

# ETA Framework

## Enterprise Transformation Assessment

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**Abstract:** In this paper we present the  $\eta$  Framework which aims at enabling a holistic vision of Enterprise Transformation (ET) related to the adoption of Technological Artefacts. This framework is based on a Benefit-Driven approach to ET led by Stakeholders. Therefore, we focus on three interrelated components: (1) Stakeholders and corresponding classification according to their level of influence and attitude towards an artefact; (2) ET which encompasses five dimensions, namely Governance Changes, Business Model Changes, Business Process Changes, Structure Changes, and Resource Changes; and (3) Benefits classified according to their different degree of explicitness and hence importance to each stakeholder. In order to assess ET in a feasible way, we advocate mapping every single change with its corresponding benefit. Subsequently, these pairs of changes and benefits are assigned to a group of “Change Owners”, who are responsible for ensuring that ET is measured and successfully achieved. Finally, we summarize the four phases of ET Lifecycle (Envision, Engage, Transform, and Optimise phase) as well as the corresponding steps required to properly apply the  $\eta$  Framework.

## 1 INTRODUCTION

Successful adoption of Technological Artefacts depends on implementing the appropriate change (including governance or management of IT) in the appropriate way. In many enterprises, there is a significant focus on the first aspect - core governance or management of IT - but not enough emphasis on managing the human, behavioural and cultural aspects of the change and motivating stakeholders to buy into the change (ISACA, 2012) (Uhl & Gollenia, 2012).

It should not be assumed that the various stakeholders involved in, or impacted by, new or revised Technological Artefacts will readily accept and adopt the change. The possibility of ignorance and/or resistance to change needs to be addressed through a structured and proactive approach. Also, optimal awareness of the implementation program should be achieved through a communication plan that defines what will be communicated, in what way and by whom, throughout the various phases of the program (ISACA, 2012).

Sustainable improvement can be achieved either by gaining the commitment of the stakeholders (investment in winning hearts and minds, the leaders' time, and in communicating and responding to the workforce) or, where still required, by enforcing compliance (investment in processes to administer, monitor and enforce). In other words, human, behavioural and cultural barriers need to be overcome so that there is a common interest to properly adopt change, instil a will to adopt change, and to ensure the ability to adopt change (ISACA, 2012).

Unfortunately, workers who are the majority of stakeholders affected by the adoption of an artefact are still instrumentally viewed as parts of the enterprise “machine”. But this notion is starting to change, especially in the Enterprise Engineering community which advocates that (Dietz & Hoogervorst, 2013):

— Employees must be seen as a social group that can significantly enhance enterprise effectiveness and efficiency. Enterprises and corresponding employees are systems that must be jointly

designed since they can mutually support each other to enhance enterprise effectiveness and efficiency;

- The mere instrumental view on employees – workers as labour resources – undervalues human cognitive and social capacities.

This shift in focus considers employees, and their involvement and participation, as the critical core for enterprise success. Providing behavioural guidance through shared purpose, goals, norms and values ultimately boils down to providing meaning such that individuals orient themselves to the achievement of desirable ends (Uhl & Gollenia, 2012) (Dietz & Hoogervorst, 2013).

In a change process, some mistakes can happen that sometimes are not even identified. Several errors may occur in relation to the leadership of a change. The most common mistakes that can occur during ET are (Páscoa, 2012):

- Investment allow excessive complacency;
- Lack of a sufficiently powerful guiding coalition;
- Underestimate the power of vision;
- Inefficiently communicate the vision;
- Allow new obstacles to vision;
- Failure to create short-term wins;
- Declare victory prematurely;
- Neglect the incorporation of changes to the solid culture.

In addition, due to the increasing amount of shareholder value (and / or taxpayer's money) that is tied up in such transformations, one can expect that the requirements on the transparency with which these decision are made will increase (Proper & Lankhorst, 2013).

Research surveys in over 200 international organizations show that there is much that organizations can gain from a comprehensive value management applied throughout the transformation lifecycle, mainly because a large percentage of stakeholders are still not satisfied with their current approach on (Uhl & Gollenia, 2012):

- Identifying value and benefits (68%);
- Investment business cases and benefit plans (69%);
- Managing the delivery of benefit plans (75%);
- Evaluation and review of value realized (81%).

To address these issues we developed the  $\eta$  Framework (which is pronounced as ETA Framework, standing for Enterprise Transformation Assessment Framework).

In the following Section 2 we describe this framework in terms of its elements. Subsection 2.1 addresses Stakeholders Engagement and

corresponding stakeholder classification according to their level of influence and attitude towards a Technological Artefact. Subsection 2.2 presents Enterprise Transformation Dimensions, namely Governance Changes, Business Model Changes, Business Process Changes, Structure Changes, and Resource Changes. Subsection 2.3 addresses a Benefit-Driven Change perspective where benefits are classified according to their different degree of explicitness and therefore how important they are for each stakeholder. Finally, Subsection 2.4 explains the goals behind mapping changes with benefits and the importance of assigning them to “Change Owners”.

Section 3 describes the four phases of ET Lifecycle (Envision, Engage, Transform, and Optimise phase) and the corresponding steps in each phase required to properly apply the  $\eta$  Framework.

To sum up, we mention in Section 4 our main conclusions.

## 2 ENTERPRISE TRANSFORMATION ASSESSMENT

The  $\eta$  Framework aims at enabling a clear understanding of overall Enterprise Transformation (ET) related to the adoption of Technological Artefacts, by focusing on changes upon the organization, corresponding benefits and stakeholder engagement.

We advocate that the  $\eta$  Framework should be used from the beginning until the conclusion of ET projects. Notice that when we refer to an ET project we mean “transformation process with the purposeful intention to transform the organization as a means to achieve some goal” (Tribolet & Sousa, 2013).

The  $\eta$  Framework is designed to be used in the Operational Transformation Level, where we are concerned with the day-to-day progress of the ET. This level concerns the projects within the programs, where the actual work of the transformation takes place (Tribolet & Sousa, 2013).

As previously stated, stakeholders demand to have a clear understanding of what changes will happen upon their organization and the corresponding benefits. Moreover, it is important to align transformation-related objectives with goal-setting and incentive systems (Uhl & Gollenia, 2012). This means that we should map each change in the organization to its resulting benefits. By doing

so we can easily communicate with our project stakeholders and explain to them why we are adopting a certain Technological Artefact, namely an Information System (IS).

The  $\eta$  Framework is depicted in Figure 1 and encompasses three components, which are:

- Stakeholders and corresponding classification according to their level of influence and attitude towards artefact;
- Enterprise Transformation and its five dimensions, namely Governance Changes, Business Model Changes, Business Process Changes, Structure Changes, and Resource Changes;
- Benefits and their different degree of explicitness, which in ascending order are Observable, Measurable, Quantifiable, and Financial benefits.

### 2.1 Stakeholders Engagement

Stakeholders are critical to the successful adoption of the Technological Artefact since they can (and often do) significantly influence its development and outcome. The effective identification and management of stakeholders is essential to the success of ET (Nightingale & Srinivasan, 2011) (Uhl & Gollenia, 2012).

A project's success is related to stakeholder perceptions of the added value that is made possible through ET both at large and for themselves in particular, and also the nature of their relationships as stakeholders with the artefact. Consequently, stakeholder engagement is a critical success factor. If stakeholders are not fully engaged it is likely that there will be resistances to the implementation of the artefact (Uhl & Gollenia, 2012).

The stakeholder management has the following objectives (Uhl & Gollenia, 2012):

- Identify and list all stakeholders who are impacted by, or who can influence ET at the very beginning of the design and deployment of the artefact;
- Conduct high-level change impact analysis that the artefact will have on the current organization and identified stakeholders;
- Evaluate, analyze and record the degree of support and importance of each stakeholder;
- Align communication activities to reflect the needs and demands of specific stakeholder groups;
- Manage stakeholder (groups) individually along the artefact's lifecycle.

Stakeholder management helps to anticipate negative reactions to changes and supports to derive appropriate strategies to overcome potential resistances. At the beginning of ET all relevant stakeholders have to be identified, described and listed. This information helps to understand who are affected by ET. The high-level ET impact analysis provides information about the intensity of the changes for each different stakeholder groups and supports the anticipation of possible reactions. Afterwards, all relevant stakeholder groups are evaluated and classified based on two dimensions (Uhl & Gollenia, 2012):

- Level of influence: This is the ability of the identified stakeholders to influence the deployment and operation of the artefact and is determined using a high to low scale. For example, a high level of influence can result in decisions or actions from this stakeholder being attributed to the success of the artefact and/or leading to delays in timing, or may influence the overall scope and/or resourcing related to the artefact. A low level of influence means that the stakeholders have little or no influencing power over the progress or outcome of the artefact.

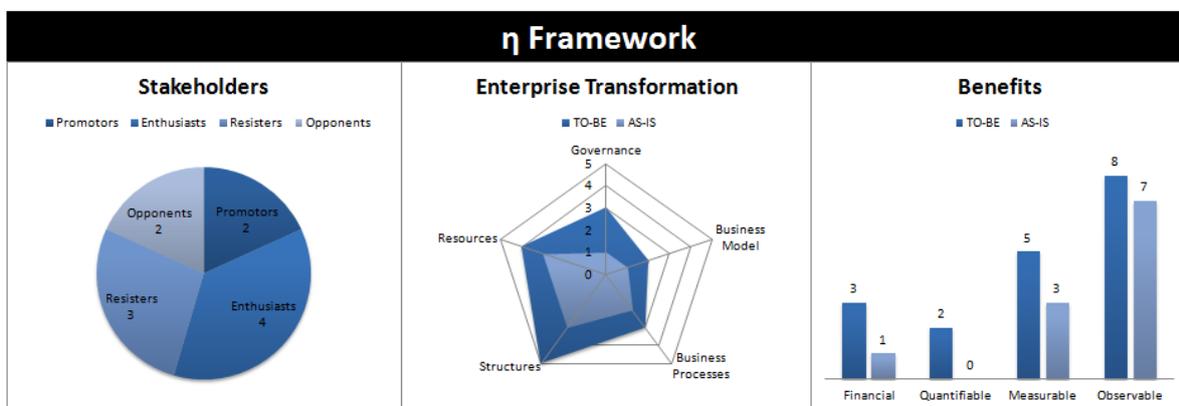


Figure 1: Example of applying the  $\eta$  Framework to an ET project.

Nevertheless, it is still important to capture their perceptions to minimize potential resistance;

- Attitude towards artefact: This is the attitude of the stakeholders towards the artefact and can contribute to the successful adoption of it. A negative attitude may lead the stakeholders to withdraw support and actively seek ways of working around it.

Therefore, each stakeholder can be classified as one of four basic stakeholder classifications: promoter, enthusiast, resister or opponent (Uhl & Gollenia, 2012). These categories are explained in the following subsections.

### 2.1.1 Promoters

Promoters are stakeholders who have been identified as having a high level of influencing power and a positive attitude towards the artefact. These stakeholders can directly influence the scope of the artefact and the progress to date; they can also highly influence other people's views on the artefact. These stakeholders should be used as much as possible to help promote the artefact to other employees and to ensure that a "positive voice" is being heard (Uhl & Gollenia, 2012).

### 2.1.2 Enthusiasts

Enthusiasts are stakeholders who have low influence but a positive attitude can be used to help promote the artefact and to gain support from other employees. It should be made an effort to use them as promoters (Uhl & Gollenia, 2012).

### 2.1.3 Resisters

Resisters are stakeholders with a low influence and a negative attitude towards the artefact should not be forgotten. Although their impact on the overall success of the artefact is not critical, these stakeholders should still be kept informed during ET.

Stakeholders with a more positive attitude and higher influence may be able to convert Resisters to have a more positive attitude through regular communication and adequate information to ensure that these stakeholders understand the artefact and become involved in ET (Uhl & Gollenia, 2012).

### 2.1.4 Opponents

Opponents are stakeholders who have been identified as having a high level of influencing power and a negative attitude towards the artefact

are also likely to be critical weakness to the successful adoption of the artefact. Therefore, since these stakeholders can directly influence the scope of the artefact and its progress, and can highly influence other people's views on the artefact, particular attention needs to be paid to them in order to bring them on board with ET. It must be ensured that ET does not face significant resistance. It may be that these stakeholders do not fully understand the artefact or why it is needed, or even do not feel properly involved. No matter what the case is, their issues must be addressed in order to prevent spreading a negative attitude to other stakeholders (Uhl & Gollenia, 2012).

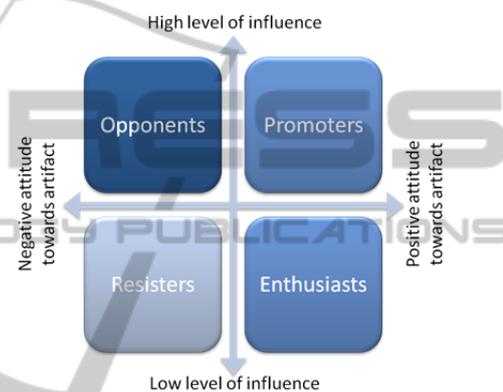


Figure 2: Stakeholder portfolio matrix (Uhl & Gollenia, 2012).

The stakeholder portfolio matrix helps to derive organizational change management activities that need to be taken to mobilize specific stakeholders (especially opponents). These activities should be targeted at enable stakeholder engagement, with the purpose of increasing their commitment to ET and consequently allowing ET to fulfil its benefits.

A reevaluation of stakeholder groups on a continuous basis helps to consider the ever-changing environments of the artefact that will affect stakeholder perceptions, interests, or priorities. In addition, a reiteration of the stakeholder analysis supports the measurement of the impact of the applied artefact on the organization.

## 2.2 Enterprise Transformation Dimensions

It must be assessed the high-level organizational change impacts that an artefact will have on the existing organization and corresponding stakeholders. ET component gives a perspective of the contribution/impact of a Technological Artefact

on each ET Dimension. We propose five dimensions of ET, which are: Governance Changes, Business Model Changes, Business Process Changes, Structure Changes, and Resource Changes. Each of them is explained below. Figure 1 depicts these changes in a radar chart, enabling all stakeholders to easily understand the overall impact of an artefact on their organization.

### 2.2.1 Business Model Changes

Organizations appear as a response to the needs presented by society. Since their appearance, their business practice, irrespective of their activity, should produce something in order to receive value in return (Páscoa, 2012). A Business Model “describes the rationale of how an organization creates, delivers, and captures value” (Osterwalder & Pigneur, 2009).

We may use any Business Model variant, still we have opted for the Business Model Canvas (Osterwalder & Pigneur, 2009). The Business Model Canvas advocates the need of a business model concept that everybody understands: one that facilitates description and discussion. It is crucial to start from the same point and talk about the same thing. The challenge is that the concept must be simple, relevant, and intuitively understandable, while not oversimplifying the complexities of how enterprises function. This concept can become a shared language that allows you to easily describe and manipulate business models to create new strategic alternatives. Without such a shared language it is difficult to systematically challenge assumptions about one’s business model and innovate successfully. Moreover, a business model has nine basic building blocks that show the logic of how an enterprise intends to create value (Osterwalder & Pigneur, 2009).

The nine basic building blocks are (Osterwalder & Pigneur, 2009):

- The Customer Segments Building Block which defines the different groups of people or organizations an enterprise aims to reach and serve;
- The Value Propositions Building Block which describes the bundle of products and services that create value for a specific Customer Segment;
- The Channels Building Block which describes how a company communicates with and reaches its Customer Segments to deliver a Value Proposition;
- The Customer Relationships Building Block which describes the types of relationships a

company establishes with specific Customer Segments;

- The Revenue Streams Building Block which represents the cash a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings);
- The Key Resources Building Block which describes the most important assets required to make a business model work;
- The Key Activities Building Block which describes the most important things a company must do to make its business model work;
- The Key Partnerships Building Block which describes the network of suppliers and partners that make the business model work;
- The Cost Structure which describes all costs incurred to operate a business model.

Business Model Changes encompass any modification in the previous building blocks made by the adoption of Technological Artefacts.

### 2.2.2 Governance Changes

Governance is the systems and processes put in place to direct and control an organization in order to increase performance and achieve sustainable shareholder value. As such, it concerns the effectiveness of management structures, including the role of directors, the sufficiency and reliability of corporate reporting and the effectiveness of risk management systems (Páscoa, 2012).

Governance encompasses Authority, Responsibility, Communication and Management. Thus, Governance Changes are related to any modification in these concepts.

### 2.2.3 Business Process Changes

Business Process Changes cover transformations among “dynamically coordinated set of collaborative and transactional activities that deliver value to customers” (Páscoa, 2012).

### 2.2.4 Resource Changes

Resource Changes refer to modifications related to materiel (equipment), information, human, techniques, knowledge, skills and activities used to convert raw materials to valuable resources for the organization – or from a systems perspective, the means by which inputs are transformed into outputs (Páscoa, 2012).

### 2.2.5 Structure Changes

Structure Changes represent transformations in how the organization is decomposed to best fit its goals. It designates the formal reporting relationship in number of levels and span of control, it identifies the grouping together into departments (or sub-systems) and of departments (or sub-systems) into the total organization and it includes design systems to ensure effectiveness, communication, coordination and integration of efforts across departments (or subsystems). An effective organization structure and design is one that optimizes the performance of the organization and its members by ensuring that tasks, work activities and people are organized in such a way that goals are achieved. An efficient organization’s structure and design is one that uses the most appropriate type and amount of resources (e.g., money, materials, people) to achieve goals. Structure is normally reflected in the organization chart and is also the visual representation of the whole set of underlying activities (included in business processes) (Páscoa, 2012).

### 2.3 Benefit-Driven Change

It is important to have all key stakeholders interested in the benefits provided by the artefact, motivating them to contribute with their knowledge, influence and time. Furthermore, it is crucial to obtain their buy-in (or even better – engagement) regarding the ET project by making clear why it is important. Initially it is essential to capture the benefit in the words that the stakeholders use, rather than in generic or too much specific technical terms. This allows to gain their commitment to achieving it and to ensure its meaning is fully understood (Uhl & Gollenia, 2012) (Bridges, 2003).

According to surveys made (Uhl & Gollenia, 2012), the more successful organizations include a wide range of benefits, more than just Financial Benefits, in their business cases. Benefits may be Observable, Measurable, Quantifiable or Financial.

Table 1 shows a framework for structuring these benefits according to the degree of explicitness. Any benefit can be initially allocated to the “Observable Benefits” row. Evidence must then be provided in order to move it to the rows above, which represent increasing levels of explicitness and knowledge about the value of the benefit (Uhl & Gollenia, 2012).

Although some benefits are more difficult, but not impossible, to quantify they enable to assess the business value that many projects produce. The less successful organizations tend to limit the benefits included to those associated with efficiency improvements and cost savings. Furthermore, while some senior managers are primarily interested in the financial benefits, many other stakeholders, such as customers and employees can be more interested in the “softer” or more subjective benefits (such as observable ones). It is this last type of benefits, rather than the financial ones that are likely to lead to greater commitment from those stakeholders to making the investment successful. Notice that the sequence of expressing the benefits also matters, which means that they should be ordered according to the intended stakeholders if needed, mainly for three reasons (Uhl & Gollenia, 2012):

- Externally facing changes that will benefit customers will have broader organizational acceptance than changes that suggest benefits to particular internal groups;
- Positive and creative about new and better things that will happen should come first, since they are more likely to encourage action than negative or reductionist changes;
- The story around ET benefits being told should be memorable, if the changes are truly worthwhile. Nevertheless, having more than a few simultaneous changes makes ET benefits too difficult for most people to remember or even too complicated for them to deal with ET.

It can be difficult to quantify the benefits of implementation or improvement initiatives, and care

Table 1: Framework for structuring benefits (Uhl & Gollenia, 2012).

| Degree of Explicitness | Description  |
|------------------------|--|
| Financial Benefits     | By applying a cost/price or other valid financial formula to a quantifiable benefit, a financial value can be calculated.  |
| Quantifiable Benefits  | Sufficient evidence exists to forecast how much improvement/value should result from the change.   |
| Measurable Benefits    | This aspect of performance is currently being measured (or an appropriate measure could be implemented). But is not possible to estimate by how much performance will improve when the changes are complete. |
| Observable Benefits    | By use of agreed criteria, specific individuals/groups will decide, based on their experience or judgment, to what extent the benefit has been realized.   |

should be taken to commit only to benefits that are realistic and achievable. Studies conducted across a number of enterprises that already have adopted the identical artefact could provide useful information on benefits that have been achieved (Uhl & Gollenia, 2012). In addition, it should also be provided a template of the  $\eta$  Framework with a default mapping between expected changes and corresponding benefits related to the adoption of a specific artefact. This way it is easier for organizations to fill in and understand how the framework works. Nevertheless, it is essential to adapt the  $\eta$  Framework to the organization's reality by adjusting changes and expected benefits.

As mentioned above, the benefits management rationale is that benefits and changes are inextricably linked and have to be considered at the same time, rather than creating a list of benefits and later working out how to achieve them. That is why it is essential to have these two components (Changes and corresponding Benefits) in the  $\eta$  Framework. There is often some confusion between changes and benefits: for example, "standardized or consistent processes" are often quoted as a benefit, but in reality are just changes; the benefit could be, for example: "reduced loss of orders due to unpredictable service levels" or "reduced staff training costs".

## 2.4 Mapping between Changes and Benefits

The first goal when applying the  $\eta$  Framework is to map all changes with corresponding benefits (Figure 3). Therefore we are able to easily answer the following relevant questions related to the ET leveraged by a Technological Artefact:

- What are the expected changes?
- What are the expected benefits?
- What are the expected benefits for this specific change?
- Which changes enable this specific benefit?

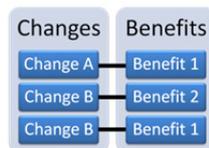


Figure 3: Mapping between changes and corresponding benefits.

### 2.4.1 Ownership

As initially stated, stakeholders' involvement and

participation is a critical core for enterprise success. Providing behavioural guidance through shared purpose, goals, norms and values ultimately boils down to providing meaning such that individuals orient themselves to the achievement of desirable ends (Uhl & Gollenia, 2012) (Dietz & Hoogervorst, 2013).

Selecting "Change Owners" to be responsible for both changes and corresponding benefits is also an essential aspect when applying the  $\eta$  Framework. They are the cornerstones to define the AS-IS and achieve the TO-BE. Therefore they help building a robust and accurate ET against which success will eventually be measured. In addition, an accurate assessment of the current situation will normally reveal priority areas of improvement within the transformation and help schedule the changes to deliver "quick wins" (Uhl & Gollenia, 2012).

"Change Owners" are those named individuals or job role holders who accept responsibility for doing all they can to make the changes happen successfully, or to work with those making changes to ensure that the benefits are achieved (Uhl & Gollenia, 2012). Therefore, each pair of change and corresponding benefit in the  $\eta$  Framework must have an owner or in some cases joint owners (Figure 4). This way we are also able to answer the following relevant question:

- Who is responsible for ensuring that changes and corresponding benefits are achieved?

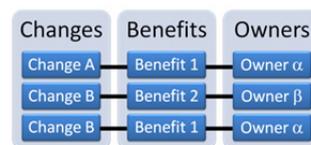


Figure 4: Mapping between changes/benefits and assigned owners.

Furthermore, the role of these "Change Owners" is to make sure that:

- Change and corresponding benefit is achieved;
- Define how the benefit is measured;
- Decide whether it can be quantified and valued in advance;
- Define the current baseline (AS-IS);
- Measure the extent to which it has been achieved (update the AS-IS).

The  $\eta$  Framework allows having an accurate and updated holistic vision of the ET, which increases its credibility for many stakeholders, leading to greater commitment and involvement in improving the situation.

### 2.4.2 Iterative Approach

Organizations are dynamic systems that are constantly in motion. They change their purpose (for instance, the core business of a company), their customers and services, and their external and internal structure in a pace that is much higher and much less planned than it used to be. This is partly due to the dynamic environment in which they operate, but also, to a certain extent, a choice of their own. To handle this motion, the successful enterprises of today have well-defined managerial responsibilities and understandable project priorities while also enable the processes to be enough agile, even improvisational and continuously changing. ET therefore comprises more than just planned change, initiated by people that think the organization is not agile enough to respond to its environment – it is a combination of deliberate and organic change. Although previous research in the field of Enterprise Transformation hardly expanded on “nonlinear processes,” they do imply that to properly understand ET one must allow for emergence and surprise. Moreover, the possibility of ET must be taken into account when having ramifications and implications beyond those initially imagined or planned (Harmsen & Molnar, 2013).

In sum, it is crucial to apply and update the  $\eta$  Framework on a regular basis, from the beginning of an ET project, through all outlined changes and unexpected ones, until eventually all changes and corresponding benefits have been successfully achieved. At that point in time, one can expect having the Technological Artefact entirely operational and delivering its full potential to all involved stakeholders.

## 3 APPLYING THE FRAMEWORK ACCORDING TO ET LIFECYCLE

This section illustrates how to correctly apply the  $\eta$  Framework during an ET project related to the adoption of a Technological Artefact by an organization.

In order to successfully put into practice the  $\eta$  Framework we must bear in mind the Transformation Lifecycle, which provides an overall map of the change territory and allows understanding of the iterative nature of ET. Based upon this, ET can be efficiently organized. The mistake that hampers a smooth ET is considering the

transformation process as strictly linear; in essence, the transformation process is iterative and goes through different stages in recurring cycles. Therefore, a stage model with recurring phases is required (Uhl & Gollenia, 2012). Figure 5 depicts the four steps encompassed in ET: (1) Envision, (2) Engage, (3) Transform and (4) Optimize.

In the following subsections, we summarize the four phases of the Transformation Lifecycle as well as the corresponding steps required to properly apply the  $\eta$  Framework. Moreover, the requirements and expected outcomes of each phase are presented. It is also explained why the selection of “Change Owners” relies on their level of influence and primarily on their attitude towards the artefact.

### 3.1 Envision

Envision is a phase that embraces the “why” as well as the “how” questions of ET. “Why is change needed and how capable is the organization to manage the transformation?” This phase diagnoses the need of the organization to adopt a Technological Artefact. In addition, the strategy and vision in dealing with the change need are also developed. Thus, it combines both analytical capabilities with creativity and foresight (Uhl & Gollenia, 2012).

A further goal of the “Envision” phase is to create stakeholders’ commitment to the developed ET strategy within the top management team and subsequently in middle management and employees. For that reason ET must have a clear focus, be objective and transparent (Uhl & Gollenia, 2012) (Nightingale & Srinivasan, 2011).

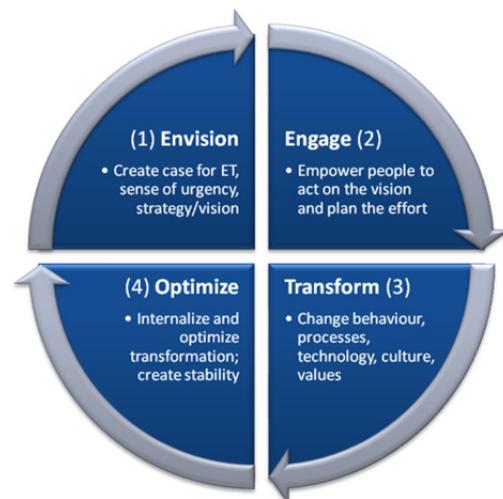


Figure 5: ET Iterative Lifecycle (Uhl & Gollenia, 2012).

In this phase the main goal is to study the best feasible option of a Technological Artefact to solve a number of difficulties that the organization is facing. After the artefact has been chosen, the team responsible for this project should address it as an ET project, monitoring the overall impact that this artefact will have on their organization since the moment it was chosen. The first step is to map all related changes with corresponding expected benefits. This enables them to adopt a holistic approach to ET which must serve the “enterprise value proposition” – the basic reason the whole undertaking exists (Nightingale & Srinivasan, 2011). This mapping is the cornerstone of sharing the sense of urgency and vision of overall change in the organization.

### 3.2 Engage

Engage phase represents mobilizing commitment in the organization. Involvement and communication are essential here, as well as the establishment of discrete projects to deliver change and drive momentum. Engagement would entail delivering both behavioural and attitudinal buy-in to the transformation (Uhl & Gollenia, 2012). For that, ET requires a clear understanding throughout the entire organization of what change is required, why it is required, and what benefit will be obtained – which is described in the mapping of changes and benefits referred in the previous phase.

At this phase, identify relevant stakeholders (such as managers and employees) and determine their value propositions. These stakeholders must support the adoption of the Technological Artefact and believe in the benefits it will grant to the organization – as well as to them. A comprehensive analysis of all relevant stakeholders is difficult but essential. First identify them and then prioritize each (single or group of) stakeholder(s) (Nightingale & Srinivasan, 2011) (Uhl & Gollenia, 2012). The previously presented Stakeholder classification allows categorizing, studying and selecting stakeholders according to their attitude towards artefact and level of influence.

On the one hand, it should be selected stakeholders with a positive attitude towards the artefact (such as promoters and enthusiasts) to become “Change Owners”. Notice that each “Change Owner” must comprehend the environment in which “his/her” changes (and benefits) are taking place, in order to be able to successfully monitor them. Remember to keep demands reasonable. Do not expect stakeholders to do more than is humanly

possible. Try to put them through only one change/benefit at a time. If several changes are going to happen simultaneously, prepare stakeholders to cope with them and ensure that they know how the whole picture fits together. In addition, be prepared to scrap old rules. Drop policies and ways of working that make the transition harder than it has to be. And most importantly, work with concise goals by setting goals that are achievable, namely in the short term to keep spirits up. Finally, keep communicating with “Change Owners” and help them communicate within the organization (Bridges, 2003).

On the other hand, stakeholders with a negative attitude (such as resisters and opponents) must also be addressed though in a different way. Take special attention to opponents due to their high level of influence. To make it as easy as it can be for these stakeholders to put an end to what went before, begin by forcing yourself (and your team) to see clearly what is going to end and who is going to suffer what losses as a result. Develop a strategy to help them through the inevitable shocks (Bridges, 2003). Pay attention to their opinions and help them to better understand changes/benefits that concern them. Since benefits are classified according to their level of explicitness related to the assessment of the business value that a change produces to the organization, it is possible to present the most relevant benefits to each type of stakeholder. For example, while some senior managers are primarily interested in the financial benefits, many other stakeholders, such as customers and employees can be more interested in the “softer” or more subjective benefits (such as observable ones) (Uhl & Gollenia, 2012).

### 3.3 Transform

Transform phase encompasses achieving all previously defined changes, including Governance Changes, Business Model Changes, Business Process Changes, Structure Changes, and Resource Changes in the organization. In this phase it is where transformation in occurs, such as reorganization of resources, new business processes and relationships, including creating new business entities, relocation and redeployment of staff, creating and utilizing new capabilities and enhancing employee competencies, and changing their behaviour, attitudes and shared value. People need to understand the need for transformation and commit to a pace which is acceptable to them while enabling inhibiting walls between departments and businesses to be removed.

The rational and the emotional elements have to be brought together to win hearts and minds (Uhl & Gollenia, 2012). Only by then will the organization be able to take full advantage from all efforts made.

Keep in mind to focus on enterprise effectiveness before efficiency. An effective enterprise delivers adequate value to all stakeholders. An efficient enterprise operates at the lowest possible cost. Efficiency has great value, but it is not the most desirable quality. Effectiveness is crucial to enterprise viability. Enterprises should strive to be both effective and efficient, but lean organizations are built on effectiveness (Nightingale & Srinivasan, 2011). The same applies to ET.

The main goal at this phase is to assess if each change has been made and whether its corresponding benefit has been achieved. As previously stated, only afterwards we should focus on increasing efficiency. Nevertheless, throughout ET we must update the  $\eta$  Framework on a regular basis in order to maintain a holistic and real model of transformation occurring in the organization.

### 3.4 Optimise

Optimise is a phase where transformation must be embedded and internalized as the new “business as usual”. The institutionalization of transformation – ensuring that quick wins are consolidated, processes and achievements are measured, and any laggard behaviour is addressed – will create conditions for effective ET and ensure that change capability is enhanced (Uhl & Gollenia, 2012).

It is crucial to ensure stability and flow within and across the enterprise since it is unfeasible to develop a useful baseline for ET amid turbulent operations. Organizational stability helps identify bottlenecks and eliminate them (Nightingale & Srinivasan, 2011).

ET in practice is often messy and, to some stakeholders engaged in it, as multiple activities vie for attention and the realities of dealing with obstacles confounds the best-laid plans. The iterative nature of ET must therefore be addressed. The constant iteration and the preparedness to return to phases of the cycle to solve problems and reinforce messages is a key element of the transformation process (Uhl & Gollenia, 2012) – and this is where the  $\eta$  Framework must excel.

## 4 CONCLUSIONS

In this paper we presented the  $\eta$  Framework which

aims at enabling a holistic vision of Enterprise Transformation (ET) related to the adoption of Technological Artefacts.

We discussed three interrelated components: (1) Stakeholders and corresponding classification according to their level of influence and attitude towards an artefact; (2) ET which encompasses five dimensions, namely Governance Changes, Business Model Changes, Business Process Changes, Structure Changes, and Resource Changes; and (3) Benefits classified according to their different degree of explicitness and hence importance to each stakeholder.

In order to assess ET in a feasible way, we proposed mapping every single change with its corresponding benefit. Subsequently, these pairs of changes and benefits are assigned to a group of “Change Owners”, who are responsible for ensuring that ET is measured and successfully achieved. The selection of these “Change Owners” relies on their level of influence and primarily on their attitude towards the artefact, where promoters and enthusiasts are fundamental to promote the artefact and engage with other stakeholders in order to gain their support.

Finally, we summarized the four phases of ET Lifecycle (Envision, Engage, Transform, and Optimise phase) along with the corresponding steps in each phase required to properly apply the  $\eta$  Framework. In addition, we stated that ET is an iterative process, which must be applied and updated on a regular basis.

In short, we proposed a *Benefit-Driven approach for Enterprise Transformation led by Stakeholders*.

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