i-Realise

As-Is & To-Be for large scale business transformation
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When a business is looking to change their commercial focus, it usually involves a new operating model and a degree of structural re-organisation. In this, the next in our Expert Series, we look at how the As-Is and To-Be approach will guide you, and why it's important to get the org structure confirmed and agreed - and ensure that those changes support the new commercial focus - before you start your new process design.

First understand where you are - on one page

A high level As-Is analysis will allow you to represent your existing end-to-end business on a page. For example, to get started follow the process a customer or order takes through your business. This will ensure you include all the areas that impact how you generate sales or create the best customer experience. Doing this will probably highlight all the functions impacted by your change, which could be more than you think.

The early meetings you have can be a bit like collecting pieces of Lego and assembling them slowly into an overall shape! Ideally, you're looking to get agreement on the high-level As-Is first before you dive into the real detail. A high-level As-Is should be a representation of your business on a page, and your ultimate aim is to create another high level picture that visualises your new business – the To-Be. These high-level diagrams will provide the basis of understanding throughout the organisation of where you are now, and the target business, allowing you to undertake the change journey as a group together rather than individuals on different paths with different timescales.

The To-Be on a page diagram will become a valuable anchor to guide, shape and check your detailed progress. At the beginning it will help you identify workstreams, highlight potential issues and risks and outline timescales and project plans. During the project it will ensure you stay on track and prevent drift from your vision. Of course, the best laid plans change, so if you need to alter the scope, you can document it using this diagram and share the implications with key stakeholders. At the end of the project, you can use it to demonstrate success – it is your target.

Dive into the key points, not every point

There's a limit to how much you can practically achieve in one workshop especially if they are held online. Once you have your high-level As -Is you can work with individual areas or stakeholders to map the processes in depth that sit behind it in certain key areas. It's useful to prioritise those that are impacted heavily by the proposed change or those that have the greatest interdependencies. It is key to consider what's important for different areas. For example, a buyer might order a higher volume of SKU's to get a good price, but it may be impossible for the warehouse and stores to handle this volume. The warehouse will want to know how it's packed and the store will want to know how many items arrive and at what frequency. Identify the key decision points for your business and use the high level As-Is to keep track of them. Delve into the detail at these points to really understand the implications for all aspects of your business.

What's vital is that you go out into the business and see what's really happening. If your business involves an end-to-end supply chain, then visit the warehouse and see for yourself how it's really working. If you use systems, push things through manually and see for yourself how it actually works. What happens on paper might not be what happens in reality, so you don't want only one department's view.

Be clear on the To-Be objectives and principles

Once you have your As-Is picture – both at high level and critical process maps – it then needs validating with a broader set of stakeholders. After that you can shift focus to where you're going and designing how your new business will operate.

It's important to start your To-Be view top-down with a clear set of agreed objectives with a project sponsor and project owner that understand the importance of the change to the business and are well placed to drive it through. Know the key drivers and the scope and scale of what you must achieve by when – and make that realistic. At a senior level you can agree the design principles for your To-Be design; for example a profit per square foot target or the customer must be able to return an item to any store even if they bought it online, or an impending legislative change that you must comply with. The senior team's job is to tell you what's required, not to map out how to get there.

Diversity is important in your To-Be workshops

Once you have the objectives and design principles, you need a good range of stakeholders in your workshops to get the most from everyone's time and a robust output. Six people who all think in exactly the same way will offer a comfortable workshop, but it won't give you well-rounded ideas that will be adopted by other groups in the business.

We would recommend that you have a balanced group that includes:

- Someone who has a broad understanding of how the business works end-to-end.
- Someone who's new to the business and can bring fresh ideas based on what they've seen work well elsewhere.
- Someone who's worked for you a long time and knows where all the cracks are and why
- Someone who understands the relevant legislation and compliance requirements for your type of business
- People who have a good network and respect throughout the business.

The last point is especially important if you have people working in remote offices or supplier organisations, as they will need to sell your change to their own stakeholders for you.

If your change involves external suppliers engage them early

Working with suppliers adds an additional dimension to any change programme. It's worth being clear early-on which suppliers will be impacted and how, and discussing that with them well before you get into the change implementation phase. They will have other dependencies to consider and aren't mandated to align that with your project plan. If the shape of the data that passes between you needs to be different, whose systems will get changed to accommodate that? The answer may be contractual or informal, but agreement on that point is vital or it can really hold up your own transformation programme.

Agree the new org structure before starting the detailed process redesign

When the transformation involves a new operating model or a new organisation structure (perhaps including mergers or redundancies) then it's important to have agreed the new corporate vision and organisation structure before you start the detailed process re-design workshops. It is crucial that the new (or adjusted) operating units understand their role and responsibilities in the new organisation.

For example, if your change is to introduce an additional sales channel, which has a separate structure of its own, how will these processes work in conjunction with the existing processes? How will competition for stock, customer service, IT resources work in practice? How will competition for limited resource be handled and managed? Does the channel need to be completely separate or could it share resources? And if so, how would this work?

Just like your current processes, your new end-to-end processes will also have interdependencies across multiple departments, and you need to know how those will be organised up front, to design the flow.

Making change happen, together

Delivering change and transformation success through people, process and technology.

Call us now on **+44 (0)20 3008 6358** or email **info@i-realise.co.uk** to find out more about how we can support all elements of your transformation programme.