



HOW TO
APPROACH
YOUR BUSINESS
TRANSFORMATION
TIPS FOR SUCCESS



B I E



INTRODUCTION

Businesses across all sectors continue to face transformational change in the landscape they are operating in.

Highly competitive market conditions and disruptive technologies are changing the face of traditional business models and revolutionising employee and consumer expectations. The ability to adapt, having a core capability in managing business transformation and achieving business agility are crucial to sustainable competitive advantage.

Whether strategic or tactical, evolutionary or radically transformational change is the one certainty for business leaders today.

There is a clear acknowledgement of the necessity to 'adapt or die', with 94% of over 100 business leaders reporting in BIE's recent research that being more agile is a priority for organisations.

82% say leading and delivering step changes in how the business is conducted (business transformation) is their highest priority.

BIE have drawn on the extensive experience of our network, to bring business leaders a comprehensive guide on the challenges around successfully managing business transformation with insights and advice from our panel of business transformation experts.

KEY CHALLENGES

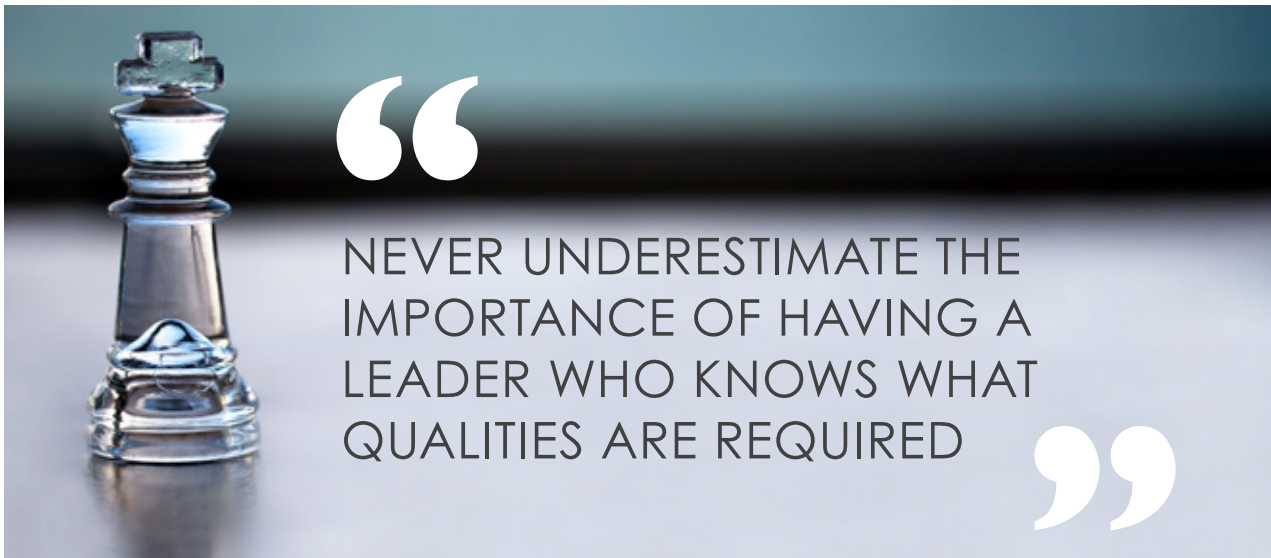
What are the key challenges organisations face when managing business transformation?

1

RECOGNISING THE NEED TO CHANGE

Knowing when to take action is key. Often the symptoms show themselves long after the sickness has taken hold – meaning by the time you realise you're in trouble, you're probably already in it deeper than you think.

When this happens, you need to make transformation a priority. Actually figuring out what you need to do and where you need to be can be one of the most difficult elements of transformation because it requires genuine creative commercial thinking, which can be a scarce resource.



2

THE IMPORTANCE OF LEADERSHIP

Having a leader who is prepared to take the responsibility of implementing transformation is one thing. Never underestimate the importance of having a leader who knows what qualities are required, which ones he or she has and how to fill any gaps there might be.

Most of the technical aspects of a transformation, such as governance and stakeholder engagement, can be to some extent learned. But the real gaps are around genuine leadership qualities – the type that can empower, motivate and win hearts and minds.

3

SCOPING THE 'WHAT' AND THE 'HOW'

Agreeing an end state Target Operating Model based on the business strategy with all relevant stakeholders, before initiation, is crucial. After that the challenge is maintaining coherence and alignment around all elements of it – i.e. technology, organisation, people, process, performance management, interaction with customers, partners, suppliers and regulators.

It's also important to manage and prioritise the programme scope of work to demonstrate early success, and generate change momentum; while at the same time managing the sourcing, vendor and resourcing strategies as part of a complete programme management framework to balance efficiency, value and delivery risk.

Finally, running through all of the transformation planning and delivery is the ability to identify, understand and plan appropriately for the 'people side' of the transformation.

Unless you're an organisation that undertakes a lot of change projects this can be really hard. People don't change their attributes and their way of understanding the world just because you have a change project on the horizon.

4

FOCUSING ON THE BANDWIDTH

Capacity to deliver transformation whilst simultaneously running the business as usual (BAU) is regarded as the number one fundamental.

You need people in general management to have the time/focus if you're asking them to help you deliver change, which is where interims – either as backfill or as specialist additional capacity – can be so useful.

It is important to understand that the people you're most likely to entrust with a transformation are likely to be your good people – and that they're almost certainly good because they're maximising their capabilities and capacity already. All this has to be factored in to your bandwidth calculations.

5

GETTING A PROPER HANDLE ON TRANSFORMATION CAPABILITY

Running a business on a day-to-day basis is what most managers are good at, so it should come as no surprise that designing transformation is not a common skill amongst them. Transformation skills are not commonly on the hiring agenda, so the chances are that you're unlikely to have all the skills you need for a transformation, no matter how capable your people are.

Really understanding how things could be done differently usually requires an external fresh pair of eyes. Only when you really understand the 'from', the 'to' and the 'how' can you begin to have honest conversations internally.

Our experts also point to a flip-side, in that transformation-orientated people are generally not the right personality type for long-term management of a business – so you need to think carefully about having the right capability at the right time.

Tension between tactical needs and strategic needs is common. Transformation often involves taking steps in a direction that are counter-intuitive to the tactical need – so you have to be prepared to be courageous as well as focused.

“

REALLY UNDERSTANDING HOW THINGS COULD BE DONE DIFFERENTLY USUALLY REQUIRES AN EXTERNAL FRESH PAIR OF EYES

”

6

THE IMPORTANCE OF PACE

Change is normally slow and organic. Transformation, however, often involves getting five years of change done in six months, often leapfrogging a lot of the organic stuff. It's important to build this pace expectation into the transformation process.

The other challenge is related to the size and the length of a transformation. Often the focus is on getting to a certain point, but failing to realise that embedding the change will take a long time, probably years.

7

ENGAGEMENT MATTERS

Creating a powerful and compelling narrative about the business strategy and roadmap is challenging, but will help the leadership and workforce expend discretionary effort above and beyond their normal day jobs to ensure successful delivery. It's important to keep the story fresh and invigorated so it continues to resonate over a multi year journey.

8

REASSESSMENT AND RE-EVALUATION

An often misunderstood challenge is how to sustain transformation coherence in a dynamic market environment with changing customer needs, possibly an evolving, immature supply chain or emergence of new disruptive technologies.

It's easy to be caught out if you don't reassess and re-evaluate as you journey through the business transformation. Things are changing all the time and you do need to have that constant eye on whether your roadmap is still appropriate.



A teal diamond icon composed of four overlapping diamonds, positioned to the left of the main title.

WORK OR FAIL

How should organisations approach managing Business Transformation? What works or fails?

1. STRUCTURE AND RESOURCE UNDERPIN SUCCESS

Organisations can take a more structured approach to managing business transformation, ensuring there is a sponsor and programme team responsible for the transformation and recognising the importance of 'resourcing up' during the transformation.

Business transformations that include a 'People' and 'Organisation' workstream (or similar) within the programme governance, are seen to have a better chance of implementation success.

2. SKILL MIX MATTERS

It appears that many businesses still fail to understand the subtleties behind organisational change. To be successful you're going to need 'inspirers', and also people who understand the mechanics of seeing a project through. These qualities are very rarely found in one person. Managers are generally not subject matter experts – they are there to provide a coherent framework, ensure there's good project management and that issues get a speedy resolution. Leaders, on the other hand, motivate and drive change. They're the 'pull' to complement the managerial 'push'.

Our experts recommend choosing highly creative thinkers with multi-industry and multifunctional experience, good leadership and analytical skills, experience of difficult/crisis situations and experience of delivering transformation.

It's also important to coach leaders on how to be effective sponsors and develop change agents right across the business and functions to guide and support the change activity.

3. BE PREPARED TO FLEX

Our panel members report that people often tend to maintain their focus on the end point without recognising the tweaking and flexing of bandwidth that will need to be undertaken to get there. It takes many by surprise during the transformation journey.

It can help to build an internal and external change network with clear objectives in order to give visibility and transparency to the roadmap and delivery status of the business case. You need to be honest and open about what is working and what is not and to formulate any challenges as 'wicked questions' to avoid the tendency to assume that certain tensions don't exist. You can often harness the energy in these inherent tensions to create sustainable solutions.

4. THE FINISH LINE IS NOT WHERE YOU THINK IT IS

A common mistake highlighted by our experts is taking your foot off the pedal once the deliverables are finished. You need to concentrate on embedding change for at least a year post-transformation and view the end of a project as part of a long-term journey.

5. LINE UP YOUR LEADERS

It's critical that any meaningful business transformation is handled as a strategic initiative, owned and managed at board level rather than delegated further down the line.

It also needs to have an active and committed sponsor; experience shows that not having a sponsor, or having a sponsor that is not active can mean you end up having leadership/transformation teams working against each other.

Our panel recommends tips such as seeking out leadership peers of non-competitive companies, who have been or are currently in the relevant phases of the journey e.g. strategy initiation, programme design, programme set-up, programme run, sustain and continuous improvement. Ask them for the hard questions they wish they had asked at a similar stage of the journey, with the benefit of 20/20 hindsight, and try to understand the key inflection points in the journey.

6. TRANSFER KNOWLEDGE AND BUILD CAPABILITY

Most organisations don't have the internal capability to deliver successful transformation, and how they try to bridge the gap is really important. A significant number will rely on the big consultancies, which have their advantages, but there are huge benefits to be gained from building internal capability.

Knowledge transfer and knowledge retention are key to this and often involve using extra bodies as backfill in order to put your own people in the transformation 'driving seat'. The process of being involved tends to take them out of their functional world and give them a unique opportunity to get an end-to-end insight into the business, which can be extremely valuable in the long term.



ADVICE FROM THE TOP

How to manage Business Transformation.

1

GET HELP

Rule number one: you don't know what you don't know. No two transformations are the same and getting off on the wrong foot can have disastrous consequences.

2

MIND THE GAPS

Remember that it's always easier to understand the gaps in your plan than to know what to do about them. There's merit in doing diagnosis work to try and understand:

- The differences in cultures and leadership styles within your organisation
- The resource implications
- Whether you can invest enough time and effort into communication and engagement
- Who and where your natural leaders are

3

ALIGN YOUR STAKEHOLDERS

Ensure that all key stakeholders understand and support the business requirements based on engagement and direct involvement.

Then you need to ensure that you focus on the business transformation programme and short-term issues and business-as-usual all at the same time, otherwise they will run into each other and result in sub optimal use of resources.

4

SHAPE YOUR DELIVERY TEAM

Assemble a high-grade programme leadership team from within your organisation – do not accept second best resources – and make it clear from the outset, who is responsible for the “thinking” and who is responsible for the “doing”, underpinned by a clear governance and decision making model. All the time you should continually ensure business sponsorship, alignment and skin in the game.

5

USE THE EXPERIENCE WITHIN

It's good to have people on board who have the battle scars from previous transformations. Internal skills (subject matter experts) and deep institutional knowledge are really important.

“

MAKE IT CLEAR FROM THE OUTSET, WHO IS RESPONSIBLE FOR THE “THINKING” AND WHO IS RESPONSIBLE FOR THE “DOING”

”



6

SKILL THE GAPS AND KNOW THE DESTINATION

Don't be afraid to bring in transformation skills when they are recognised to be needed. Transformation cannot be the “steady state” of a business. It is exhausting, costly and has to have a destination.



THE EXPERT PANEL

BIE are proud to work with a strong network of permanent and interim business leaders. Our expert panel includes:



JIM GUNN

Jim is a BIE Associate with an extensive career in interim management and a partner in a London-based consulting firm. He has over 26 years of strategy, operations, and commercial experience in the British Army, oil and gas industry and business consulting with PwC.



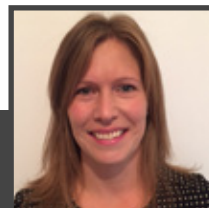
PAUL J SIEGENTHALER

Paul has helped numerous merging or acquired companies to integrate successfully, and has driven major business transformation programmes across Western Europe and North America, ensuring they deliver the business case their shareholders had been promised. He is a regular lecturer on the subject of post-acquisition business integration at H.E.C. in Paris and London School of Economics.



GILES CAMPBELL

Giles is a turnaround CEO who has led the successful turnaround of a wide range of companies, from retail fashion to electronics manufacturing, from £2m turnover to £100m. Awarded European Turnaround of the Year 2013 for recovering a central London Ad Agency, he is a regular speaker on turnaround leadership and an advocate of hands-on company recovery.



RUTH MORELAND

Ruth is a Senior HR Career Interim with a strong bias towards project and change management, working over the past 10 years with a wide range of clients in different sectors and industries on business transformation projects of varying sizes.

The logo for BIE, featuring three overlapping teal diamonds to the left of the text 'ABOUT BIE' in a white, sans-serif font.

ABOUT BIE

Helping you to prepare for tomorrow's opportunities whilst successfully delivering the challenges of today.

PEOPLE SOLUTIONS FOR EVOLVING BUSINESSES

At BIE we understand the challenges faced as businesses evolve. Our integrated solutions of interim or permanent functional expertise and business consulting, mean we can support you and your business at every stage of your evolution.

BUSINESS CONSULTANCY

Our experienced team of top tier management consultants can provide you with the independent, top-level view that will shape your business transformation, deliver you an individual or team to achieve the outcomes you want and help you build the internal capability to become a more agile organisation.

INTERIM MANAGEMENT AND EXECUTIVE SEARCH

Whether it's identifying experts to strengthen your internal capability or replace talent, providing 'backfill' solutions to enable evolutionary change or creating teams of specialists to help you deliver a major transformation, we work across the permanent and interim spectrum to provide you with the right people at the right time.

We have deep functional expertise in:

- Executive Leadership
- Finance
- Human Resources
- Supply Chain & Procurement
- IT
- Programme & Change Management

This ensures that whatever evolutionary opportunity you face, you can find the leadership and internal capability to deliver it.

To arrange a completely free consultation to discuss your current and longer term challenges and opportunities, please email info@bie-executive.com or call us on **020 3953 3250**.

www.bie-executive.com