



Business Transformation. Should you believe it?

A real example of how business transformation should be used and the benefits it can provide.

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Business transformation is a key [executive management](#) initiative that attempts to align People, Process and [Technology](#) initiatives of an [organization](#) more closely with its [business strategy](#) and [vision](#) to support and help [innovate](#) new business strategies and meet long term objectives. Business transformation is achieved through efforts from alignment of People, Process and Technology areas towards an outcome-based end-state, such as 50% increased revenue or 25% improved customer satisfaction.

It can be defined as:

- Changing **appearance** - by improving services to customers
- Changing **shape** – by review and reappraisal of what a business should do, by working with partners and by making better use of all types of resources
- Changing **form** – by improving the way the business works, and embraces new organizational structures, skills, processes and technology¹.

Business transformation can be achieved through new technology, business models, and management practices. Business transformation is now considered an essential part of the competitive [business cycle](#).

That is the definition of business transformation according to Wikipedia. How real is it? How easy is it to implement? Once implemented, can it be followed? As a former Sr. Executive for a fortune 100 company and a true believer of the process, I actually did what the definition explains to a “T” before I ever knew there was a name for it!

¹Oxford City Council website: Business Transformation Strategy, October 2008.



The Transformation Journey

About 10 years ago, I held the position of Director of Operations. A better title for the actual position was Transformation Executive. The main focus of the job was to transform the business processes, improve the profit margin of the company, and grow the business from our capabilities perspective.

When I was put into my role as the Director of Operations, the first task given to me by the CEO of the company was to get the company's measurement system corrected. I quickly understood the pain the CEO was experiencing. The company was trying to manage 176 different measurement criteria to run the company. I learned that companies typically have either too much or too little information to run an effective operation. We streamlined the measurement system from 176 to 16 key metrics that the entire company would then be measured against.

Once we got the entire company working to the 16 key metrics, we learned that our business process model was not very connected. By this, I mean the business processes were not connected to each other, so we could not get from our current state to a steady state in our operation, and we could never get into a continuous improvement mode of operation. As a result, we were over-delivering and under-delivering in our service delivery model, which had a major impact on our service delivery costs and profits. Our customer satisfaction was also declining, and we were not growing our business. Our measurement system helped identify these weaknesses in our company.



The True Transformation

We had to fix this problem quickly if we were going to survive. With our customer satisfaction declining and our profit margins being less than stellar, we needed change in order to deliver on the promise we were making to our clients.

We kicked off a major transformation effort in order to fix a number of issues that were causing us to either over-deliver to our terms and conditions or to under-deliver. We worked with our technology and business staff to identify what was causing the majority of our issues. The findings from the team told us that we had insufficient data in and around the terms and conditions of the contracts that we were delivering. When we did have sufficient data for the terms and conditions, we did not have the technology in place to pass the correct information along to the different processes in the company. To put the issue into a nutshell, our service entitlement was, to say the least, not effective.

We learned that we had way too many sources of entitlement data. This data was in different formats and none of it was close to being the same. Our service delivery applications had no place to store this data and our delivery teams didn't know what they were supposed to be delivering.

We first tried to solve this issue by putting more people on the problem. This provided a small improvement in the customer satisfaction area, but our profit margins continued to decline. At the same time, our sales and marketing teams were growing the business at a very rapid pace, and our corporate development team continued to acquire additional companies to grow top-line revenues. We were still losing ground on improving the profit side of the equation.

The people we deployed to fix our disparate data issue (entitlement data) began to raise additional issues. We were falling further behind and the customer satisfaction started to decline again. When this happened, we had to get the process people, the IT people, and the people doing the day-to-day work all on the same page. We clearly defined each of the groups' issues and assigned tasks to the owner of either the process side, IT side, or operations side of the issue.



To our amazement, we started to see the groups function as one team. We began chipping away at the issues until some of the internal bickering and extraneous problems began to subside. We made investments in the business process and IT infrastructure. We continued the measurement system and watched the 16 key metrics. They all began to improve.

The Fruits of Our Labor

This company-wide transformation lasted about three years before we were acquired by a fortune 100 company. If it wasn't for all of the hard work from the executive level of the company down to every single person that had a job to do in the company, we would have never gotten to that point. Profits were shared with every person in the company, from the president/CEO to the yard maintenance crew in the HQ facilities. Technicians were proud to be part of the company and the logistics and material teams were jumping through hoops to make sure that every service call we took had the materials available so that we met the commitments we made to our clients in every contract we sold.

The business results were phenomenal. It all goes back to this:

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Business Transformation works. It is not for the faint of heart. Follow the principals, stick to your strategic goals, and you will achieve your company's goals and your customer will love your company for you doing it.



About CSDP

CSDP offers flexible, agile solutions to unify infrastructure and transform cost centers into profit drivers resulting in greater customer service and market share. Our services-lead software is fully customized to fit your company's needs and is respectful of existing infrastructure so that it implements quickly and begins generating ROI immediately!

CSDP's clients have realized a 20% decrease in IT/infrastructure costs, reduced labor costs by 15%, and improved customer satisfaction by up to 15 points. We not only help our clients drive down operating and service delivery costs, but enable them to drive up customer satisfaction and increase revenue and market share!

CSDP is a services-led software company with a tailored suite of Service Relationship Management (SRM) © process tools. We offer service providers and product manufacturers in any industry an affordable way to increase efficiencies, reduce costs and enable cost centers to become profit contributors. The SRM © solution ties together CRM and ERP by addressing both service objectives and business processes. CSDP's SRM © software solution has been delivered to some of the world's foremost Fortune 500 companies to include IBM, Xerox, Fujitsu, Whirlpool, Rockwell and BOA just to name a few.

Visit our [website](#), follow our [blog](#), and join the [Service Relationship Management © 3.0 group](#) on LinkedIn.

To learn more about CSDP's SRM Transformation solutions, email us at info@csdpcorp.com or call Jerry Edinger at 888-741-2737 X 101 to learn more.

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