



Driving Business Value -
*Applying Architectural and Human Change Management Concepts
 to Implement Strategy*

May 23, 2005

Greggory R. Garrett **Bennett H. Bratt**

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Introductions: The Presenters

Mr. Greggory R. Garrett
Strategy Implementation Services
gedas USA (A Volkswagen Group Company)

As a partner in the Strategy Implementation Practice at gedas USA, Inc., Mr. Garrett is responsible for the company's EA methodology development & enterprise architected based solution delivery. gedas USA, a subsidiary of the Volkswagen Group, has applied an EA Approach to help shape business & IT strategies at VW group companies. Gregg holds a bachelor's of science degree in system's engineering from Oakland University (MI), and an MBA from the Broad School of Exec. Mgmt at Michigan State Univ. Mr. Garrett is also the founding chairman of the Enterprise Architecture Interest Group (EAIG).

Mr. Bennett H. Bratt
Strategy Implementation Services
gedas USA (A Volkswagen Group Company)

As a partner in the Strategy Implementation Practice, Ben is responsible for gedas USA's Human Change Management support of clients' strategy engagements and global practice development. Ben holds a BA degree in political science from Calvin College, an MA in political science from Tulane University, and an MA in counseling from Michigan State University. Ben has over 12 years experience in helping organizations realize and integrate systems and process changes in technical and manufacturing environments.



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- Stage 3: Acquisition Strategy Implementation

The Human Gap

A Future View of EA, HCM, and Strategy Implementation

Final Thoughts/Lessons Learned

Q/A



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Introductions: The Enterprises



gedas USA, Inc. (www.gedasusa.com)

- **Founded: US – 1999 (Germany – 1983)**
- **Ownership: Private, wholly owned by VWAG, Germany**
- **Services: IT Consulting & Operations**
- **2004 Sales Approximately \$90 Million**

Volkswagen of America, Inc.

- **Founded: 1954**
- **Ownership: Private, wholly owned by VWAG, Germany**
- **Automotive Brands:**  
- **2004 Sales Approximately \$11 Billion (105 in 2002 Fortune 500)**

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Context for today's discussion

- **Descriptive about our experiences, not necessarily prescriptive for all organizations.**
- **Developed for IT leaders to think about their role in enabling enterprise strategy.**
- **Principles described are scalable and modular throughout the enterprise.**



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Ben Bratt & Greggory Garrett

Enterprise Architect
Summit 2005

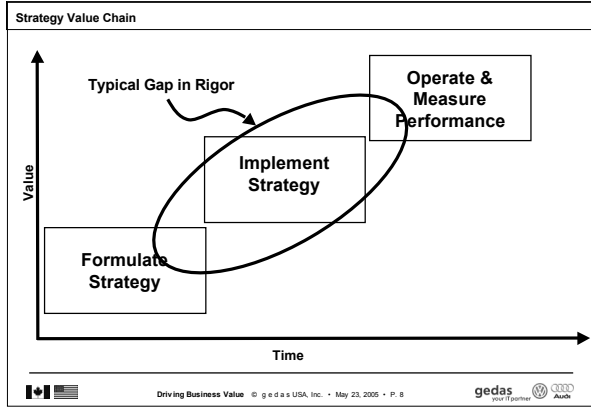
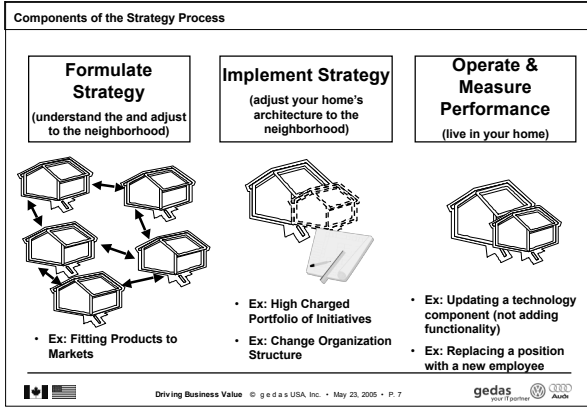

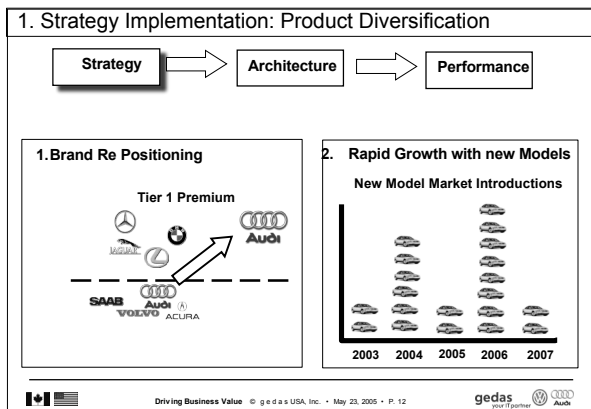
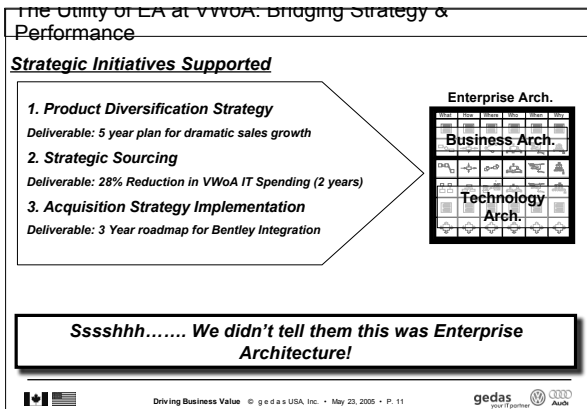
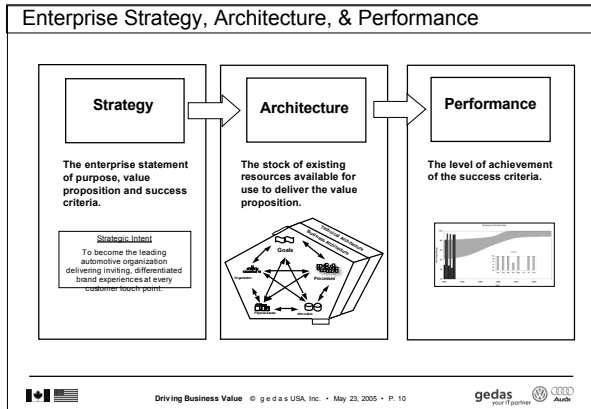


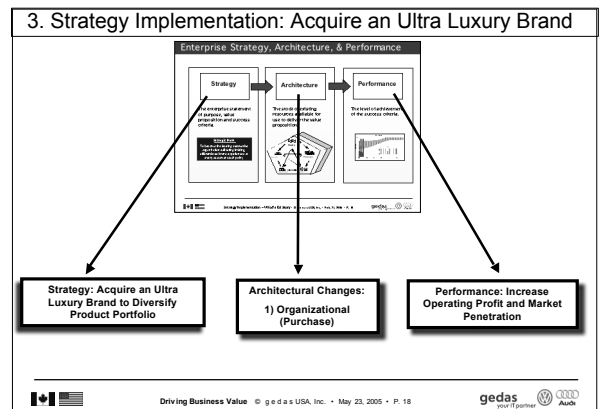
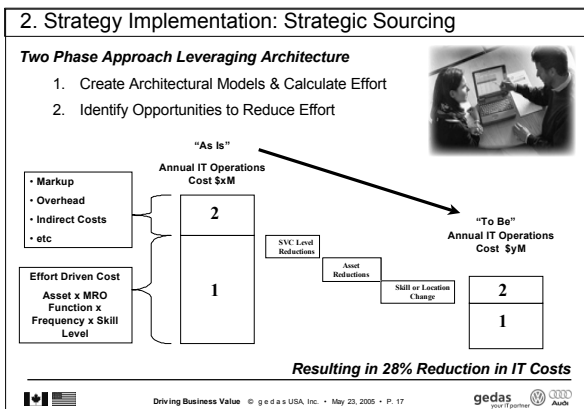
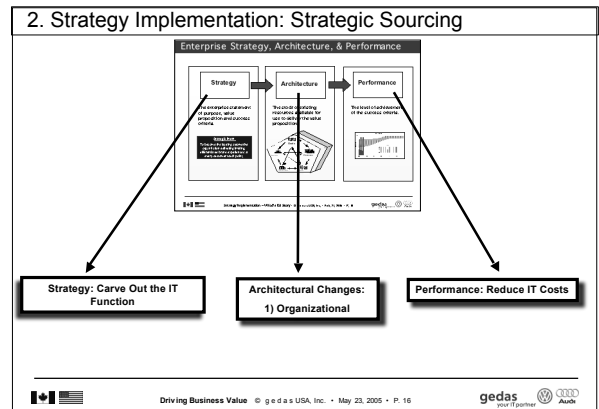
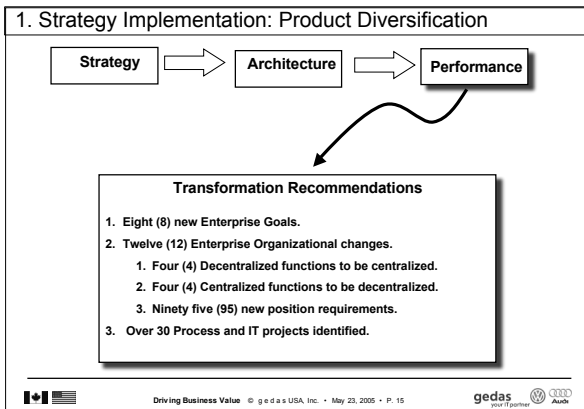
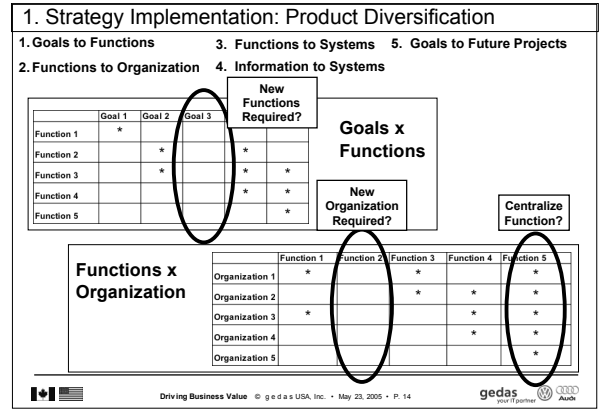
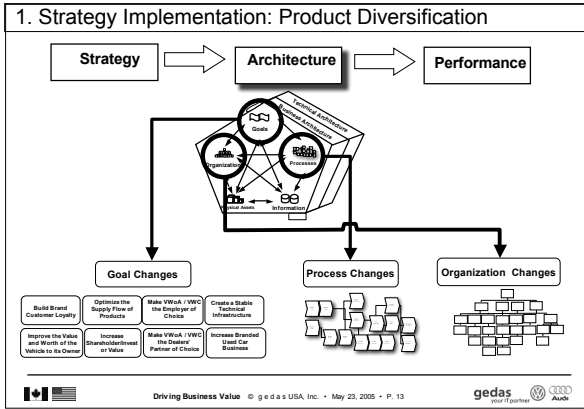
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3. Strategy Implementation: Acquire an Ultra Luxury Brand

1) Collect & Build Blueprint for Each Enterprise

Opals/Strategy Model, Categories of Functions, Categories of Roles, Systems Inventory, Categories of Locations, Categories of Events, Categories of Assets

2) Analyze Blueprints

Distribution of Performed Functions, Systems Allocation Supporting Level One Functions

3) Develop Strategy Implementation Roadmap

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WHAT IS CHANGE?

It's the disruption of established expectations.

We experience it all the time (and sometimes it creates a negative emotional reaction), so we resist the change.

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WHY DO STRATEGISTS NEED CHANGE MANAGEMENT?

In our rapidly changing business environment, most organizations are struggling to deal with the impacts of cost cutting, standardization, globalization, and consolidation, and how these forces impact their people: individuals, teams, and the extended enterprise.

Architecture

"During a technology-led journey, a company will spend US \$3-10 for every dollar invested in technology to retrofit the technology to the culture if the entire journey is not planned, measured, and executed in a business integration fashion."

Gartner Group

This requires managing the human side of change...on a large scale.

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THE EMOTIONAL CHANGE CURVE

SCOTT & JAFFEE CHANGE CURVE
 Source: Scott & Jaffee
 Courtesy of FGI Consultants
 Montreal, Canada

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EMOTIONAL CHANGE CURVE - 2

What can be done to help us move along this curve?

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CHANGE MANAGEMENT DEFINITION

Human Change management IS...

- A framework for action that enables leaders to manage the human aspects of change and help the organization better achieve its change goals
- Works at the individual, team and organizational levels
- Helps minimize the organization's downturn in productivity during change and improves the chances of obtaining the expected ROI
- CM processes help scope and define the change, assess the feasibility of change, and support the transition from the current to the future state



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CHANGE MANAGEMENT DEFINITION

Human Change Management is **NOT**...

- "Technology change management" that we find in ITIL
- "Project change management" that we find in PM methodologies, such as PMBOK
- Successfully accomplished by coercing people into accepting change through use of fear or manipulation
- ...only corporate communication (but that's an important part)

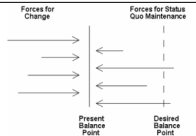


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DIFFERENT WAYS OF THINKING ABOUT CHANGE

Lewin's Model – A question of Balance



Natural growth – A 'gardening' model



First steps to Managing Change - Change Model Formula Gleicher- Beckhard - Harris

The Change Model Formula (Change Equation) is:

$$D \times V \times F > R$$

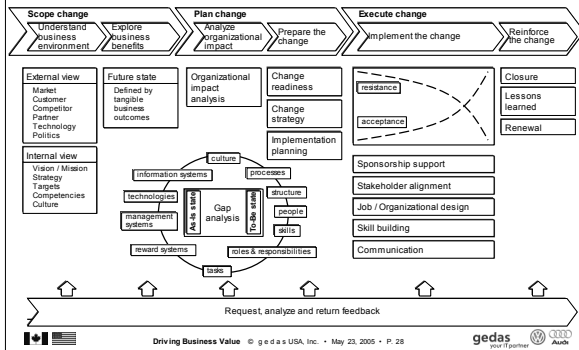
$$= \text{Dissatisfaction} \times \text{Vision} \times \text{First Steps} > \text{Resistance to Change}$$



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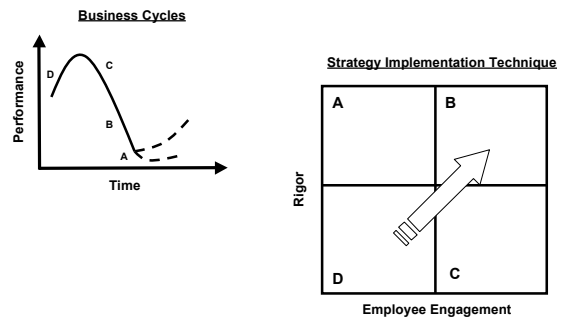
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Strategy Implementation is Dependent on Business Cycles



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Lesson's Learned for Enterprise Architects

Seven Keys to Success:

- Perform EA effort to **solve Business Problems**, not just architect. (This does not need to be a BIG problem.)
- Business executives must recognize that EA is a methodology to implement strategic change!**
- You can often accomplish more with an ounce of motivation than you can with a ton of architectural binders. **Take Human Change Mgmt Seriously!**
- Build goal models first & assign "Champions"** for the highest level goals to ensure value is recognized by the enterprise (This model drives all decisions)
- A **"formulated" strategy = potential energy**; an **implemented strategy = kinetic energy**. If the strategy is not consciously translated by, for, and through people, the likelihood of achieving the expected ROI approaches zero.
- Partner with the people in your organization who can adapt to and embrace change** quickly, process and deal with their own resistance, and quietly bring others along the change curve. They are your EA program's secret heroes.
- Stop Selling EA!** (EA frameworks, Tools, etc.) Sell the Strategic Transformation EA Enables.

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Questions & Thank You!

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Help to advance EA...

www.eaig.org

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