

# Discrepancy between the aspirations of Enterprise Transformation Actors and the Approaches in place

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## 0 The context

From October 2008 to March 2009 - upon the request of its sponsors - the CEISAR observed a series of projects under way in 4 Large Enterprises (Air France, Axa, BNP Paribas and Total).

In the course of this, the project actors made a number of suggestions for improvement. As the observation sample comprised only 4 companies, the CEISAR decided to take advantage of the half-yearly presentation which brings together user Enterprises, Suppliers and the Academic world, to ask participants to vote on the same themes and thus ascertain if these ideas are more widely shared. The aim of this document is to present the results of this survey.

### 0.1 Enterprises who took part

As responses did not differ much between the 5 voting categories (large Enterprises, small Enterprises, large Suppliers, small Suppliers, Academic world), we chose to indicate the overall results, except when disparities deserved greater precision.

200 people attended this presentation. As we had planned for a lesser turn out, we only ordered 140 electronic answering devices. We would like to apologize to those 60 people who weren't able to vote. Certain Large Enterprises or Large Suppliers had several voters.

#### 0.1.1 Enterprises

- Large Enterprises (> 10,000 staff) **accounted for 34% of voters** (CAC 40 Enterprises in bold type)
- Small Enterprises (< 10,000 staff) **accounted for 14% of voters**

Aéroport de Paris (ADP)

AG2R

AGF

**Air France KLM**

**Air Liquide**

**Alcatel**

**Alstom**

APHP

Axa France

**Axa Groupe**

**BNP Paribas**

BNP Paribas Assurance

Bouygues Telecom

Caisse des Dépôts

Canal +

Cetelem

Cigref

**Crédit Agricole**

**EDF**

**FranceTelecom Orange**

Generali

LA Banque Postale

**Lafarge**

LFB

**L'Oréal**

ONF

MINEFE (Ministère de l'Economie, de l'Industrie et de l'Emploi)

Ministère de la Culture

**PSA**

RATP

**Renault**

RTE

SMABTP

**Société Générale**

**Total**

## 0.1.2 Suppliers

**Large Suppliers (over 100 people) accounted for 19% of voters**

Arismore

BCG

**Cap Gemini**

C2S

Efront

IDS Scheer

Logica

Mega

Oracle

SAP

Sinapse

Sogeti

**Small Suppliers (less than 100 people) accounted for 14% of voters**

Adventium

Apotegm

Aurel BCG

Bizfocus Solutions

Business and Interop

Business at work

CGSI Consulting

DIOT

DPM Services

Easy MES

Eurinnov

Exalead

Fiabilis

Ineum

Linagora

LN Square

Kalis

Mage Conseil

Nextsteps

OPTRED

Orchestra Networks

Qim Conseil

Stance partners

Team trade

Telys

Transatel

Value 360

Vistali

Wyde

### 0.1.3 The Academic World - 12% of voters

Centrale Lille  
Centrale Paris  
Club des Pilotes de Processus  
CNAM  
HEC  
ISTY (Institut des Sciences et Techniques des Yvelines)  
Pascaline  
Supelec

## 0.2 Document structure

We defined 14 key themes:

1. The Sponsor must define the Problem to be solved
2. Growth of Evolutive Solutions over Commodity Solutions
3. The current Contractual Approach is not adapted to Evolutive Solutions
4. For Evolutive Solutions we must adopt a Cooperative Approach
5. A powerful Foundation considerably reduces costs\* and deadlines
6. Build Solutions which support different organizations
7. Use configuration Tools for that which evolves\* often
8. Project Leaders not just Managers, but also Builders
9. Business and IT Actors in the same project team
10. A single Foundations Team which covers everything to do with the "Common Good"
11. Convincing General Management to invest in the "Common Good"
12. Business Experts in Foundations
13. Free up Management time to devote it to Building
14. In times of crisis: "Batten down the hatches" or "Leap forward"?

For each of these themes we restate the CEISAR's position, we indicate the result of the vote and we occasionally add a remark. The underlying goal of this survey is to show up the **discrepancy** between the aspirations for change expressed by the Enterprise Transformation Actors and what still remains to be done in order to adapt the approaches currently in place in Enterprises.

What's more, it appears that Business and IT are equally concerned by these issues.

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# 1 The Sponsor must define the Problem to be solved

## 1.1 The CEISAR's point of view

Every Project consists of resolving a **Problem**. The Problem is defined in 1 or 2 pages and comprises:

- the **perimeter**: Product Line, Process Domain, territory
- the **goal** (productivity, new service for the customer, "time to market"... ) and the **indicators** which enable a posteriori checking that the goal has been achieved
- the **Constraints on the deliverable**: coexistence with other Solutions, volumes, flexibility...
- the **Constraints on the project**: deadlines, budget, team involvement

In the project documentation communicated to us the Problem was rarely well explicated. Instead, the Problem tended to come to the fore gradually via repeated trial and error, which meant that the project team wasted a lot of time.

If the Sponsor took the time and effort to draw up these 2 pages, even if it were to be iterated several times, it would greatly relieve the project team who would only have to devote themselves to the Solution.

Each Project Actor, whether Business or IT, ought to know the Problem so as to take it into account every time a decision has to be taken: feel free to post it up in all the project team offices.

## 1.2 Survey

### 1.2.1 If the Sponsor made the effort to define the Problem the project would be more rapidly on target

80% agreed, "Yes".

- Enterprises and Large Suppliers were 90% in agreement
- the Academic World was 70% in agreement

### 1.2.2 Is this feasible in your enterprise?

Overall 59% answered "Yes".

53% of those in Large Enterprises answered "Yes": it seems that the greater the responsibilities that managers have, the less time they find to work on projects.

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## 2 Growth of Evolutive Solutions over Commodity Solutions

### 2.1 The CEISAR's point of view

All Enterprises have begun to computerize well defined domains: payroll, accounting, billing, back office... are all areas for which it is possible to **define the needs before** proceeding. These are **Commodity Solutions** for which a software package industry has developed on the basis of similarity of needs from one Enterprise to another

Enterprises are now witnessing a growth in the number of Solutions for which it is difficult to predefine needs. These are **Evolutive Solutions**.

- Human Resources: while we can define all payroll needs (**Commodity Solution**), it is very difficult to define all the needs of a recruitment process (**Evolutive Solution**)
- Product Catalogue: while we can define all the needs relative to consulting a product catalogue (**Commodity Solution**), it is difficult to define all the needs of an offer creation process (**Evolutive Solution**)
- Contract: while we can define all the needs relative to contract registration (**Commodity Solution**), it is difficult to define all the needs of the Sales Process inherent in a given contract (**Evolutive Solution**)

### 2.2 Survey

#### 2.2.1 In your Enterprise, have you remarked that the number of Evolutive Solutions is increasing over Commodity Solutions?

57% answered "Yes".

Large Enterprises (59%) and Large Suppliers (70%) posted the highest scores.

## 3 The current Contractual Approach is not adapted to Evolutive Solutions

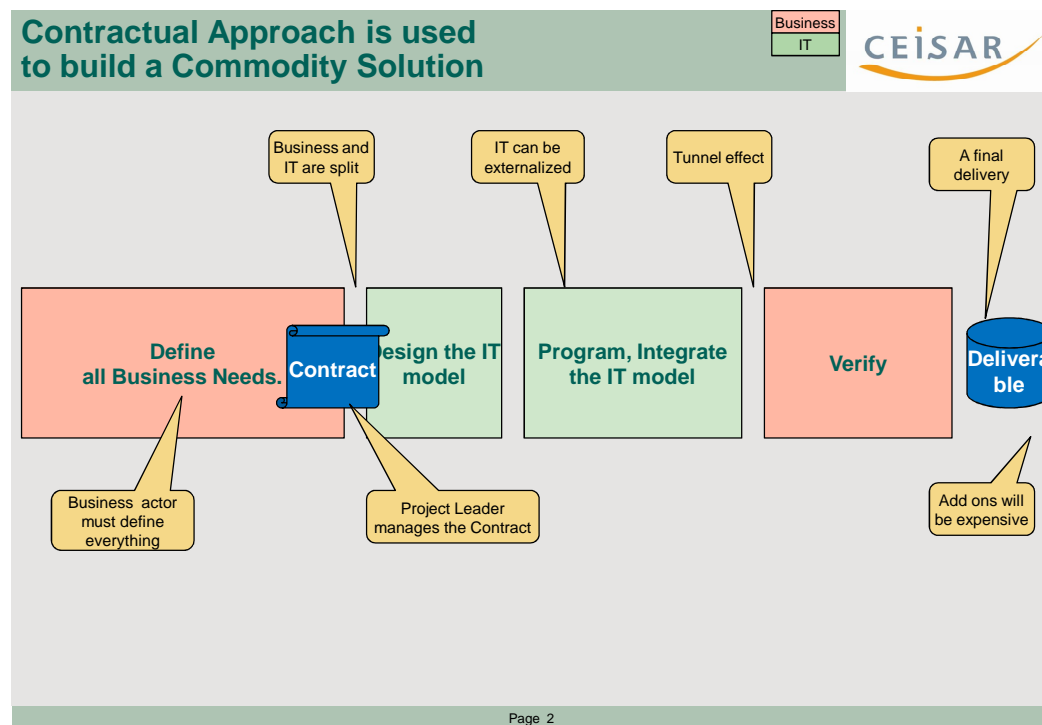
### 3.1 The CEISAR's point of view

The approaches in use today are based on the following postulate: it is possible to define the needs prior to taking action. Their characteristics:

3 **sequential** stages: define the Needs, build the IT Solution, check that the IT Solution meets the Needs

- the key object is the **Contract** which contains the Needs (hence the name Contractual approach)
- the **Project Leader** is first and foremost a contract **Manager**
- Business and IT are clearly **separated**, in a "master-slave" relationship
- checking consists of ensuring that the predefined needs are satisfied, but it does not involve checking that the Solution can support **future Needs**, as all Needs have been supposedly inventoried

This "Contractual" approach is well adapted to Commodity Solutions whose needs we can predefine. It is not adapted to Evolutive Solutions, as all needs cannot be defined upstream.



### 3.2 Survey

#### 3.2.1 Do you think that the Contractual Approach is adapted to Evolutive Solutions?

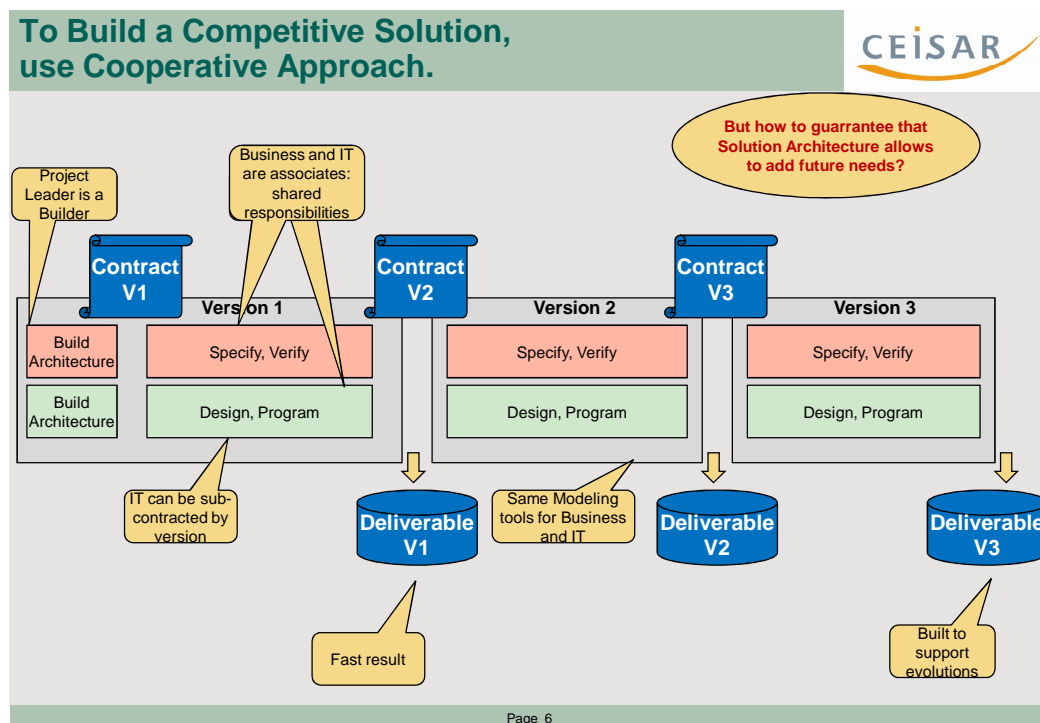
80% answered "No".

## 4 For Evolutive Solutions we must adopt a Cooperative Approach

### 4.1 The CEISAR's point of view

For Evolutive Solutions, we cannot define all needs from the start. We must deliver successive Versions (or "batches") of the Solution. This is called the **Cooperative** Approach and is characterized by:

- **Successive Versions** built on successive Contracts: concrete results are obtained **rapidly**
- The first version includes the building of a **Solution Architecture** which must support unforeseeable needs
- Within each Version we build by **iteration**: the emphasis is put on **prototyping** to bring the needs to light
- The Project Leader is not merely a Contract Manager, he or she must also master the **Building** of the Solution Architecture
- Business and IT Actors work in the **same team** so as to find, together, the right compromise for each Version
- The checking of the first version verifies the **quality of the Solution Architecture**



### 4.2 Survey

#### 4.2.1 For Evolutive Solutions one should deliver successive Versions rather than seeking a definitive Solution?

94% answered "Yes".

#### 4.2.2 The essence of Version 1 of a Solution does not reside in the Functions it offers but in the quality of its Architecture, which must be able to support future needs.

Response: 86% agreed, "Yes".

*This is without a doubt the response which shows the widest discrepancy with current practices in Enterprises: the quality of the Solution Architecture is but rarely checked.*

#### **4.2.3 To better bring evolutive needs to the fore, reduce documentation and increase prototyping**

Response: 74% agreed "Yes".

#### **4.2.4 It is important to have an overall vision of the Target Architecture of the Solution prior to beginning to build a part of it**

Response: 63% agreed "Yes".

## 5 A powerful Foundation considerably reduces costs\* and deadlines

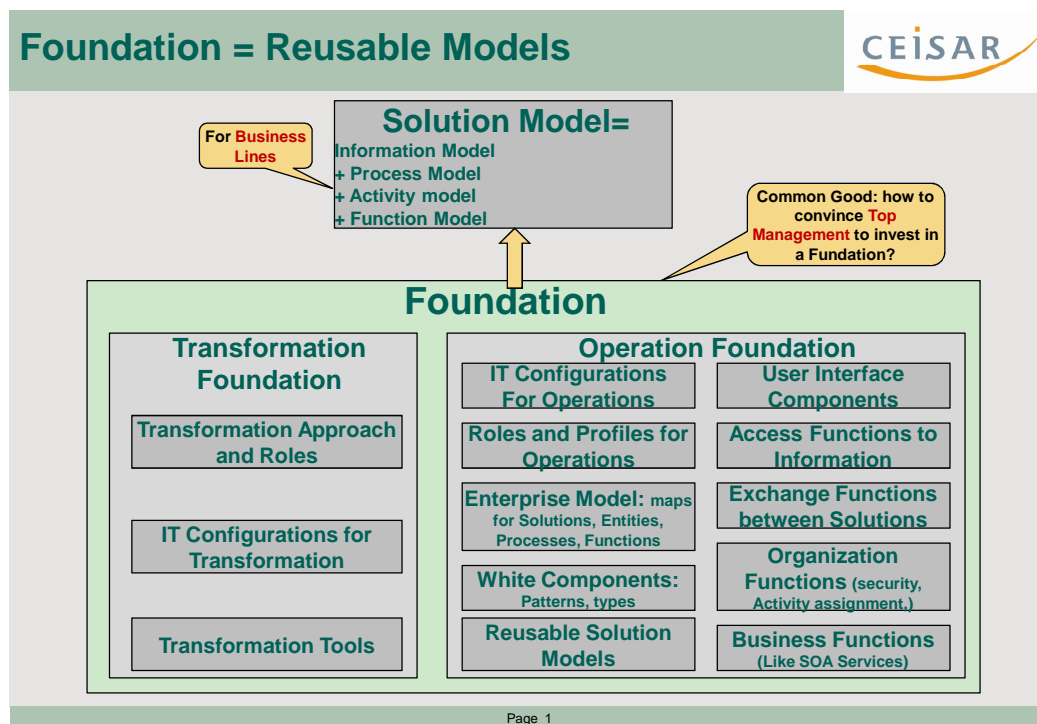
### 5.1 The CEISAR's point of view

The **Foundation** groups together all models mutualizable between Solutions:

- Transformation Foundation: Methodology, approach, design and development tools
- Operations Foundations: standard IT infrastructure, reusable Components (access to Information, interfaces between Solutions, Business Functions, security and workflow Functions...), Solution Models reusable between the various subsidiaries of a Group, shared Data Repositories....

The reuse of a powerful Foundation guarantees that the Solution Architecture will be sufficiently **modular** to cater for future needs. Thus it is the key to the proper application of the Cooperative Approach. What's more, the reuse of Foundations saves time, money and ensures good coherence between the different Solutions.

If all Solutions reuse the same Foundation, we can decentralize Solutions Building without risk of divergence.



### 5.2 Survey

#### 5.2.1 Powerful Foundations enable significant reduction (by half) of costs and deadlines in the building of Solutions.

Response: 79% agreed, "Yes".

*This is a very encouraging response: most participants estimate that project costs and deadlines can be reduced by half thanks to powerful foundations!*

*So the question is: how do we equip ourselves with powerful Foundations?*

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## 6 Build Solutions which support different organizations

### 6.1 The CEISAR's point of view

A Solution lasts 20 years, whereas the organization changes every 2 to 3 years. Thus, we must build Solutions which support different Organizations (in time or in space). The allocation of Activities to Roles ought to be dissociated from the Solution Model, which does not change. We can thereby play out different Organization scenarios based on the same Solution Model. Yet this approach presupposes that we begin by defining the Processes, the Activities and the Functions independently of those who must execute them.

### 6.2 Survey

#### 6.2.1 Should Solutions be designed to support different Organizations?

92% answered "Yes".

#### 6.2.2 Is this done in your Enterprise?

50% answered "Yes".

*Building Solutions which support different Organizations is a difficult task, which we do not always succeed in implementing in Projects. This seems to confirm the fact that there tends to be a lack of high level architects and that architecture skills should be developed within the Project teams.*

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## 7 Use configuration Tools for that which evolves\* often

### 7.1 The CEISAR's point of view

The parts of the Solution which are frequently modified should use configuration tools (parametering, rule engines, workflow engines) which are directly useable by Business Actors. This enables greater reactivity and flexibility in coping with changes in the business and working environment.

### 7.2 Survey

#### 7.2.1 Rule and workflow engines should be used to improve the evolutivity of Solutions

Response: 82% agreed, "Yes".

#### 7.2.2 Is this done in your Enterprise?

Response

- in less than 10% of projects: 62% said "Yes"
- in less than 50% of projects: 23% said "Yes"
- in the majority of evolutive projects: 16% said "Yes"

*Many enterprises have tried these Solutions, but few have put them to widespread use.*

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## 8 Project Leaders not just Managers but also Builders

### 8.1 The CEISAR's point of view

For **Commodity Solutions**, the project leader is essentially the person who manages the Contract: thus project leaders have been trained for **Management** and not for building.

For **Evolutive Solutions** it is crucial to build a Solution **Architecture** which accepts unforeseeable needs (see above). Therefore the Project Leader should not simply be a contract manager, he or she must also be able to oversee the **Building** of the Solution Architecture.

### 8.2 Survey

#### 8.2.1 Project Leaders should be trained in project management, but also in engineering so as to master the Solution Architecture.

Response: 83% agreed, "Yes".

#### 8.2.2 Is this the case in your Enterprise?

Response: 40% answered "Yes".

*Over the past ten years considerable emphasis has been put on the professionalization of project management, which has led to gradual improvement in project steering, but not in the quality of Solutions produced. Solution Architecture tends to be a lower priority mission for Project Leaders, thus they outsource IT to experts.*

*For Evolutive Solutions we could implement a different approach: the key mission of Project Leaders would be to build and evolve the Solution Architecture, while the Project Management aspects could be executed by assistant Managers who would take care of planning, budget and resources.*

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## 9 Business and IT Actors in the same project team

### 9.1 The CEISAR's point of view

The cooperative approach proceeds by successive versions.

The content of each version is defined at the start of each version, but it can evolve according to the needs which gradually come to the fore.

A compromise should be dynamically defined between what is delivered on time in the current version and what is put off to the following version. This compromise is easier to define if business and IT actors are grouped in the same project team, under the same reporting structure and in the same location.

### 9.2 Survey

#### 9.2.1 The Cooperative Approach is more efficient if Business and IT Actors are grouped in the same Project team under a single reporting structure and in the same location.

Response: 92% agreed, "Yes".

#### 9.2.2 Is this the case in your Enterprise?

Response: 39% answered "Yes".

*The "weight" of the organization in place appears to hinder to implementation of unified teams, so much so that despite the obvious advantages, it is all too rarely carried out.*

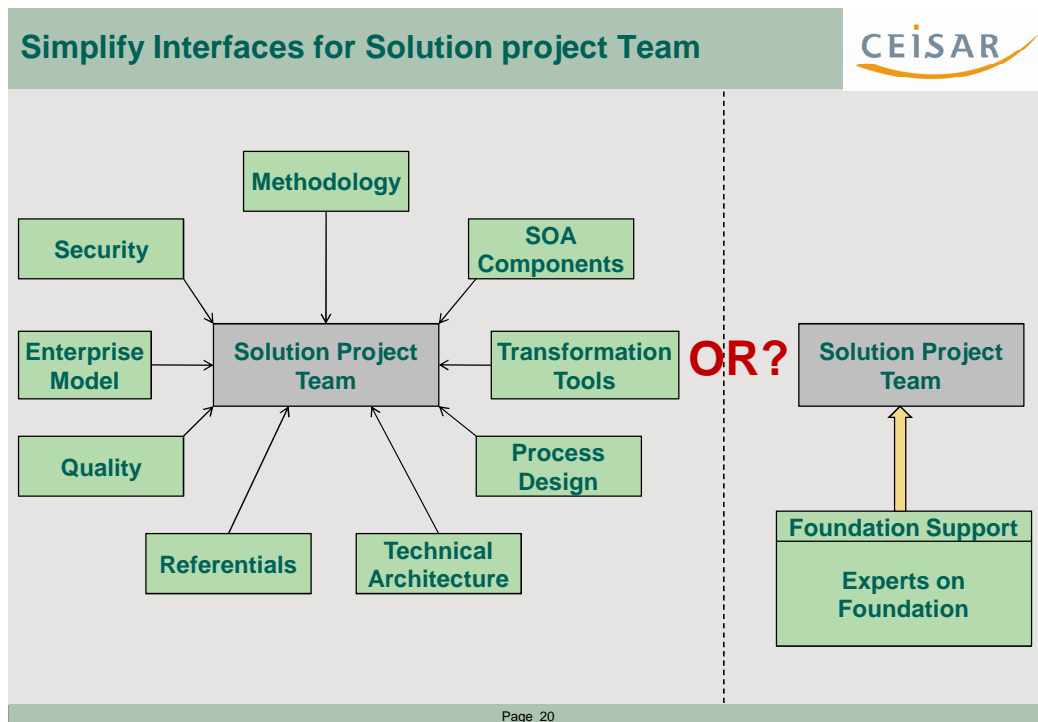
# 10 A single Foundations Team which covers everything to do with the "Common Good"

## 10.1 The CEISAR's point of view

Project leaders complain of having to deal with too many interlocutors, which generates too many meetings, reports, follow up tasks and so on...

They would rather have just **a single internal supplier for Foundations** who would help them deal with problems of methodology, components, tooling, technical architecture, security, quality, process...

If this interlocutor, who belongs to the Foundations **Support** team, cannot solve a difficult problem, he or she then calls on the Foundation experts.



## 10.2 Survey

### 10.2.1 Project teams would be more efficient if they had just a single interlocutor for Foundations

Response: 75% agreed, "Yes" (but only 57% for Large Enterprises)

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## 11 Convincing General Management to invest in the "Common Good"

### 11.1 The CEISAR's point of view

The **Solutions** are requested and financed by the Enterprise businesses so as to help them execute their activity.

The **Foundations** belong to the domain of **Common Good**. They are not requested by Business. They can only be requested by the entity responsible for Common Good within the Enterprise, namely the **General Management**.

Unfortunately, the General Management is not interested in such concerns and hence does not finance Foundations.

IT Departments, aware of the need, systematically attempt to build Foundations within **major projects**. Yet we must not give up on the idea of convincing General Management, and by way of educating, stimulate greater interest in the subject.

### 11.2 Survey

#### 11.2.1 Do you think it is possible to convince your General Management to invest in Foundations?

Response: 56% said "Yes" (but only 40% within large suppliers)

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## 12 Business Experts in Foundations

### 12.1 The CEISAR's point of view

The Foundation includes not just technical Models but also business Models, for which business experts are required.

For example, between Solutions we could mutualize:

- a Business glossary
- shared data repositories
- a standardized ergonomics, presentation, and navigation
- a security system
- workflow mechanisms
- business components: pricing, checking...
- Process "patterns"
- a method and modeling tools for Actors (roles and configuration) Actions (Processes, Activity and Functions) and Information

Usually the Foundations team is made up exclusively of IT Actors: this team should be complemented with top quality Business Actors, given the importance of the topics in hand.

### 12.2 Survey

#### 12.2.1 It is useful to have business experts working in Foundations.

Response: 90% agreed "Yes".

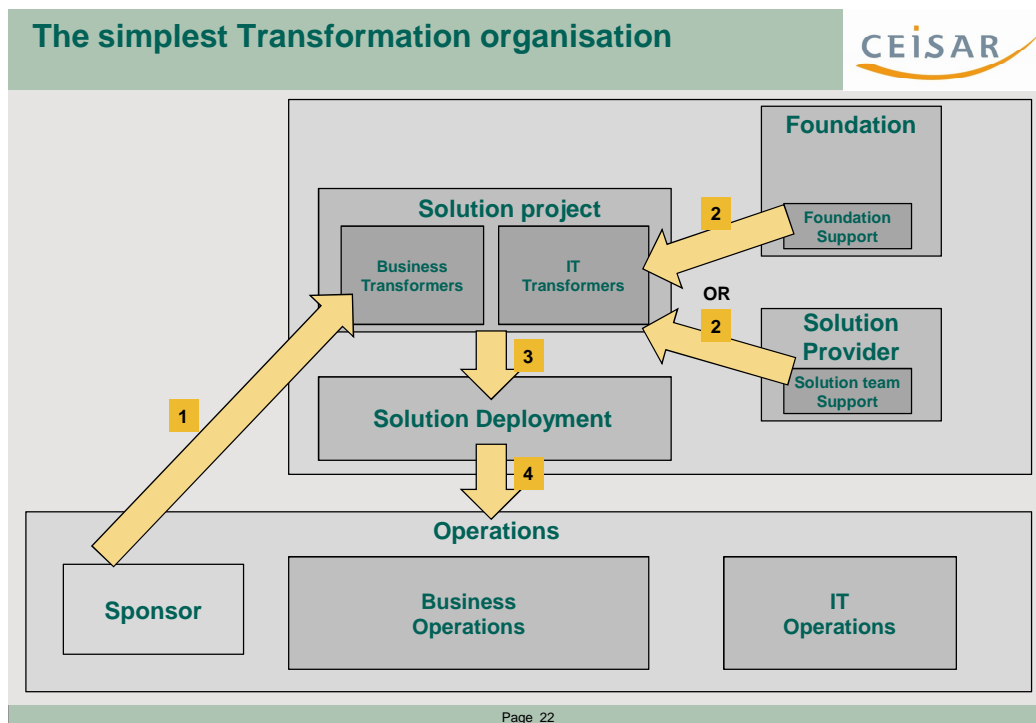
# 13 Free up Management time to devote it to Building

## 13.1 The CEISAR's point of view

If Project Leaders have to devote themselves not just to Management but also to Building, they must be relieved of a certain number of management tasks. Today, project leaders are burdened with meetings, reporting, and contacts with multiple participants. One method consists of reducing the number of participants: see above for Foundations.

The simplest situation is to have contact just with 4 teams:

1. the **Sponsor** who defines the Problem, who finances the Project and checks the result
2. the **Foundation** (or the software package supplier if the chosen option is to reuse a Software package and not to use a Foundation)
3. **Deployment team** (or change management team) which prepares (training, migration, reorganizations, installation of new infrastructure if required) ...
4. **Operations team** (IT Users and IT Operations) to apply the new Model



## 13.2 Survey

### 13.2.1 Relieve project leaders of certain management tasks to enable them to devote more time to Building.

Response: 63% agreed "Yes".

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## 14 In times of crisis: "Batten down the hatches" or "Leap forward"?

### 14.1 The CEISAR's point of view

To deal with the crisis, Enterprises can adopt one of 2 attitudes:

- a defensive attitude: we maintain key projects, turn the screw on spending, and wait for things to improve; we batten down the hatches
- an offensive attitude: we take advantage of the fact that the staff and management of the Enterprise have at last understood the need for change to implement a leap forward.

The CEISAR feels that Enterprises should evolve at an ever faster pace and that the crisis is quite simply a change accelerator. The brake on change is not applied by customers or suppliers, but usually comes from within; staff do not like change.

The crisis should be seen as an occasion to implement far-reaching reforms.

It is the ideal moment for carrying out such changes, so adopt an offensive attitude.

The most significant change is to change the Transformation Process.

### 14.2 Survey

#### 14.2.1 To deal with the crisis, do you think the attitude of your enterprise should be:

- Reduce budgets, save key Projects and wait for things to improve? - 46% said "Yes"
- Take advantage of the fact that management and staff are finally ready for change to invest strongly and make a leap forward? - 54% said "Yes".