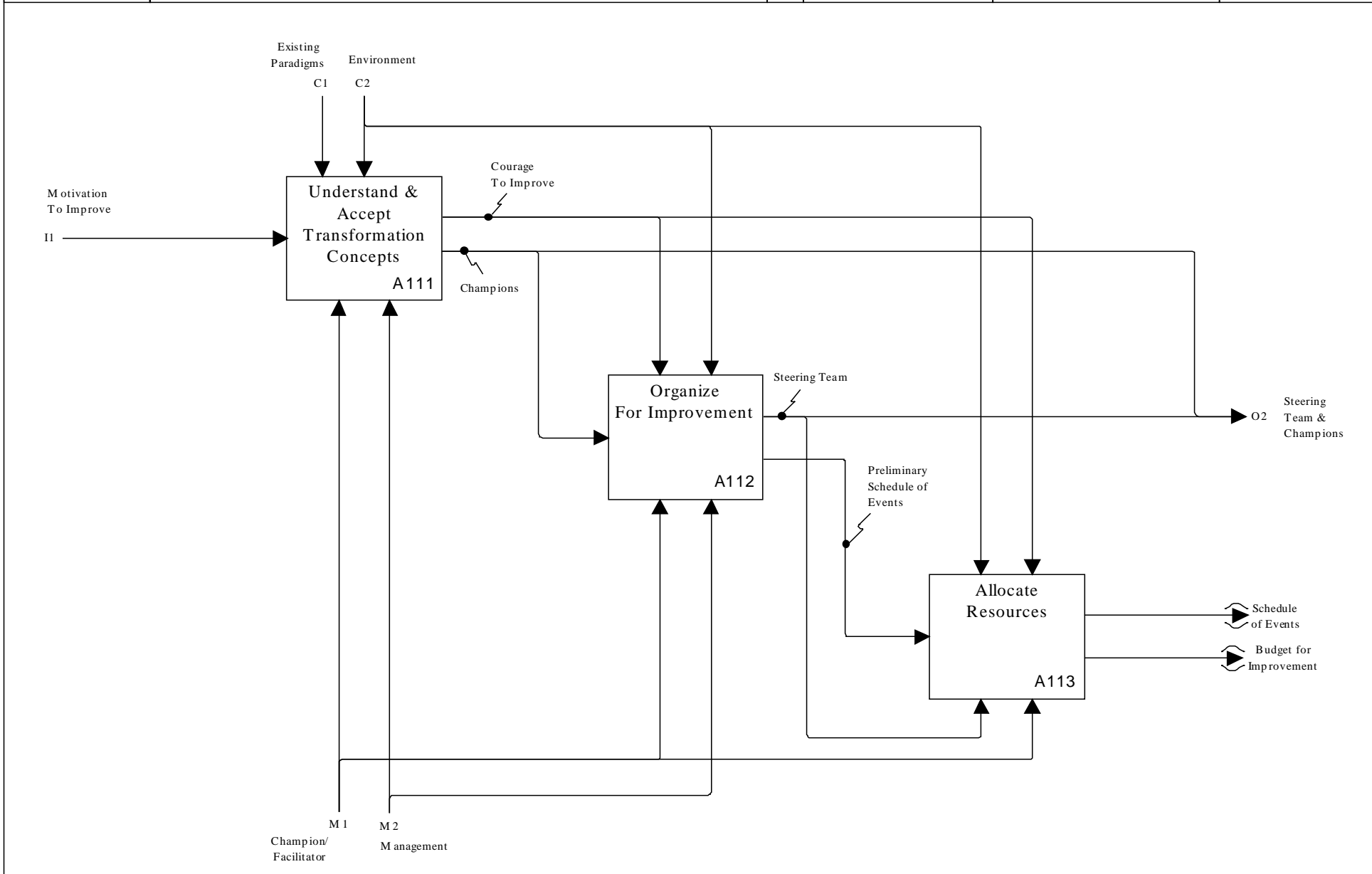
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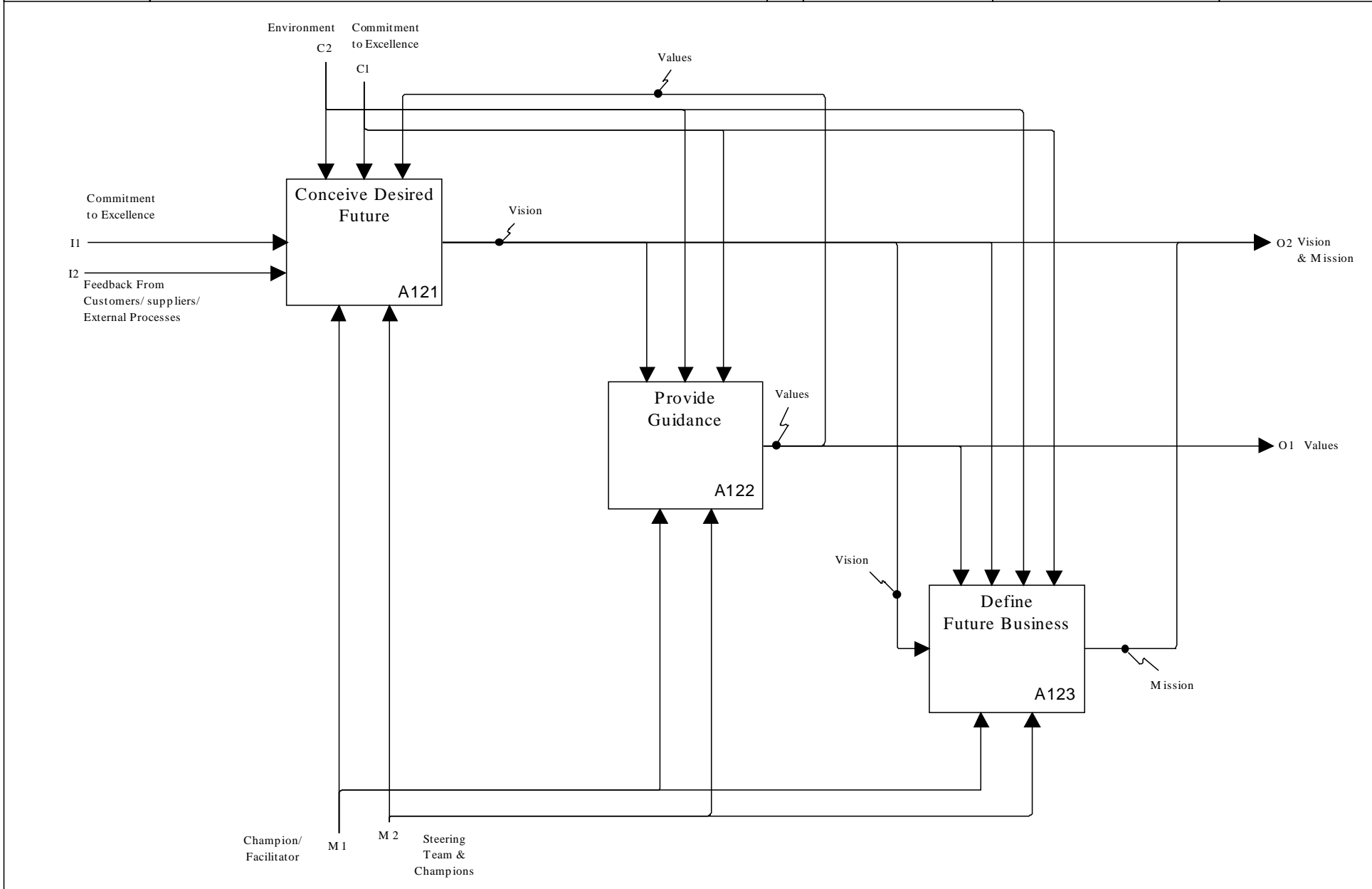
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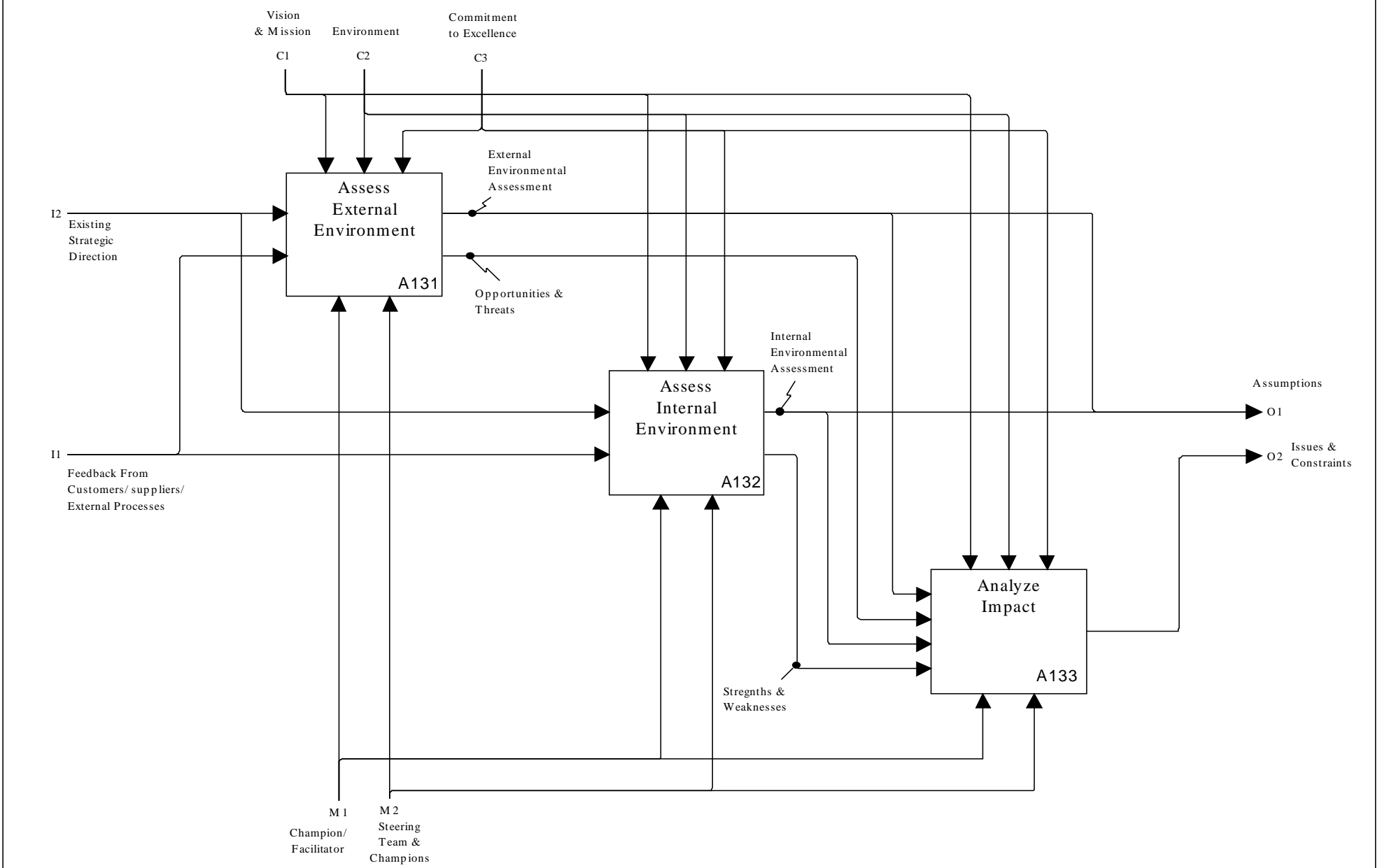
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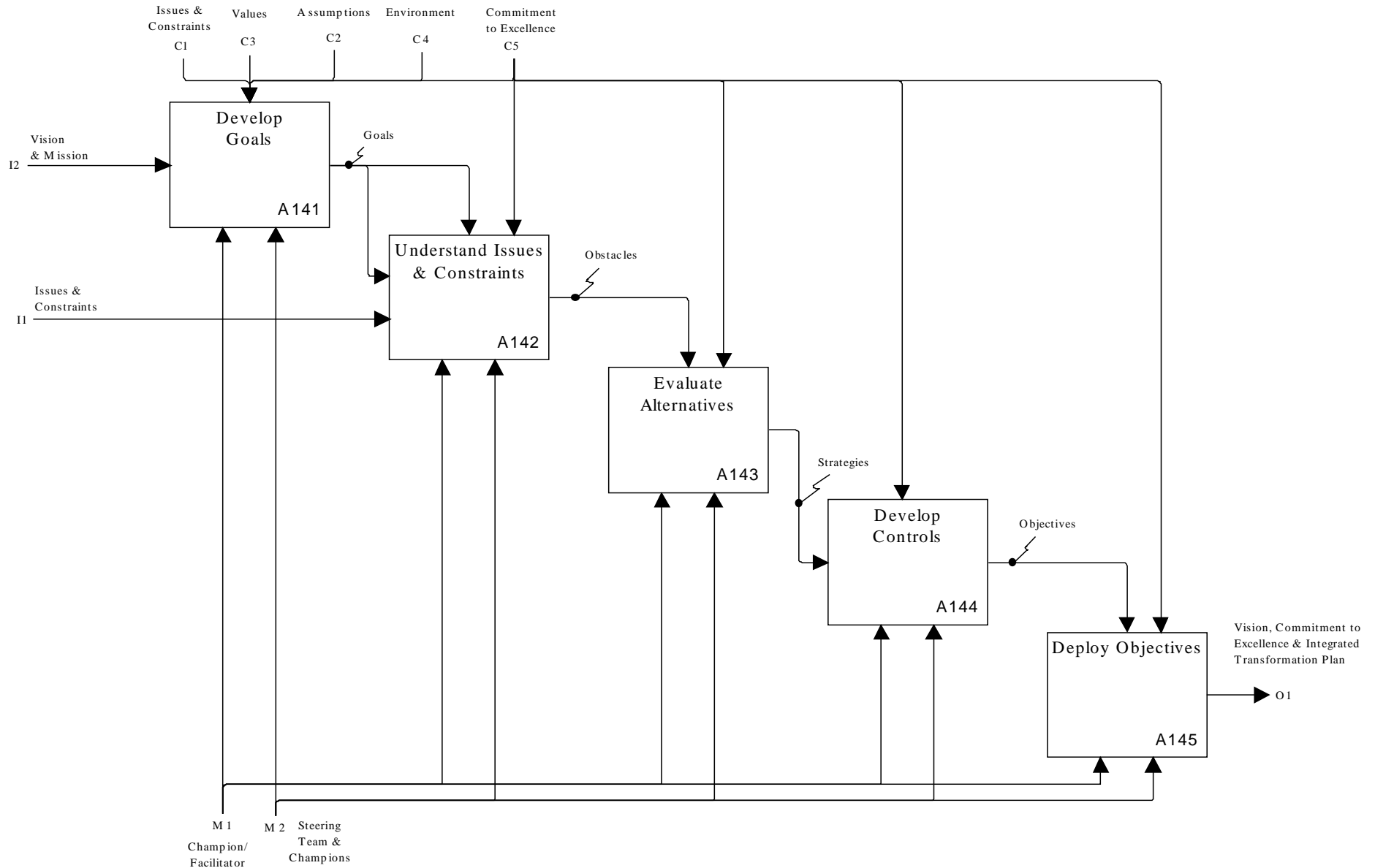


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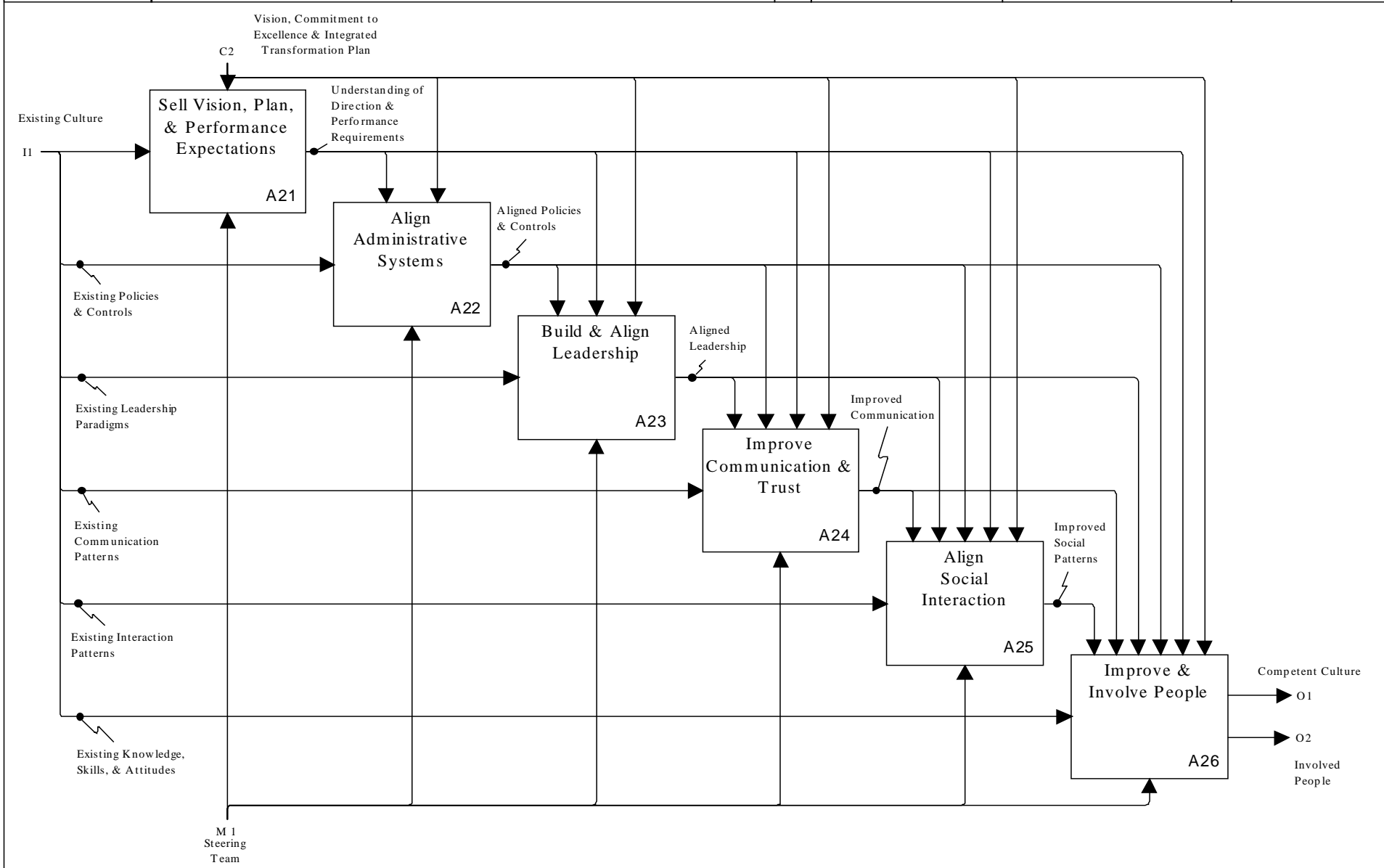


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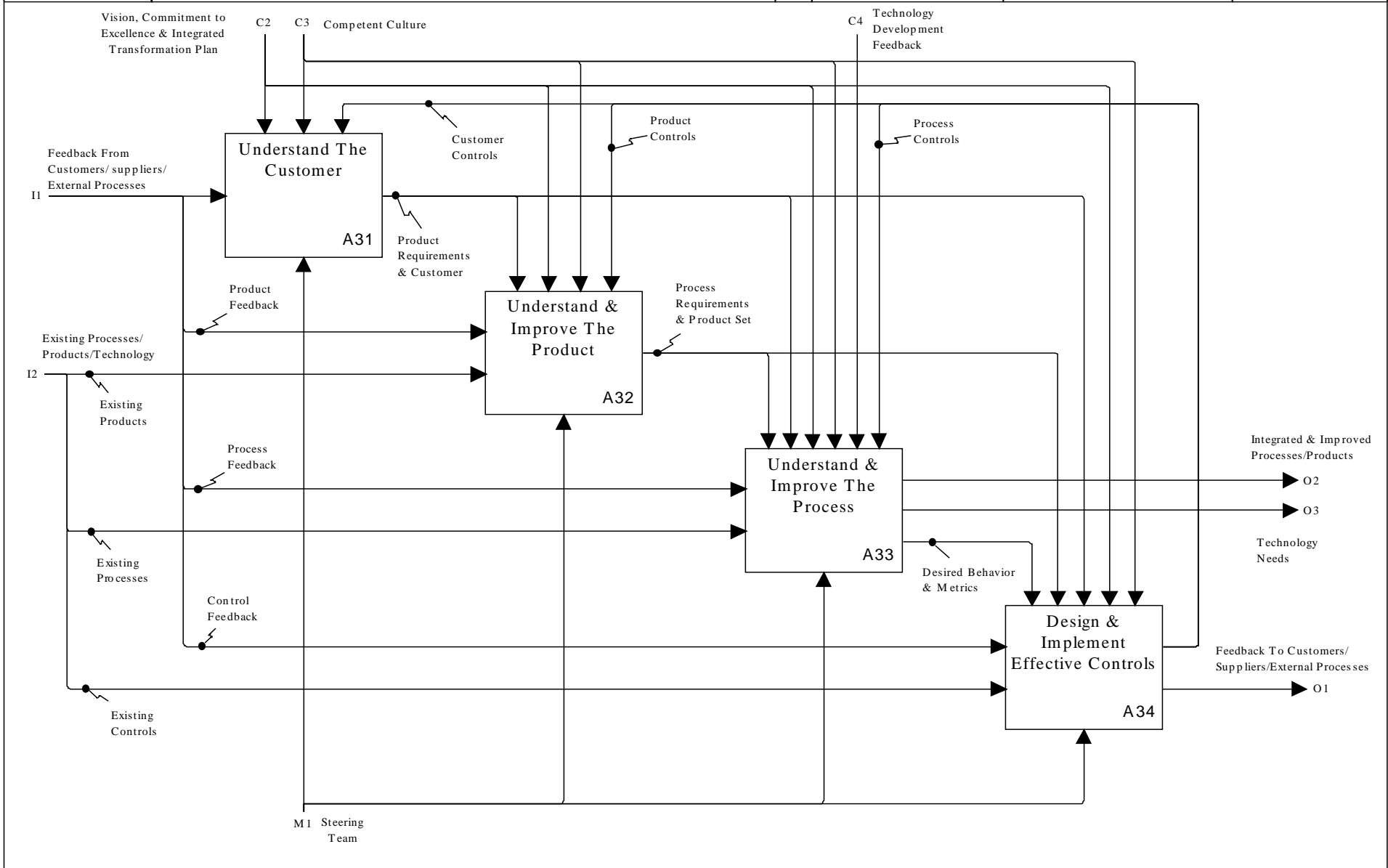
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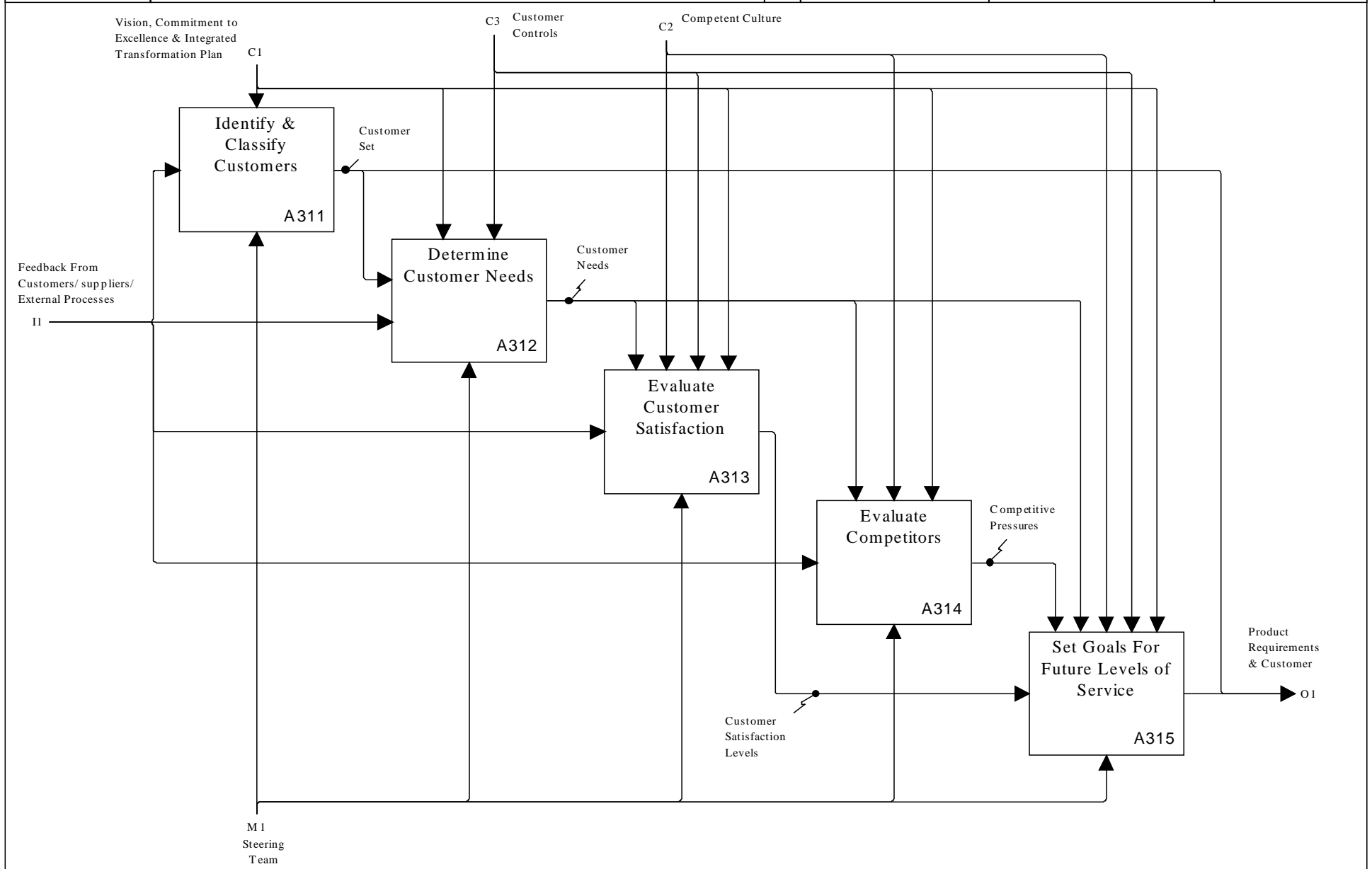
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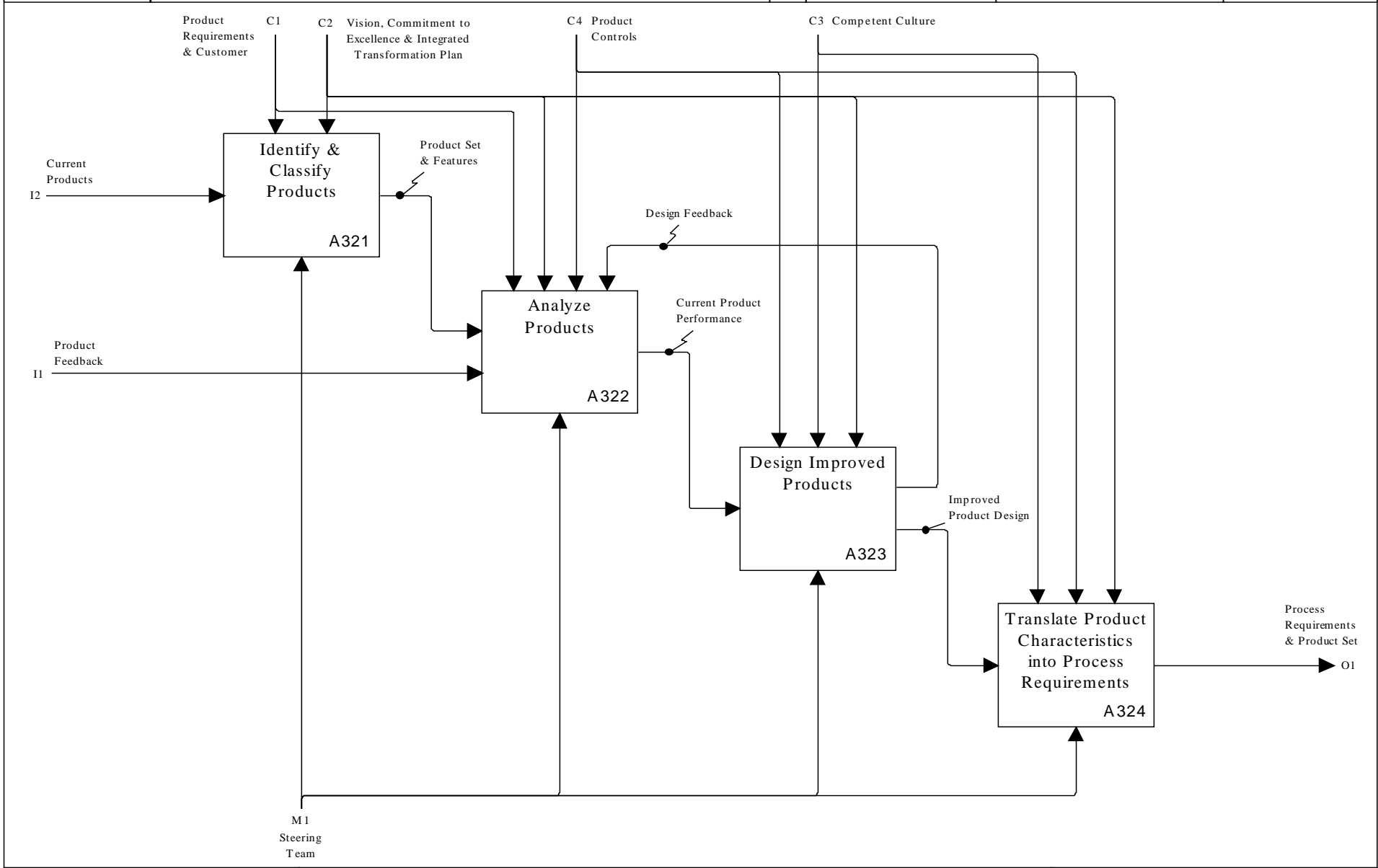


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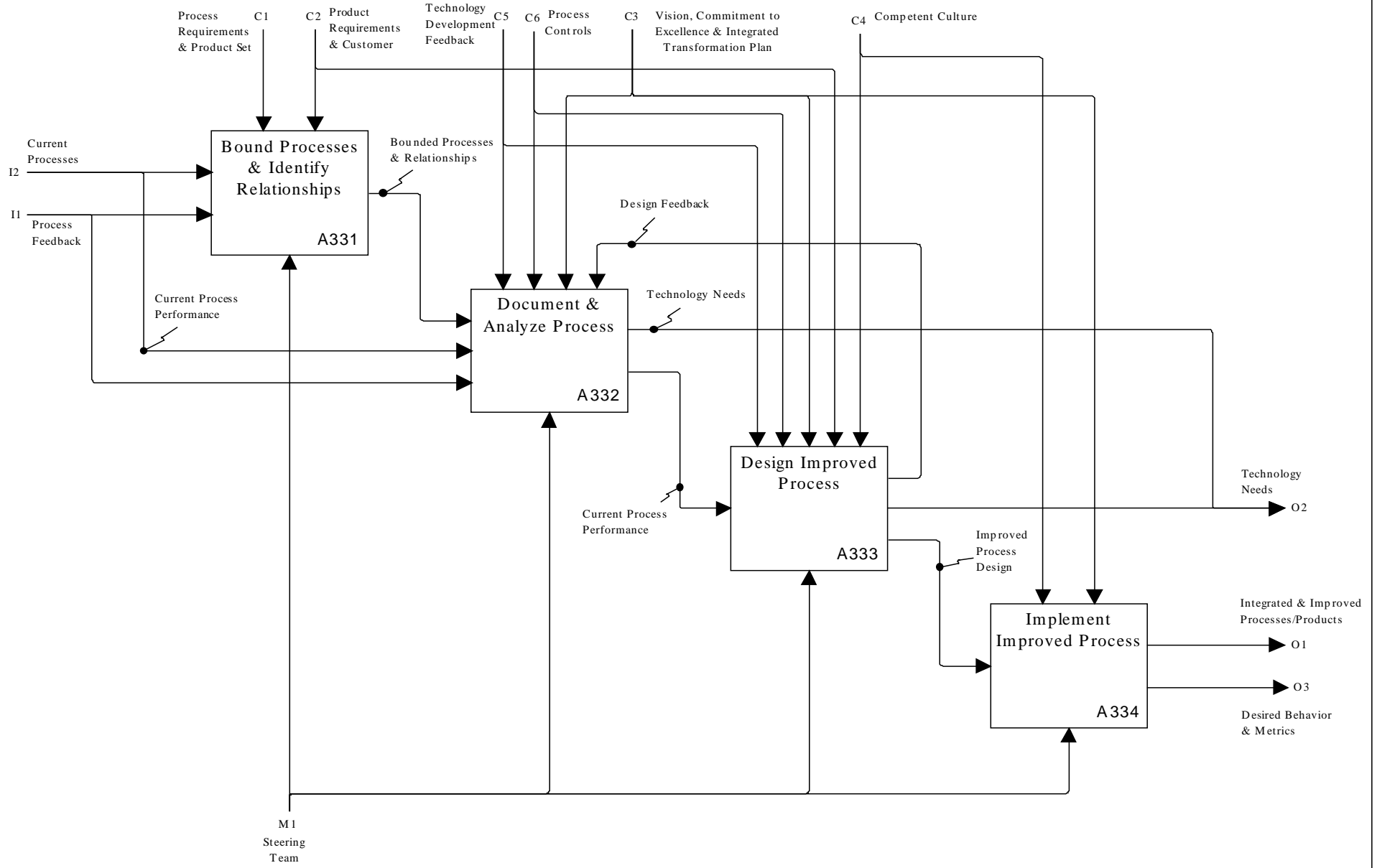


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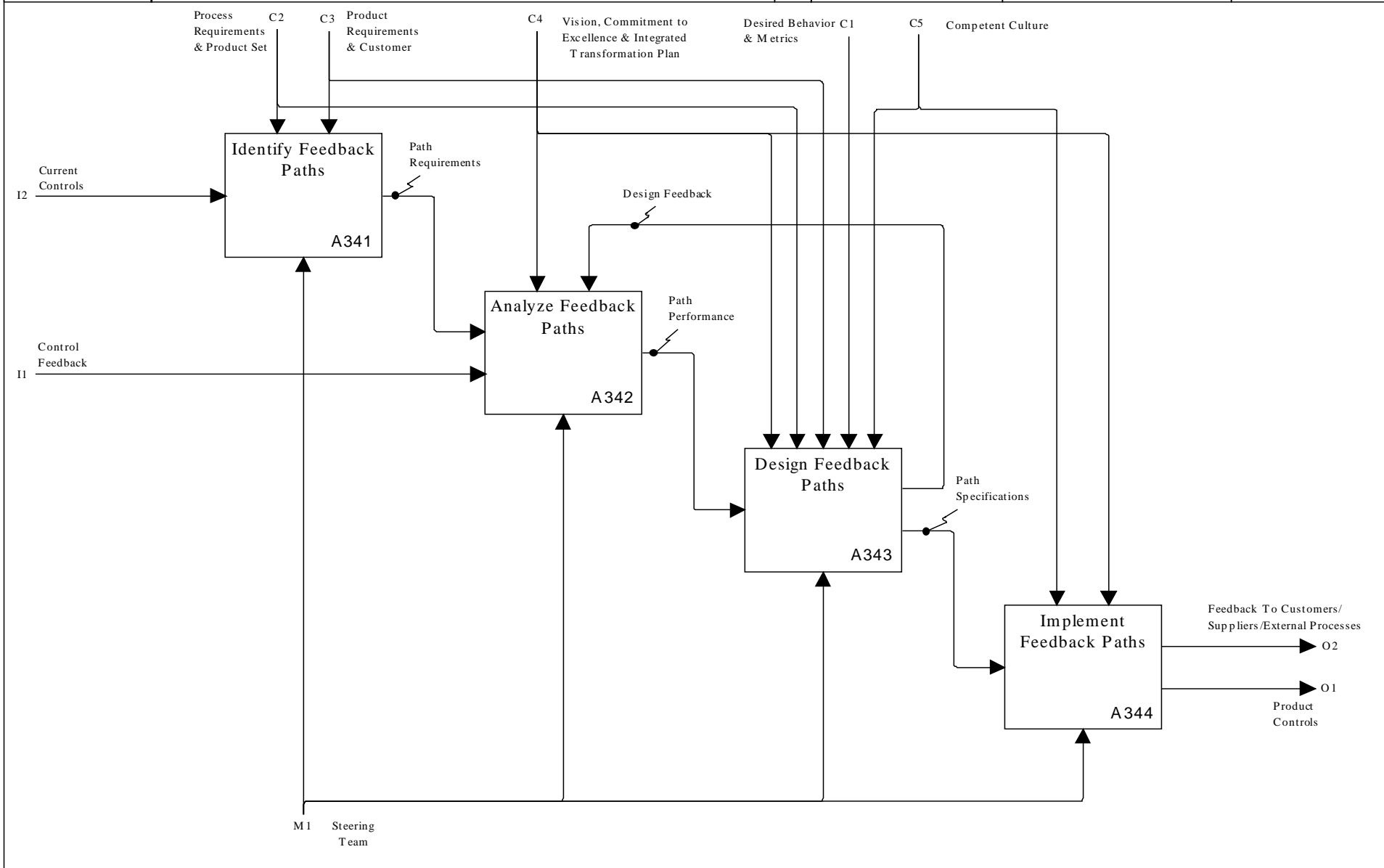
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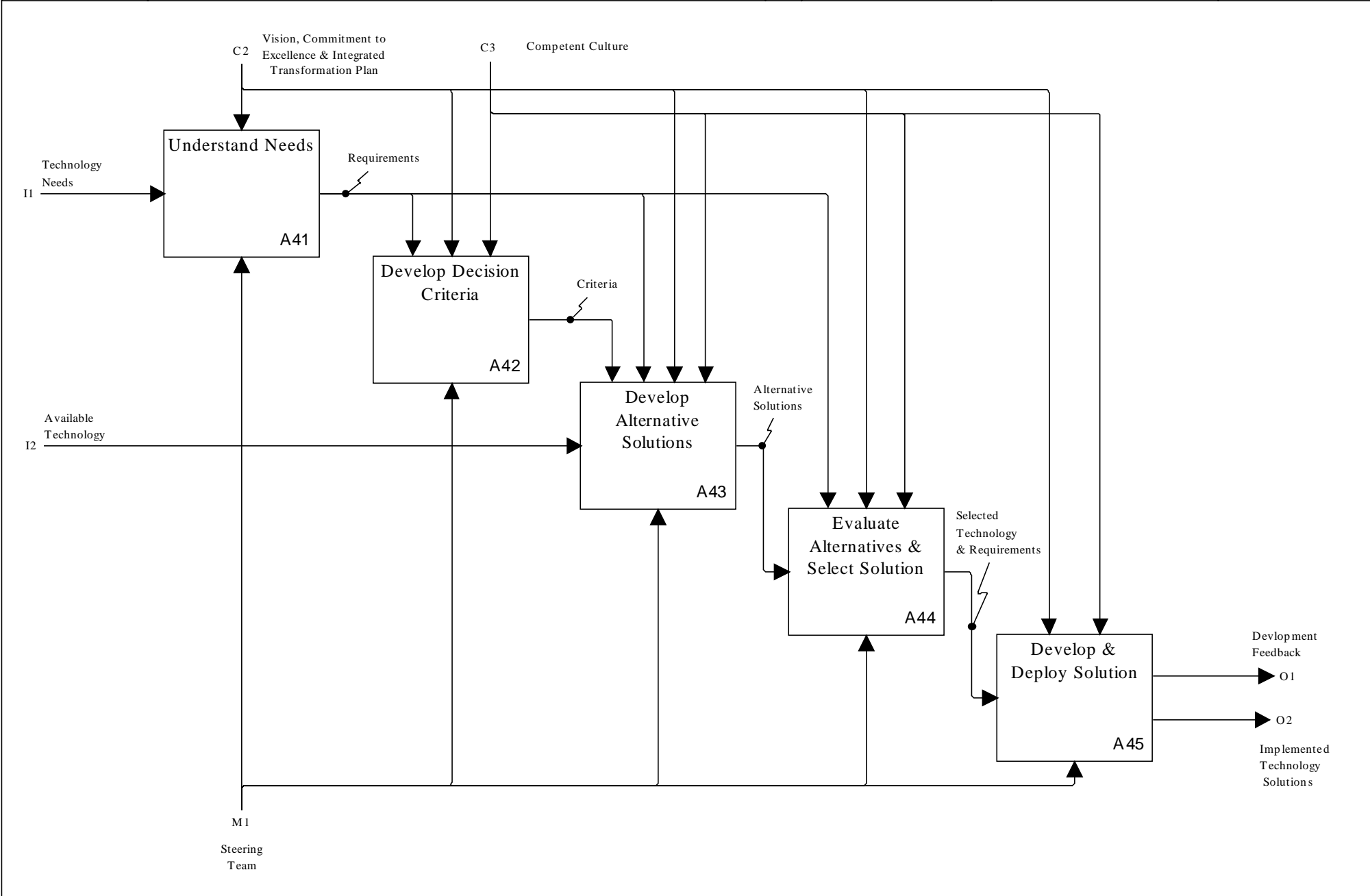
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**TE/A0 - Transform Enterprise**

**Transform Enterprise Overview**

Transformation is the process of changing an entire enterprise from a current state to a desired future condition under the guidance of a plan. The transformation process is a systematic change that is made possible by the implementation of cultural, process and technology strategies. This IDEF0 model, *Transform Enterprise* describes this process.

The current economic environment has forced organizations to fundamentally reconsider how they operate. The days of long production runs and a stable customer base are over. Customers are demanding customized products in small quantities. These products must be delivered on-time, with better quality, and at a lower cost than previous product offerings. Foreign competition is providing customers with higher quality products at a lower cost than many local organizations, thus raising the standards in product quality, delivery, and price. As high quality products become the standard, customer service emerges as the primary differentiator among competitors. Customers expect a higher degree of service each time a purchase is made. Services that were once considered extras are now taken for granted. As customer service becomes high, new product innovation will become the differentiator. Customers are now expecting new product offerings on a frequent basis. New products must perform significantly better than their predecessors. The trend of ever increasing customer expectations is expected to continue.

An enterprise operating in this environment must implement constant and radical change to develop and maintain a competitive advantage. In the recent past, companies have attempted numerous strategies such as Total Quality Management (TQM), reengineering, teams, group technology, agility, and a host of others to fundamentally change their business in an effort to develop a competitive advantage. All of these strategies can be successful, but none are a panacea. Companies are still looking for a holistic approach to change how they operate in this new environment.

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### TE/A1 - Develop Vision & Strategy

Develop vision and strategy is the process of developing a desired future condition and a practical means of achieving it. This process transforms management's motivation to change and existing strategic direction into a commitment to change, a vision and a transformation plan. An enterprise assessment is conducted to provide information concerning internal and external processes for the purpose of developing a vision. The vision provides the nucleus for the transformation plan. The vision is decomposed into goals, strategies and objectives, which are collectively referred to as the transformation plan.

Vision is a clear and concise statement which defines what the organization aspires to become. A well defined and articulated vision provides the organization with a common sense of purpose. An effective vision provides guidance and serves as a source of energy [Sherwood 1988]. The vision should meet certain criteria. It must focus on strategic advantages - those things which distinguish an organization from others. It must inspire and empower employees to meet the vision. Finally, it must be clear enough to be used as a decision making criteria [Belasco 1990].

Strategy is the transformation plan to pursue the vision. It is composed of goals, strategies and objectives which are derived from the vision. As a derivation of the vision, it is the design specification for the enterprise transformation. The transformation plan guides the process of changing an entire enterprise from a current state to a desired future condition. Is the measure of success of the transformation effort. The extent to which an enterprise can successfully implement the plan is considered the benchmark for the transformation process.

### TE/A2 - Create Desired Culture

*Create Desired Culture* is the process of creating a culture that has the competencies to transform the enterprise [Flanagan 1995]. A competent culture has the knowledge, attitude and skills (KAS) to facilitate transformation. This

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culture is characterized by the constant desire of people to learn and develop critical thinking skills [Spitzer 1994]. Through this process, administrative systems, leadership styles, and social interactions are aligned to support the vision. Administrative systems are those procedures and processes that affect the intellectual, emotional and behavioral needs of people throughout the enterprise. Examples include measurement and reward systems, hiring policies and organizational structures. Leadership styles are the strategies used by leaders to direct subordinates. Social interactions are the patterns of interaction among people in the enterprise required to complete processes. *Create Desired Culture* involves people in the process of transforming the enterprise and improves their competencies. *Create Desired Culture* is conducted by the Steering Team and members of management. It is controlled by the vision, the transformation plan, and the environment. Vision controls the creative process by providing boundaries and a desired future condition that is the focal point for all strategies. The transformation plan limits the strategies available to the Steering Team and management. Controls imposed by the environment include governmental regulations, social norms, and other restrictions that affect the enterprise as a whole from outside sources. Goffee describes the impacts of the environment on culture: "... patterns of organizational life are often conditioned by factors outside the organization, such as the competition, the industry structure, and the pace of technological change." [Goffee p.148 1996]

Culture is the *shared* norms, attitudes, values, beliefs, expectations, customs, material traits and assumptions of a social group that have emerged over time. Norms are a set of authoritative standards governing appropriate or inappropriate behaviors for a group and often exist around issues such as quality, performance, flexibility, output levels, and conflict resolution. Culture may act as a social control system that powerfully shapes the behavior of individuals and groups. Cultures are supported and maintained by management practices, organizational structures, and the people within them [Barber 1990, O'Reilly 1989].

Culture is the glue which binds people, processes and technology together to form an enterprise. It is the single most important component of the enterprise transformation process. Therefore, it is essential to develop a culture that is aligned with the vision of the enterprise.

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### TE/A3 - Integrate & Improve Enterprise

Integrating and improving the enterprise is the process of analyzing, designing, implementing and controlling enterprise processes to support the vision. Existing processes are analyzed using structured engineering techniques to determine current and desired performance. Customers, products, and competitors are examined to develop requirements for new processes which support the vision. These process requirements are transformed into design specifications for new processes. Designing processes requires understanding the process performance required by the vision, developing alternative process designs, evaluating designs based on established criteria and selecting a design that best supports the needs of the vision. The new processes specifications are then implemented. Implementing a process involves understanding the obstacles for the new process design, developing and selecting strategies for implementation, and developing and executing objectives. The new process performance is then controlled to ensure conformance to requirements. Controlling enterprise processes is achieved through designing and implementing effective controls, measuring process performance, measuring customer satisfaction, measuring competitor performance and initiating corrective actions.

### TE/A4 - Develop Technology Solutions

Developing technology solutions is the process of transforming defined technology needs into specific solution requirements to accomplish higher level strategies outlined in the transformation plan. As technology needs are identified during the integration and improvement of enterprise processes, plans are developed to determine appropriate solutions. These plans are integrated into the transformation plan and implemented in concert with process improvement strategies. Technology plans consider the impacts on culture and processes they are intended to improve.

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### Glossary

**Culture** - Culture is the *shared* norms, attitudes, values, beliefs, expectations, customs, material traits and assumptions of a social group that have emerged over time.

**Strategy** - Strategy is the transformation plan to pursue the vision.

**Technology** - Appropriate application of knowledge in accomplishing a task

**Transformation** - Transformation is the process of changing an entire enterprise from a current state to a desired future condition under the guidance of a plan

**Vision** - Vision is a clear and concise statement which defines what the organization aspires to become

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