



Strategically Enabled Enterprise

ENTERPRISE RELATIVITY — A PHILOSOPHY FOR SUSTAINABLE SYNERGY

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The Current Reality

Enterprises today operate in a world that is intensely competitive, rapidly changing, and increasingly uncertain that make business issues complex and difficult to address. Characterized by the essential use of information technology and an ever-changing global marketplace, enterprises are challenged with new technologies, shorter product life cycles, customer demands, and greater regulatory requirements.

These challenges demand that enterprises take a different approach of how they fundamentally view, assess, and manage their enterprise in a holistic and balanced manner. It is this change in the paradigm that occurs in the business, organizational, and technology architectures of the enterprise.

Because of continual, accelerating change enterprises are experiencing a shift in the workspace:

- Shift in the business world from a predominantly manufacturing-oriented, industrial-age economy to one that also has become equally a service-oriented, information-age economy
- Customers are no longer uninformed and passive, but intelligent, sophisticated, ever-changing, and more demanding
- Shift from customer focus only to the engagement of every stakeholder

Today enterprises are experiencing a change in what employees expect in the workplace:

- Given the opportunity to do what they do best and willing to take ownership of their careers and development
- Increasingly interested in having challenging, meaningful work
- More loyal to their profession than to the organization
- Less accommodating of traditional structures and authority
- Greater concern about maintaining their personal well-being and having a work-life balance

Accelerating change demands that IT organizations become more proactive, not just responsive and adaptive:

- Become a strategic asset and enabler of business and organizational value creation
- Transition from a technology-based to services-based orientation
- Focus primarily as a value enabler that provides innovative solutions and quality services
- Transition from having an internal technology view to an external business view

Strategically Enabled Enterprise

If enterprises are to better capitalize on business opportunities they cannot underestimate the importance of predicting and reacting to an ever-changing business environment. By understanding how these shifts in the enterprise paradigm are related and relevant an enterprise can address these changes in a more proactive, rather than reactive way.

The complexity of the enterprise demands a more comprehensive view of its basic elements and their underlying relevancies. The Strategically Enabled Enterprise (SEE) philosophy proposes an alternative approach to run the business, lead people, and

Relativity teaches us the connection between the different descriptions of one and the same reality.”

- Albert Einstein

manage technology. In expressing the SEE philosophy in general terms, an enterprise is strategically enabled by doing the right things, the right way, at the right time, by having the right people, working in the right conditions, using the right technology, producing the right results.

The underlying philosophy of a Strategically Enabled Enterprise is Enterprise Relativity. Enterprise Relativity is based on the premise that asserts:

The complexities and uncertainties within the enterprise do not exist from its structure, but the underlying relevancies and relationships and associated congruencies and contradictions.

The ultimate goal of Enterprise Relativity is to create sustainable synergy through transformational change that leads to a Strategically Enabled Enterprise, which is defined as:

An enterprise that possesses the attitude (willingness) and aptitude (ability) to relentlessly differentiate its workspace and distinguish its workplace to create an epicenter of sustainable synergy by being proactive and predictive in everything it does.

Through a balanced and holistic perspective Enterprise Relativity provides the foundation that addresses the relevancies, relationships, congruencies, and competing values that exist in every enterprise. A Strategically Enabled Enterprise is achieved through:

A proposed framework and methodology that offers an alternative means to create continual, transformational change that results in sustainable synergy driven by a philosophy that fundamentally changes the way we view, assess, and manage the enterprise through a more comprehensive, cohesive model.

Enterprise Relativity

Enterprise Relativity underlies the means to understand and address the complexity of an enterprise in order to assess the enterprise in a more comprehensive, cohesive way using a holistic, balanced approach. The complexity of an enterprise is not derived from the structures of the workspace and workplace, but the complex nature and behavior of people that comprise the enterprise within the increasingly changing political, economic, social, and technological continuums.

The essence of enterprise relativity is that we all see the enterprise from different perspectives that create unique vantage points. It is about understanding those differences in the way we each perceive and respond to that reality.

The ultimate goal of Enterprise Relativity is to create enterprise sustainable synergy through continual, transformational change while maintaining stability.

The premise behind Enterprise Relativity is about the enterprise taking a relative, rather than an isolational, approach toward the challenges and issues that it experiences. It is critical to understand the key relevancies:

- 1 A properly conceived and timed visionary strategy drives the creation and innovation of a business model and dynamic business and IT capabilities that leads to enterprise viability.
- 2 A creative and innovative business model translates strategic objectives into key business capabilities that aligns those business capabilities with the business strategy.
- 3 Dynamic business capabilities facilitate the reconfiguration of activities and reallocation of resources that aligns the business model and IT capabilities with the business strategy.
- 4 Exploited technology that enables the improvement of business capabilities gaps and service disconnects to execute the business model and realize the visionary strategy.
- 5 A positive, empowered culture and a motivated, energized workplace cultivated by effective leadership produces a passionate, committed, and engaged workforce.
- 6 Committed, engaged workforce working with invested, engaged partners produces delighted, loyal customers that leads to happy, satisfied shareholders.
- 7 Developed personal networks and integrated organizational networks leads to optimally performing teams and collaborating business partners.
- 8 Exploited technology that creates business and organizational intelligence from which an enterprise becomes more proactive and predictive in everything it does.

Principles of Enterprise Relativity

The following principles define Enterprise Relativity:

| Principles | Description |
|-----------------------------|--|
| Enterprise Continuum | The enterprise continuum is about taking a balanced, holistic view of the enterprise within the three fundamental frames of reference – organizational (people), business, and technology. |
| Time | Time is of the essence and speed is the base that defines the fourth dimension within the enterprise continuum. Accelerating change demands managing change as the norm, not the exception. The result is time dilation or time contraction relative to the competition and industry. |
| Enterprise Duality | <p>This principle is based on the concept of “stereoscopic vision.” Managing dualities that exist in the enterprise require balancing contradictory, competing values and opposing forces. As examples, how does an enterprise achieve short-term performance and sustain long-term growth? How does the organization operate for its greater good while preserving the interest of individuals?</p> <p>Enterprise Workspace – Defines the rational and functional vantage point of the enterprise that includes business strategy, business model, business and IT capabilities and external influencers.</p> <p>Enterprise Workplace – Defines the emotional and relational vantage point of the enterprise that includes the organization’s culture and climate, stakeholders, and the formation of organizational networks. It is primarily focused on its stakeholders’ intentions, behaviors, and relationships within the enterprise.</p> |
| Multi-dimensionality | Relative to an organization one can examine the factors of why some enterprises are extraordinarily successful from multiple frames of reference. Success derives from an orchestrated effort between business rationalization, organizational development, and technology investment. |
| Complementarity | No longer is it prudent to treat business, people, and technology as competing forces, but relevant to each other that possess complementary and contradictory characteristics. The imperative is to create synergy between these enterprise’s frames of reference by addressing the challenges of all three with equal focus and attention. |
| Uncertainty | There are reasonable and practical limits to what can be managed and accomplished. The Uncertainty Principle determines what can be and how much should be measured, therefore, managed. When addressing the challenges relating to business, people, and technology there are constraints that dictate what an organization can achieve within a certain time frame and available resources. |

Table 1 - Organizational Relativity Principles

Concepts of Enterprise Relativity

The following concepts underlie Enterprise Relativity. These concepts were the basis for the development of the SEE framework and methodology:

| Concepts | Description |
|----------------------------|--|
| Polarity Management | Organizations today need to continually balance between contradictory, competing values. In his book <i>Polarity Management</i> , author Barry Johnson argues that many current trends in business today are manageable polarities, not solvable problems. Inherently unsolvable, organizations cannot approach these issues as problems. Managed as a set of opposites, polarities cannot function well independently. Having contrary qualities, the two sides of polarities are interdependent, but coexist and must be managed coequally (Johnson B., 1996). |
| Dialectic Principle | The German philosopher, Friedrich Hegel, formulated an idea at the beginning of the 19th century that proposed the dialectic triad of thesis, antithesis, and synthesis, in which a proposition (thesis) is incomplete and produces a conflicting proposition (antithesis). Thereby, a third point of view synthesis is reached, which resolves the conflict by reconciling the premises contained in the thesis and antithesis. |
| Medici Effect | Frans Johansson, the author of <i>The Medici Effect</i> , iterates there is a place where different cultures and disciplines can converge into a single point. Called the 'Intersection,' this is the focal point of revolutionary ideas and extraordinary innovation. Made possible by lowering associative barriers, a locus of different concepts across fields of endeavors is created. Johansson has dubbed this phenomenon, the 'Medici Effect' (Johansson, 2004). |

Workspace Concepts

The following concepts underlie the enterprise workspace, which are used in the SEE framework and methodology.

| Concepts | Workspace |
|----------------------------------|--|
| Performance Management | Kaplan and Norton created a performance measurement system in which the enterprise can define strategic business goals and objectives and associated metrics within the four perspectives of financial, customer interface, internal capabilities, and organizational growth. Through the tools of a Strategy Map and Balanced Scorecard an enterprise can drive a cohesive, comprehensive enterprise development or improvement initiative. |
| Four Actions Framework | Based on the Blue Ocean Strategy of Kim and Mauborgne, the Four Actions Framework provides a means to craft a value innovation strategy to potentially create a new market, product, or service. The intent is to raise value while lowering costs that breaks the trade-off between differentiation and low cost. |
| Business Model Generation | Developed by Dr. Alex Osterwalder, the business model ontology is comprised of elements and their relationships that describes how the enterprise plans to make a profit. Its goal is to help understand, describe, and predict how the enterprise will work in the real world by exploring new opportunities and improving current operations by creating a Business Model Canvas and Business Plan. |
| Business Component Model | An approach, developed by IBM Institute for Business Value, to drive an internal and external focus on business process model flexibility. By developing loosely-coupled processes, enterprises can be more responsive to customer needs, provide differentiation of products and services, improve efficiency in operations, and achieve the necessary, desired enterprise change. |

Workplace Concepts

The following concepts that underlie the enterprise workplace, which are used in the SEE framework and methodology.

| Concept | Workplace |
|-----------------------------------|---|
| Competing Values Framework | A management framework developed by Quinn, Faerman, Thompspon, and McGrath that helps leaders align and integrate the four basic modes of enterprise values, culture, and leadership relative to the industry dynamics and markets to drive enterprise change. An organization can gauge how well it needs to perform on all four modes of culture while understanding that these are complementary and contradictory. |
| Workplace Climate | Outlines the organizational, role, and moderating factors that must exist in the workplace to fulfil the stakeholder’s needs so they perform at their optimal level while they enjoy good health and maintain a work/life balance. Based on the research by Ken Blanchard Companies, Gallup, and Harvard School of Business. |
| Psychological Archetypes | Refers to how people think, behave, and relate to others in response to their environment and the people around them. These categorical schemes have been proposed independently by many researchers, among the more recognizable, Jung, Myers and Briggs, Herrman, Dr. Benziger, and Shutz. |
| Organizational Networks | Related to the organization’s culture and climate, these dynamic, ad hoc structures are the underlying ways stakeholders relate and interact to carry out their activities. Based on the work of Rob Cross, McIntire School of Commerce at University of Virginia, Andrew Parker, IBM’s Knowledge and organizational performance Forum, and Robert Thomas, Accenture’s institute of High Performance, organizational networks show how work really gets done in the enterprise. |

Facets of Enterprise Relativity

Enterprise Relativity basically entails the following facets. These facets underlie the SEE framework and methodology.

| Facet | Description |
|-----------------------|---|
| Relevancies | <p>Understand that one element of the enterprise is relevant to another because its relationship can impact the outcome of the other element. Relevancies are the dependencies created by the relationships that impact the desired outcome of one structural element on another.</p> <p>For example, used as an organizational lever, how does leadership development impact the outcome of an energized, motivated workforce? When improving workforce motivation, the effectiveness of leadership is a primary factor that increases the likelihood of facilitating workforce motivation that leads to an increase in workforce performance.</p> |
| Relationships | <p>The linkages and connection points between the enterprise dimensions that are key to aligning, integrating, and converging the enterprise into a cohesive whole of sustainable synergy while preserving autonomy.</p> |
| Congruencies | <p>See the structure of an enterprise in terms of integration, not in isolation.</p> |
| Contradictions | <p>Aspects in their relationships are contradictions or competing values, but also complementary. Rather than treat these contradictions as problems that requires trade-offs, manage them as polarities or dualities that must be managed. It is these dualities that create the checks and balances within the enterprise.</p> |
| Perspectives | <p>Every individual stakeholder and business area collectively bring unique perspectives, talents, and expertise that contribute to the success of the enterprise. Perspectives determine the scope in which to establish context. The key is to understand these perspectives within the context of the workspace and workplace.</p> |

Facets of Enterprise Relativity

Enterprise Relativity basically entails the following transformational facets.

| Facet | Description |
|-------------------------|---|
| Transformational | The adage, 'Change is a constant' continues to hold true. Magnitude and velocity (scope, scale, and speed) define the factors in transformational change. |
| Situational | Understand that sub and counter cultures, leadership styles, team memberships, and business and network roles are relative to the current situation. |

Enterprise Relativity basically entails the following structural facets that defines the means to establish governance.

| Facet | Description |
|-------------------|---|
| Streams | Streams are the result of the relevancies that exist in the form of connections and chain of relationships. They identify the primary linkages of the relationships that exist within the workspace and workplace. As an example, when improving workforce motivation, the effectiveness of leadership is a primary factor that increases the likelihood of improving workforce motivation as cultivated by the organization's culture that values talent combined with its workplace climate to develop that talent into strengths. |
| Continuums | Managing enterprises requires the understanding that the relevancies, relationships, congruencies, and contradictions are not absolute, but rather exist in degrees along continuums. These degrees determine the magnitude of transformational change. |
| Controls | The checks and balances in an enterprise that include business rules, policies, and procedures, current best practices, monitoring and auditing, etc. |
| Lifecycles | Being time related, the business, organizational, and technology events and processes that operate within a specified time frame or horizon. As an example, the production rate and service delivery of the enterprise can be synchronized to the rate of its value streams, partnerships, networks and stakeholders' demands to produce just enough at just the right time using just-in-time inventory. |
| Flows | The movement of funds (transactional), product and service delivery, flow of information, exchange of data, sharing of ideas, and the transfer of knowledge and access to expertise. |

Summary

The SEE philosophy asserts that everything in the enterprise is connected, therefore has an impact on everything else in some way to some degree. In effect, everything in the enterprise is interrelated and relevant whether directly as congruencies or inversely as contradictions. It is these underlying relevancies and relationships and associated congruencies and contradictions that create the complexities and uncertainties that exist within the enterprise. By understanding and addressing the relevancies and relationships an enterprise can better deal with the complex issues and make more effective decisions.

simatec

CONTACT

www.simatecinc.com

T 844.860.0494

E info@simatecinc.com

LOCATIONS:

Glendale, AZ
85308