Welcome to this presentation, and thank you for your time to listen to it.

The purpose of this presentation is to define and expose the Transformation domain, understand how strategically important it is, and to propose a way forward to assess your Enterprises Transformation Maturity – the first step in deciding whether it is worth spending any time or money on maturing any part of it.
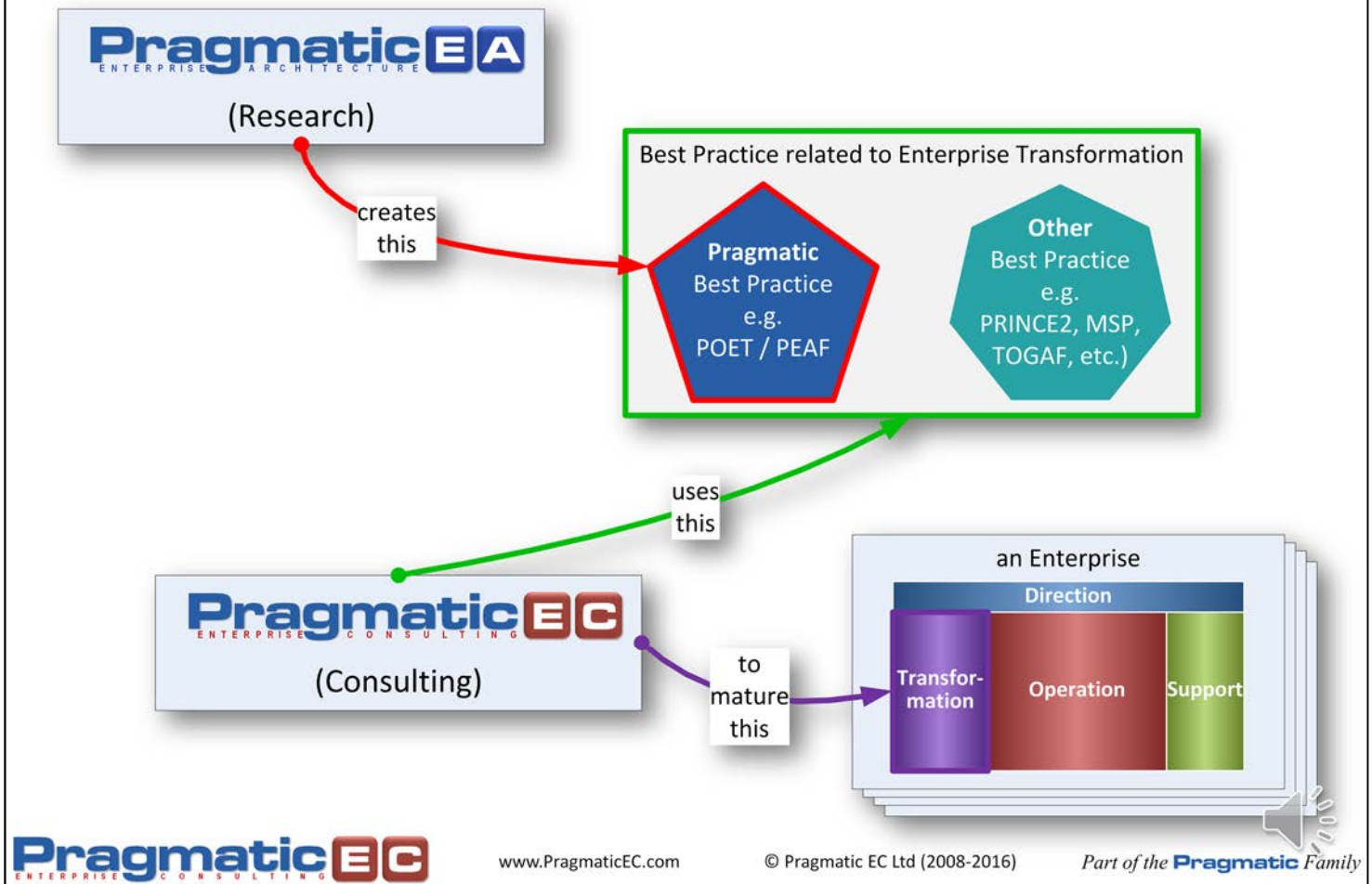
My name is Kevin Lee Smith, the founder of Pragmatic EA and the CEO of Pragmatic Enterprise Consulting.

I have spent over 35 years of my life, working in, and helping to mature the Transformation capabilities of companies all over the world.

Pragmatic EA is a research company developing Pragmatic Best Practice.

The best practice we have developed contributes to the existing best practice that relates to Enterprise Transformation, such as PRINCE2, MSP, TOGAF, etc.

Pragmatic EC is a consulting company which uses any appropriate Best Practice (whether developed by Pragmatic EA or not) to help Enterprises mature any or all parts of their Transformation Capability (from Strategy to Deployment).

The Best Practice Frameworks that Pragmatic EA has developed, such as POET and PEAF, are used all over the world.

Introduction

1. Context

2. Definitions

3. Workshop

PragmaticEC
ENTERPRISE CONSULTING

www.PragmaticEC.com   © Pragmatic EC Ltd (2008-2016)   *Part of the* **Pragmatic** *Family*

First we are going to be setting some context.

Second we will cover some definitions.

And third we'll talk about the workshop.

Introduction

1. Context

2. Definitions

3. Workshop

PragmaticEC
ENTERPRISE CONSULTING

www.PragmaticEC.com

© Pragmatic EC Ltd (2008-2016)

Part of the Pragmatic Family

So – Lets start with some context. Why are we talking about this? Why is it important?

FACT 1

I guarantee that SOME or ALL of the words used here will NOT be consistent with your current definitions.

FACT 2

I guarantee that ALL of the words used here ARE consistent within this framework.

Pragmatic**EC**
ENTERPRISE CONSULTING

www.PragmaticEC.com

© Pragmatic EC Ltd (2008-2016)

Part of the **Pragmatic** *Family*

First we must realise and accept that many of us use the same word for different things, and different words for the same thing.

And so I may use words in ways that don't agree with the defintions you are used to.

Please bear with me, and for the purposes of understanding this presentation, do an internal mapping in your head whenever I use a word in a way that you don't normally use it.

| Introduction | *Connecting the DOTS* | Transformation - What is Transformation? |

Transformation

Conversion

Change

Adjustment

Amendment

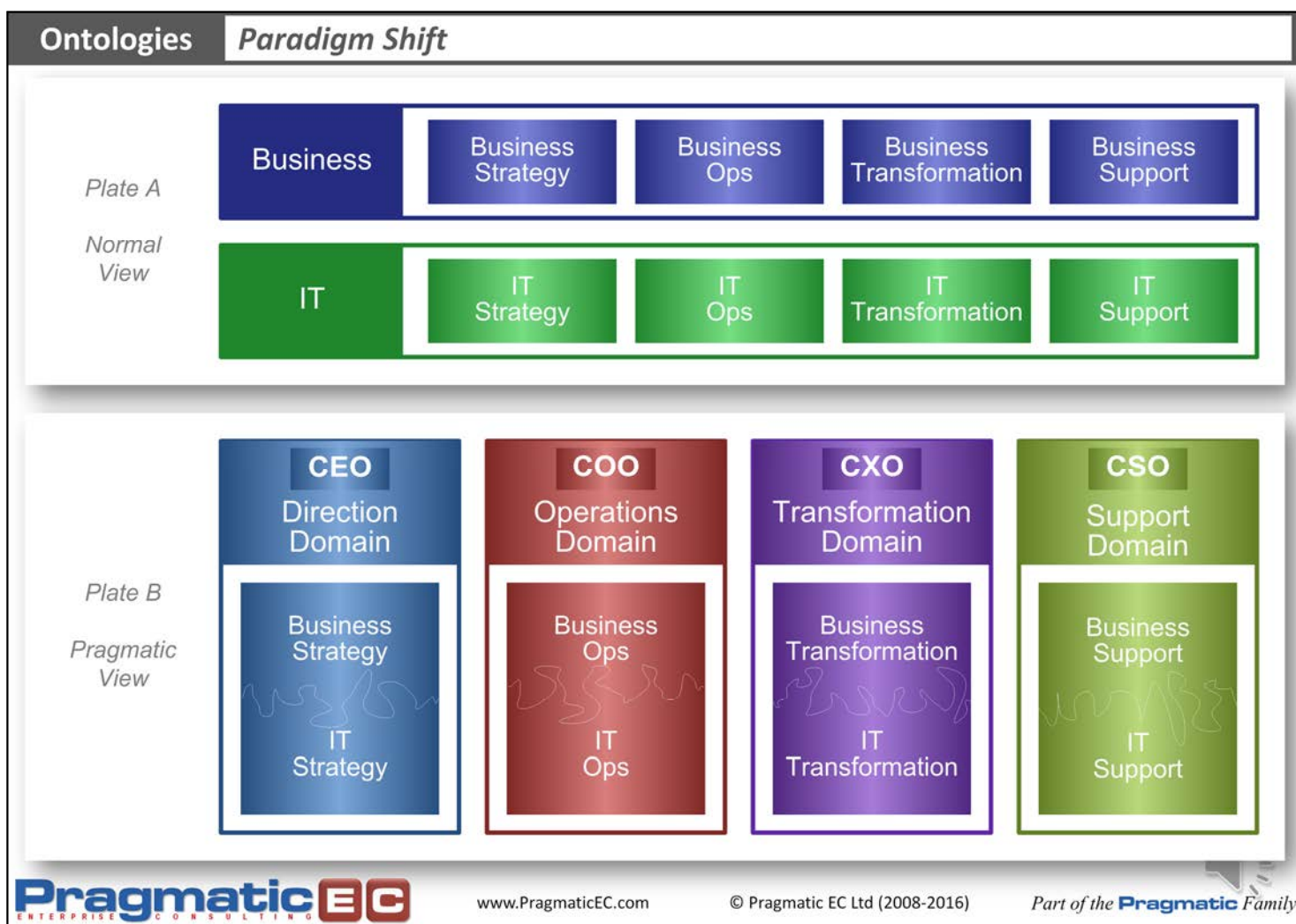**Modification**

Makeover

Alteration

Renovation

A good example is the word Transformation. When I use this word I am not referring to a specific type of change (like large or life changing for example).

I am using the word Transformation as a generic word to refer to any type of change.

The Transformation of Transformation – Maturity Assessment Workshop.

Ontologies	*Paradigm Shift*

Plate A

Normal View

Business	Business Strategy	Business Ops	Business Transformation	Business Support
IT	IT Strategy	IT Ops	IT Transformation	IT Support

Plate B

Pragmatic View

CEO — Direction Domain
- Business Strategy
- IT Strategy

COO — Operations Domain
- Business Ops
- IT Ops

CXO — Transformation Domain
- Business Transformation
- IT Transformation

CSO — Support Domain
- Business Support
- IT Support

This illustrates the Normal view of how many view an Enterprise.

People who work in "The Business" see their domain as the most important, and "IT" as a separate entity which supports "The Business" and is often shown/thought of as underneath "The Business" and therefore viewed as, in some way, subservient. Yes, IT only exists to support "The Business", but in the 21st Century **this Business myopic view is flawed as IT is an integral part of "The Business".**

People who work in IT see their domain as the most important, and "The Business" as everything else that is not IT. Yes, IT is a major part of "The Business", but in the 21st Century **this IT myopic view is flawed as "The Business" is an integral part of IT.**

 This illustrates the Pragmatic view of how People (especially those that Direct Enterprises) should view their Enterprise. This new way of looking at the fundamental structure of an Enterprise is a Paradigm shift. Instead of looking at the Enterprise from the point of view of its major parts, we look at the enterprise from the point of view of strategically important wholes that are made up of parts. What is of strategic importance is the end-to-end effectiveness, efficiency, agility and sustainability of these wholes - Direction, Operation, Transformation and Support.

A little history…

In the beginning IT did not exist and therefore was not represented in Enterprises at all, but eventually IT came into being and Enterprises started to see the value in using it.

Over time, as IT grew, it logically got to a point where the Enterprise required an IT department to handle it, and hence IT departments were born. These IT departments were essentially bolted onto the side of whatever currently existed in the Enterprise.

At first no one on the board knew what to do with this growing IT department or who should oversee it, and so the IT department was often placed under other "support" areas such as HR or Finance.

As the IT department (and IT complexity) grew, it became clear that the HR or Finance Director did not have the knowledge to manage it effectively and hence the birth of the IT Director / CTO / CIO type roles. Initially, although "on the Board", the people appointed to these roles were often not seen as "proper" Directors most of the time, and instead were tolerated, more as a necessary evil.

As time moved on, and with the ever increasing use (and complexity) of IT, these roles gained prominence and understanding, and were made and accepted to be proper board level positions. However, these IT departments are still largely a chunk bolted onto the side of the Enterprise - as they were when IT first came to be used.

This is the generally state of play today.

So, we are not saying that Enterprises were wrong to think and organise themselves as in plate A. That was a reasonable way of thinking and organising themselves in the past. In fact it was the rational, reasonable and logical way of thinking and organising themselves.

But we have moved from a world where IT didn't exist and was optional, to a world where IT is pervasive and mandatory.

So, this is no longer an IT thing, this is a Transformation thing… We need a paradigm shift from thinking in terms of "The Business" and IT, to thinking in terms of Direction, Operation, Transformation and Support.
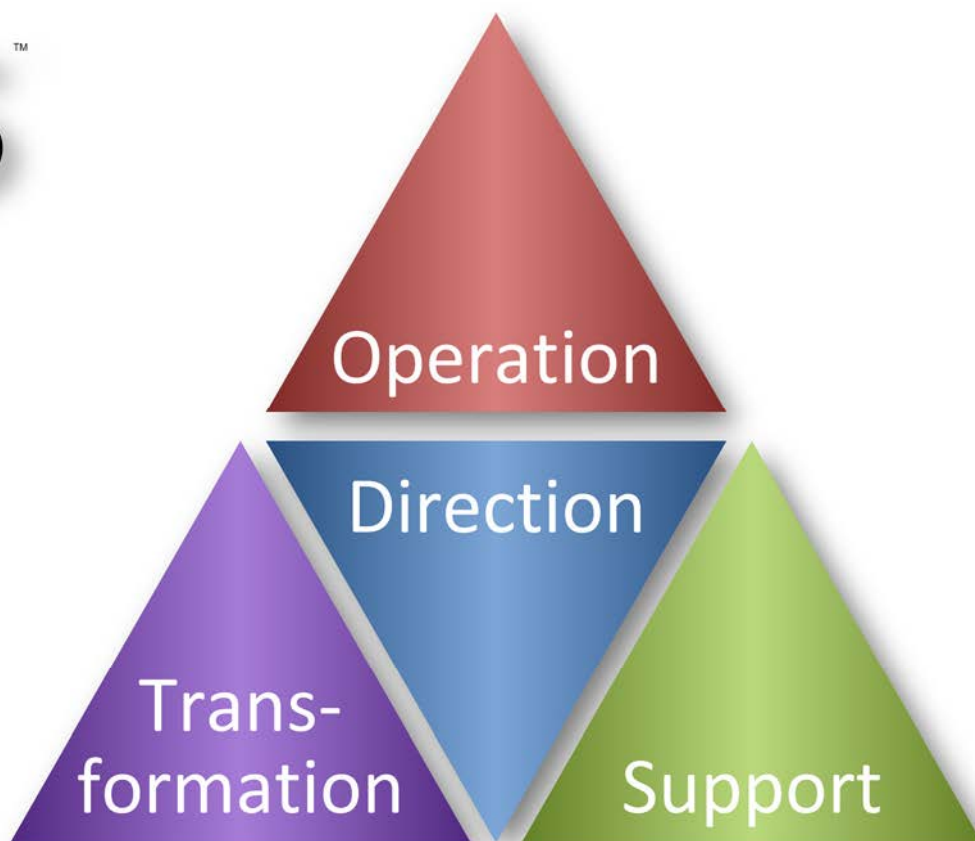
Introduction — *Strategic Enterprise Structure*

Pragmatic asserts that every Enterprise consists of four distinct conceptual parts which:

1. Are the most fundamentally important to the Board and the sustainability of the Enterprise.

2. Require totally different people, mindsets and culture.

3. Totally and completely defines all Enterprises without overlaps or gaps.

Direction is that part which exists solely to provide direction and leadership to the rest of the Enterprise. This is where the C-Suite, Partners and Exec Management team generally sit working on things like Vision, Mission, Goals, Objectives, Strategies, Tactics, Business Models and Operating Models, etc.

Operation is that part which exists solely to fulfil that Enterprises Mission and thereby helping it to fulfil its Vision, for example doing banking, drilling oil wells, treating patients, etc.

Transformation is that part which exists solely to transform the Enterprise. If the Enterprise never needed to change, this area would simply not exist.

Support is that part which exists solely for the purposes of dealing with problems and issues from the rest of the Enterprise and from customers and suppliers outside the Enterprise. Most Enterprises have an IT Support function where tickets are generated and problems go through 1st and 2nd line. But, most Enterprises also deal with other types of problems such as when employees have problems with their holiday entitlements or paychecks. These are problems that deserve to be handled in the same way as IT problems, where a ticket is raised and managed until the problem is resolved. Doing so would be much more efficient. But the Maturity of support is for another discussion…

…Transformation is, of course, is our focus here.

| Ontologies	*Enterprise Viability*
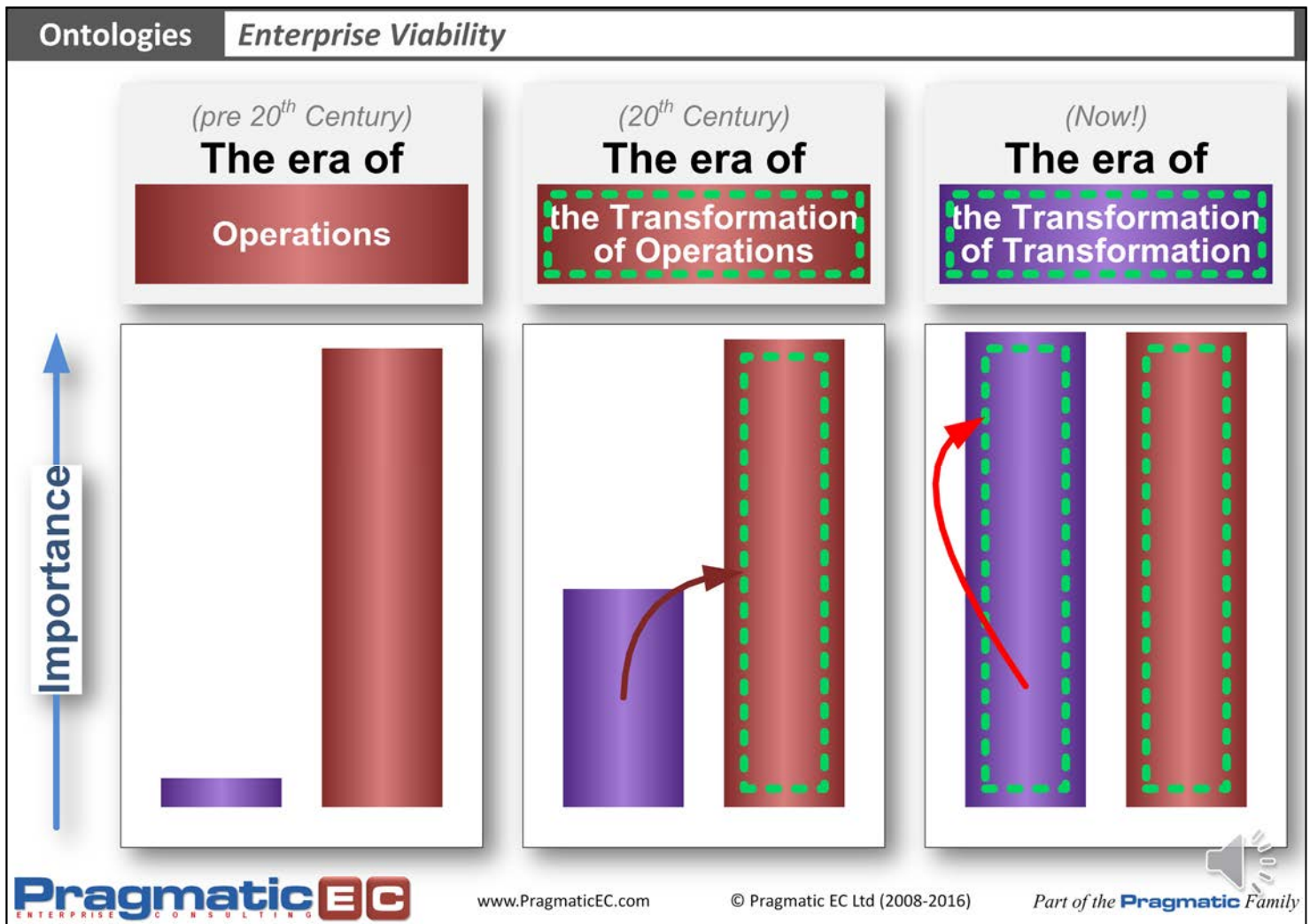
Pre 20th century Enterprises didn't change much. After being created they pretty much stayed as they were. Their viability just depended on what they did. **The era of Operations**.

During the latter part of the 20th century, what an Enterprise did was not enough anymore to distinguish them. Their viability not only depended on what they did, but **how they did it.** For example, what distinguished the banks was not what they did (because they all did the same thing), it was how they did what they did, that distinguished them. Therefore improving what they did became a strategic benefit, and vast amounts of money were poured into Transformation projects to do so. Resources were not really an issue, just being able to change kept them ahead. **The era of the Transformation - of Operations.**

In Todays world, the pressure for Enterprises to change is immense and grows day by day. It comes from internal pressures (which are largely under the control of the Enterprise), but it also comes from external pressures (which are largely NOT under the control of the Enterprise) such as changing markets, changing customer segments, legislation, regulation and Business models, not to mention the inexorable advances in IT that seem to only ever accelerate. So, in todays world, just being able to deal with change, is not enough. What distinguishes Enterprises these days is **how they change**. That is to say, How effective and efficient they are at doing Transformation. **The era of the Transformation - of Transformation.**
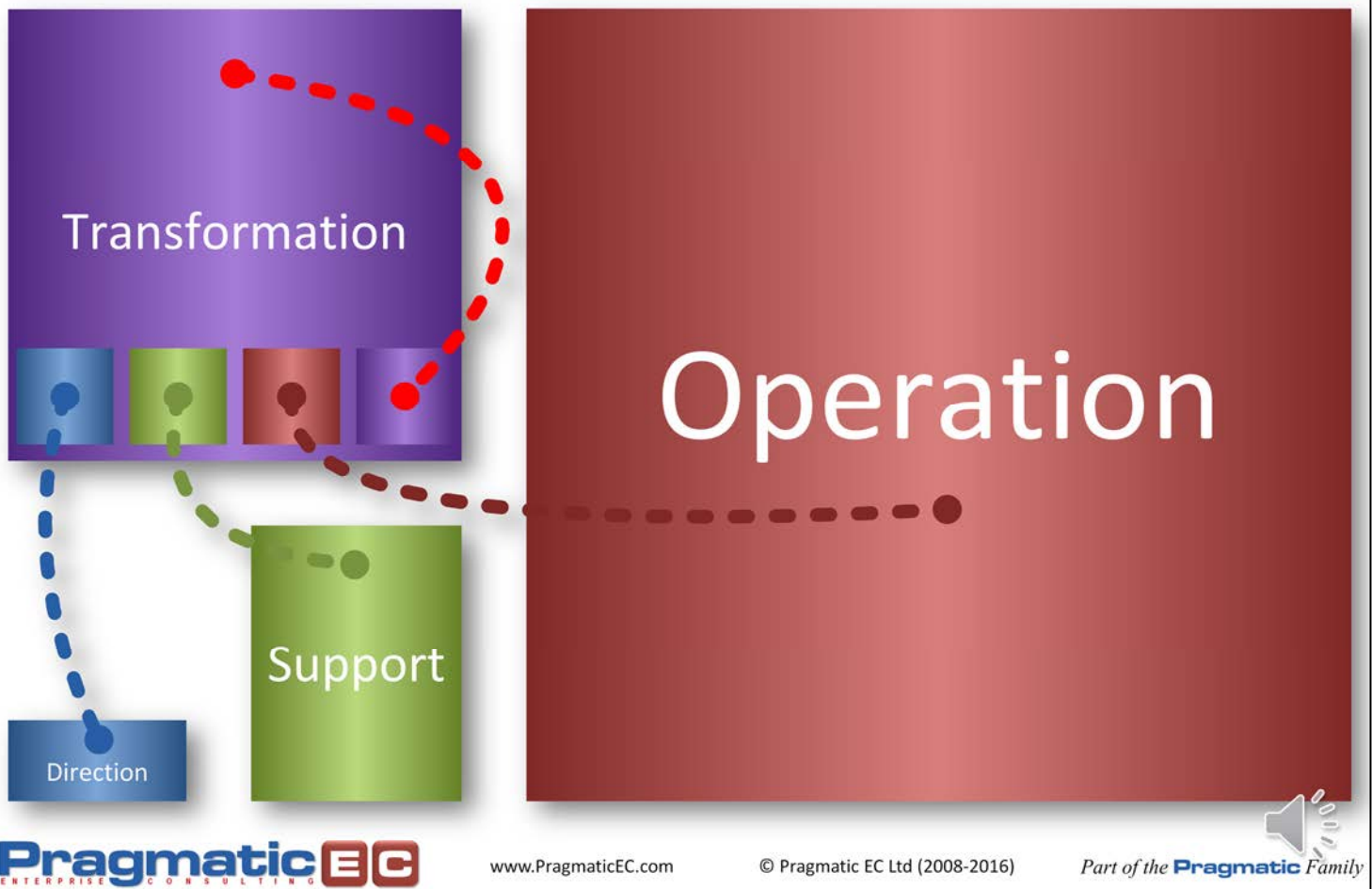
99% (if not more) of the work the Transformation part of an Enterprise does is to Transform Operations. To make Operations more effective and efficient.

Some of the work the Transformation part of the Enterprise does is to Transform Support – perhaps adopting ITIL.

Sometimes the Transformation part of the Enterprise Transforms Direction – perhaps rolling out iPads to directors.

But we want Enterprises to start to devote some resources to the Transformation of the Transformation part of the Enterprise – because it is Strategically important and will get even more so as time goes on.

Ontologies	*The Transformation of Transformation*	Basic Premise

"The only constant is change!" has been the battle cry for many years but just being able to deal with change is no longer enough. The new battle cry is...
"The only constant is the acceleration of change!"

How an Enterprise effects **Transformation** is becoming a **Strategic Strength** or a **Strategic Weakness,** where massive business opportunities can be gained or massive business problems will result.

Not the **Transformation of Operations**, but the **Transformation of Transformation**, to better enable the Transformation of Operations.

PragmaticEC   www.PragmaticEC.com   © Pragmatic EC Ltd (2008-2016)   Part of the **Pragmatic** *Family*

So here is our basic premise. The basic premise that we want the C-Suite or Board to understand and accept.

I'll let you read these words….

So, is the way your Enterprise effects Transformation a Strategic Strength or a Strategic weakness?

How do you know?

Maturity is the key. More specifically maturity assessment as the first step.

Introduction	*Levels of Maturity Assessment*

- **Pragmatic supply detailed maturity spreadsheets for**
  - **Enterprise Architecture as well as,**
  - **The whole of the Transformation domain (of which EA is only 1 part).**

- **Today we are looking at a much higher level and useful (we think) way of engaging with Enterprises regarding the maturity of not only their EA capability but probably more importantly also the phases that feed EA and the phases that are fed by EA.**

PragmaticEC   www.PragmaticEC.com   © Pragmatic EC Ltd (2008-2016)   *Part of the Pragmatic Family*

Pragmatic have various and very detailed maturity assessment spreadsheets for EA and for the whole of the Transformation domain (of which EA is only 1 part), but here we offer a much higher level and we believe Pragmatic initial approach to get people engaged and raise the issue to management.

The Transformation of Transformation – Maturity Assessment Workshop.
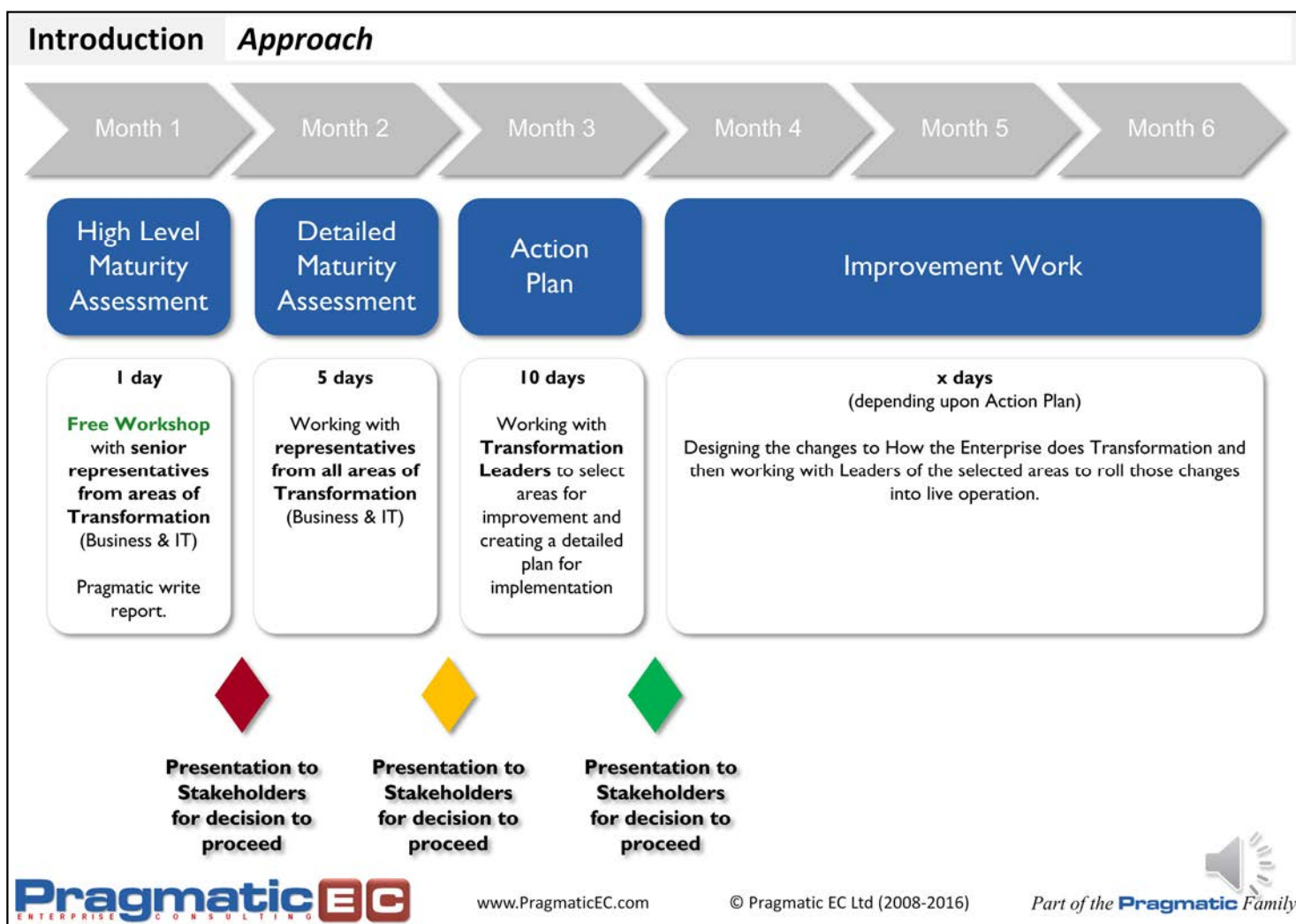
Here we show the overall process that begins with maturity assessment. It can be stopped at anytime - Do a little work - review the output - decide whether to continue.

It starts with an initial ½ to 1 day workshop with senior representatives from various areas of Transformation (such as the CIO, Head of PMO, Head of Business Analysis, Head of Strategy & Architecture, Head of Solution Delivery, etc) where we can assess (at a high level) your level of maturity.

A free report is then created that Stakeholders can use to decide if there is any need to move on to dig a little deeper.

If there is, the next step is to engage with representatives from all areas of Transformation (Business & IT) to perform a more comprehensive evaluation.

Again, a report is created that Stakeholders can use to decide if there is any need to move on, to determine what changes could be made to Transformation.

If there is, the next step is to create an Action Plan and Estimates to design the changes to Transformation, and to work with Leaders of the selected areas to roll those changes into live operation.

If the action plan is accepted by the Stakeholders, the changes are designed and then rolled out.

Definitions

1. Context

2. Definitions

3. Workshop

PragmaticEC
ENTERPRISE CONSULTING

www.PragmaticEC.com   © Pragmatic EC Ltd (2008-2016)   *Part of the* **Pragmatic** *Family*
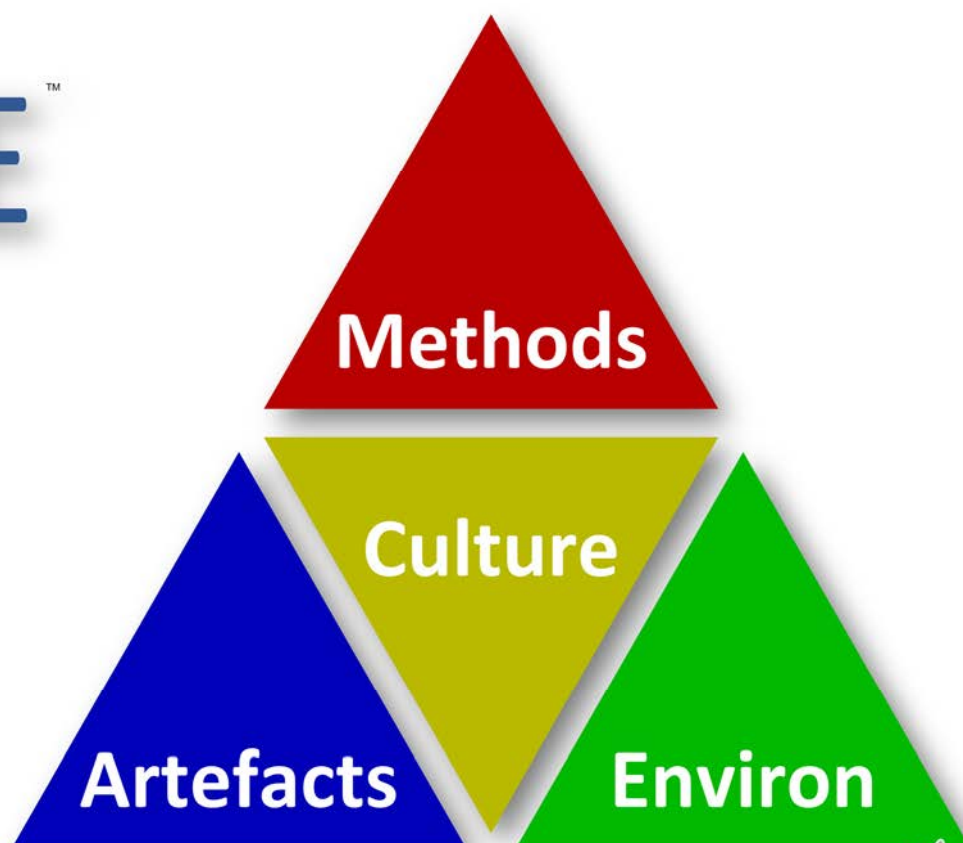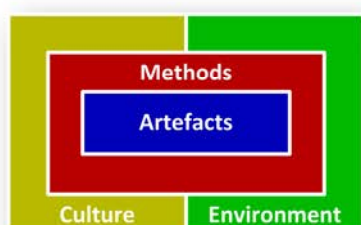
Now for some definitions. To be able to do the workshop we need to introduce you to some terms so we are all on the same page.

When people refer to the structure of something they often use high level categories such as People, Process and Technology, or POLDAT – Process, Organisation, Data, Applications, Technology.

We use a new set of categories called MACE.

Methods - Information about what is being done and how it is being done. E.g. Functions, Processes, Practices, Activities, Phases, Disciplines.

Artefacts - Information about the things that are being consumed and produced by the methods. E.g. Products, Services, Materials, Information.

Culture - Information about the People that are being used to perform the Methods. E.g. People, Values, Ethics, Trust, Psychology.

Environment - Information about the technical Environment that is used to execute the Methods and work with the Artefacts.

This Environment includes Information technology (which is a large part) but also includes other technologies. For example if your company is Shell Oil, then Chemical and Biological Technology is also very important – perhaps even more so than Information Technology!).

It is important to note that Culture sits at the centre. Because - Culture trumps everything™
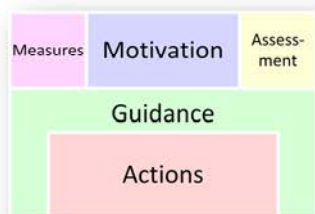
MAGMA is a set of high level categories used to refer to Transformational information:

Motivation - Information about the reasons why we are transforming. E.g Visions, Goals, Objectives, Requirements.

Actions - Information about the things we need to do in order to achieve those goals and satisfy those requirements. E.g. Mission, Strategies, Tactics, Roadmaps, Plans, Tasks.

Guidance - Information about the things that will guide others as the Actions are executed. E.g Principles, Polices, Standards, Rules, Values, Frameworks.

Measures - Information about the things that will allow us to know if we have achieved our goals and satisfied our requirements. E.g. Metrics, KPIs, CSFs,

Assessment - Information about why we made the decisions that we did.

| Definitions | *Operating Model* | Overall Phases and Levels |
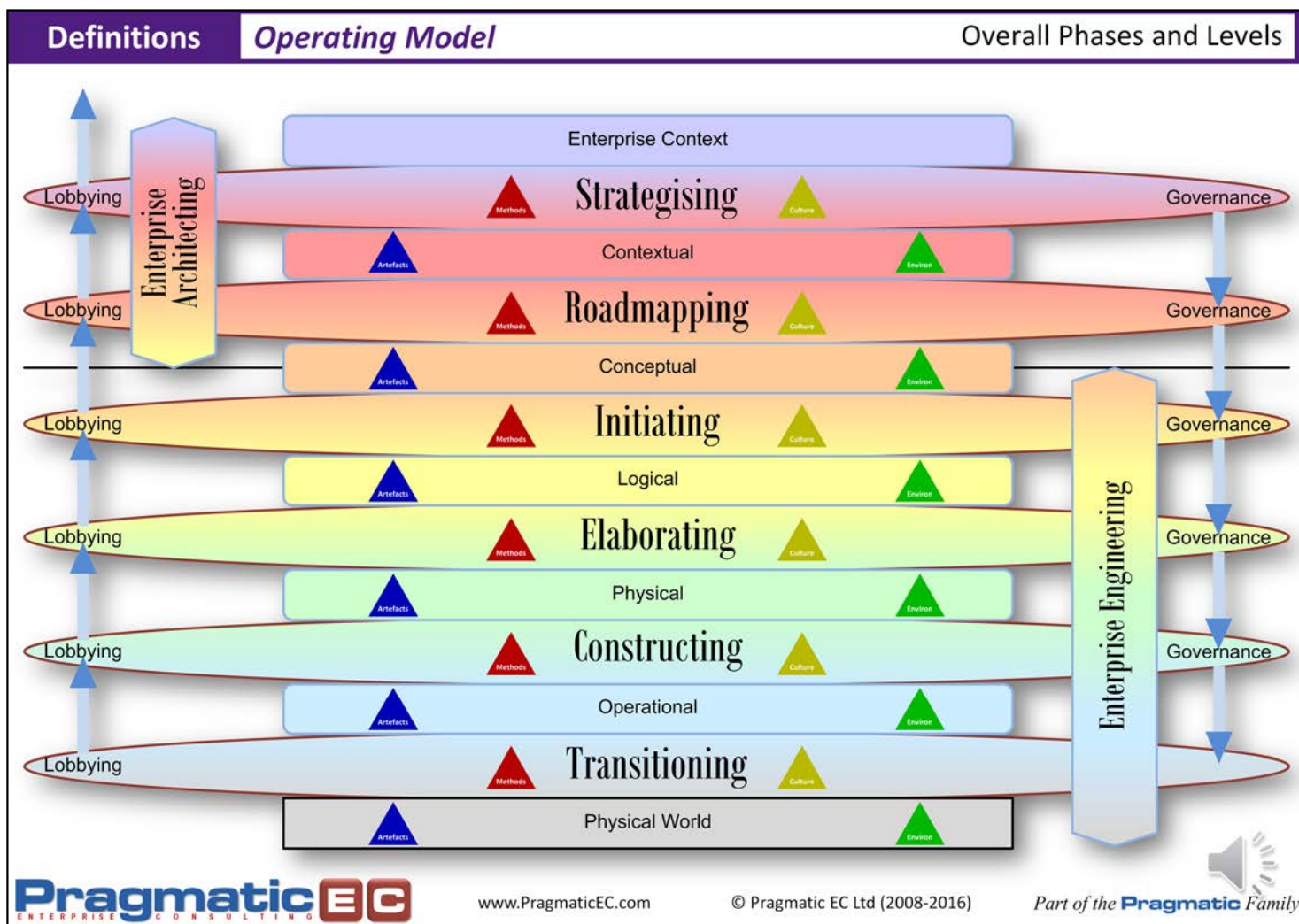
Here we see all the Phases and levels of the Transformation domain.

Ellipses relate to the phases of Transformation where actual work is done.

Rectangles relate to the levels of Transformation which exist between each phase where information created by one phase flows into the next.

The Phases (ellipses) are where Methods are executed in the context of Culture (i.e. the people and their values and ethics etc).

The Levels (rectangles) is where Artefacts exist which are created and managed by the Environment (namely the tools used to create and manage them)

Governance is performed by each Phase, on the Phase below, and Lobbying is performed by each phase, to the Phase above.

The black line between Roadmapping and Initiating shows the delineation between executing projects (everything below the line – that we call Enterprise Engineering) and everything that has to happen BEFORE we start executing projects (everything above the line – that is the domain of Enterprise Architecture).

The Enterprise Transformation Maturity Assessment will use these Phases and Levels, first to ask people what Phases they work in, and then secondly to volunteer their views on what is good and bad in each Phases and Level in their Enterprise, and any suggestions for improvement.

In order to do that, we need to define each of these phases and levels in more detail…

Definitions | *Operating Model* | Phases and Information (1/2)

Enterprise Architecting

Engineering

Phase/Level	Description
Enterprise Context	Information about things outside the Enterprise
Strategising	**Why Should I Care?** Sometimes called Business Strategy or Enterprise Strategy. e.g. Mission, Vision, Strategies, Tactics, Goals and Objectives
Contextual	Information produced by Strategising and consumed by Roadmapping
Roadmapping	**Plan of action.** Sometimes called Annual Business Planning or Transition Planning Creates a portfolio of projects and roadmaps to be initiated over the coming year(s)
Conceptual	Information produced by Roadmapping and consumed by Initiating
Initiating	**Detailed planning / Solution Design / Solution Architecture**
Logical	Information produced by Initiating and consumed by Elaborating
Elaborating	**Designing the changes / Detailed Design**

PragmaticEC www.PragmaticEC.com © Pragmatic EC Ltd (2008-2016) Part of the *Pragmatic* Family

Enterprise Context is the level which relates to the information about things outside our Enterprise that affect (or could affect) us, and information about things outside our Enterprise which we affect (or could affect).

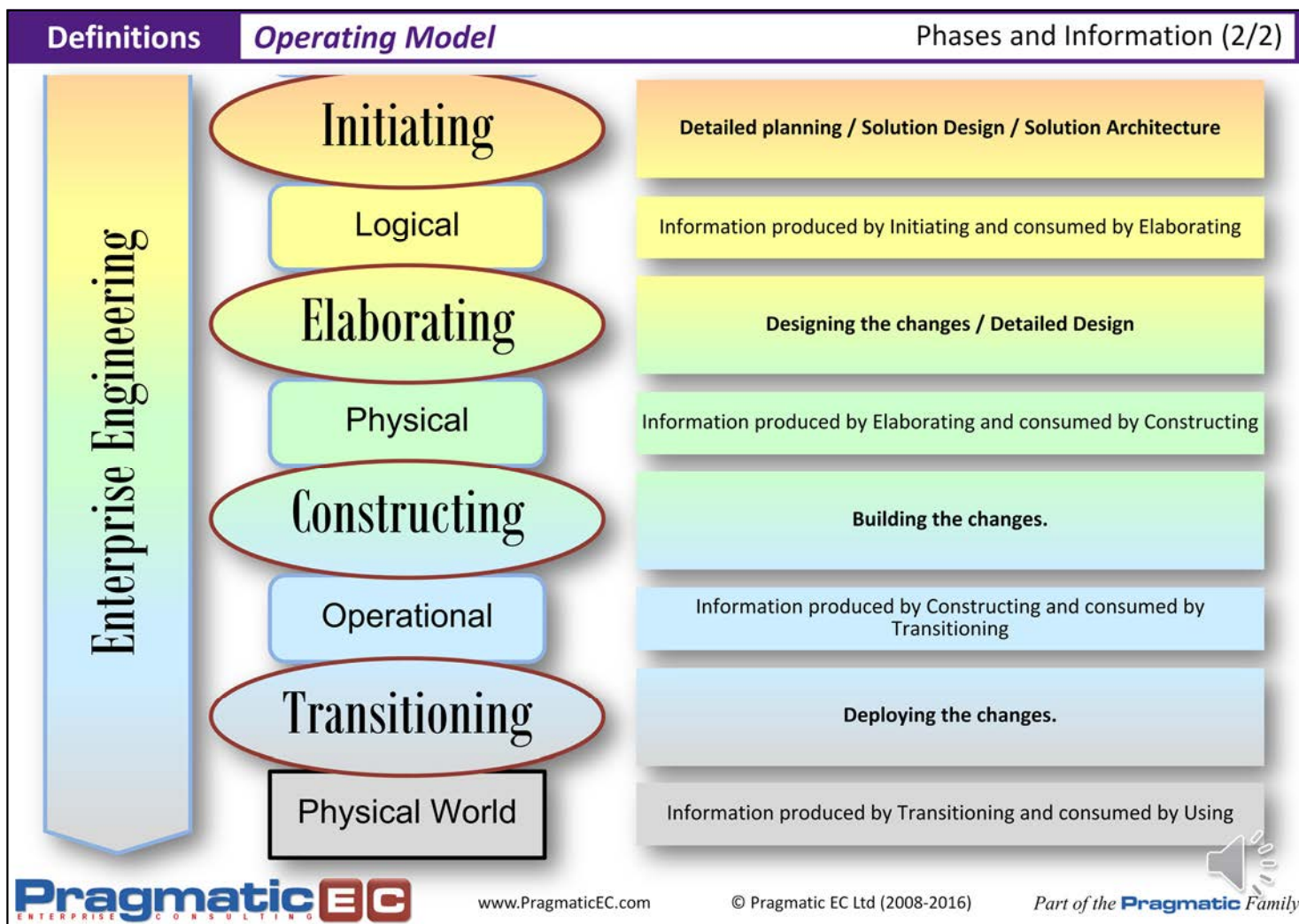Strategising is the Phase where the C-Suite, Directors and Executive Management sit.

Contextual is the Level of information that they produce – such as the Business or Enterprise Strategy (e.g Mission, Vision, Goals, Objectives, etc)

Roadmapping is the Phase where Enterprise Architects and Strategic Transformation planners sit.

Conceptual is the Level of information that they produce – such as Business and Technical Roadmaps, and Transformational Roadmaps expressed as a portfolio of programs and projects to be executed)

Initiating is the first Phase of a project and where Solution Architects sit.

Logical is the level of information that they produce – such as Logical designs.

| Definitions | *Operating Model* | Phases and Information (2/2) |

Enterprise Engineering

Phase / Level	Description
Initiating	Detailed planning / Solution Design / Solution Architecture
Logical	Information produced by Initiating and consumed by Elaborating
Elaborating	Designing the changes / Detailed Design
Physical	Information produced by Elaborating and consumed by Constructing
Constructing	Building the changes.
Operational	Information produced by Constructing and consumed by Transitioning
Transitioning	Deploying the changes.
Physical World	Information produced by Transitioning and consumed by Using

Pragmatic EC

www.PragmaticEC.com   © Pragmatic EC Ltd (2008-2016)   Part of the **Pragmatic** *Family*

Elaborating is the second Phase of a project and where Detailed designers sit.

Physical is the level of information that they produce – such as Physical designs.

Constructing is the third Phase of a project and where Builders sit.

Operational is the level of information that they produce – such as what is contained in a Configuration management database (CMDB), but also the things that they have built (or bought).

Transitioning is the fourth Phase of a project and where things get rolled out into the physical world in terms of Methods, Artefacts, Culture and Environment (e.g. IT)

Physical World is the level that corresponds to the actual physical world that change is deployed into.

Definitions | *Operating Model* | Governance & Lobbying (1/2)
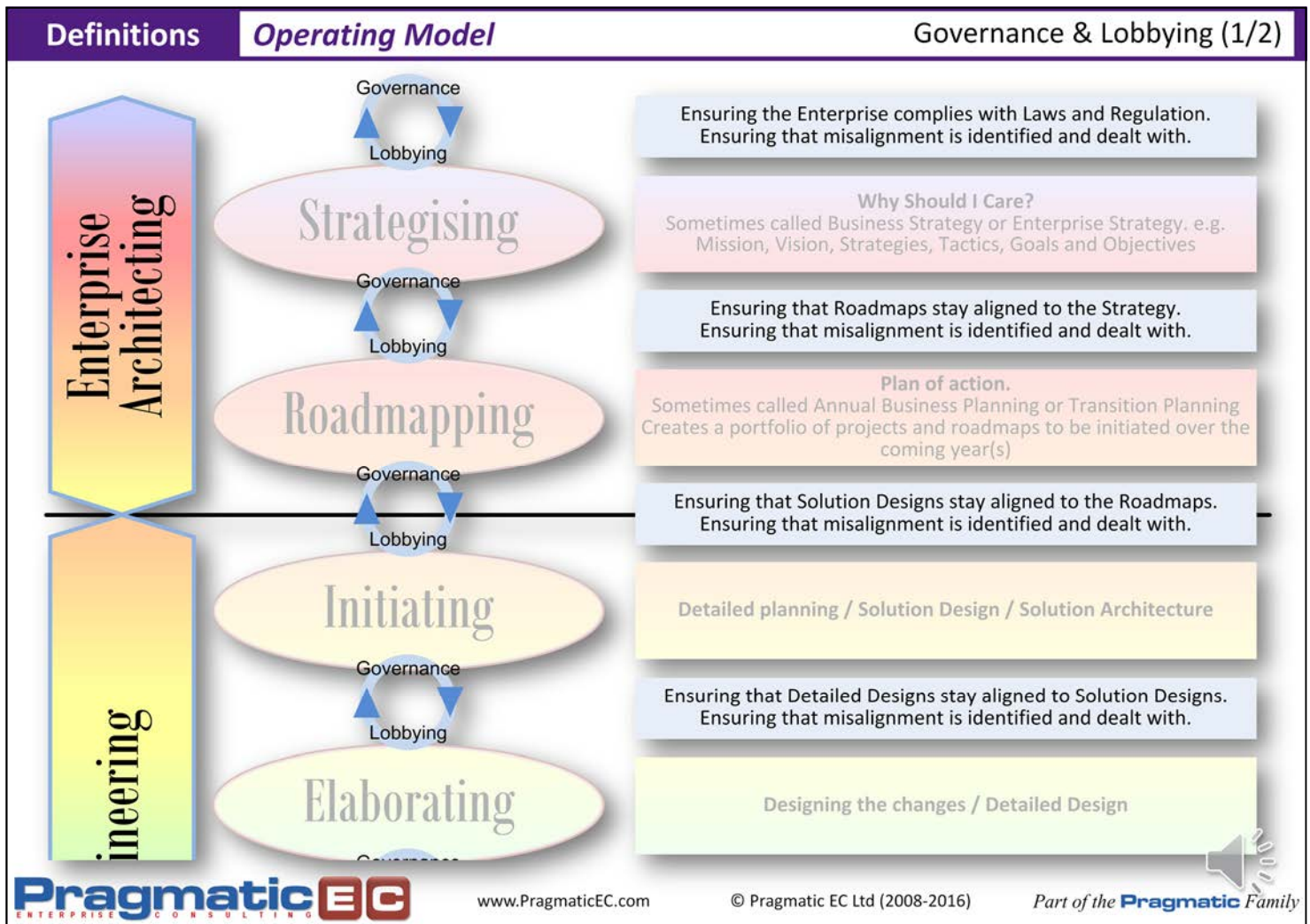
Governance is performed by each Phase, on the Phase below and makes sure that each phase complies with the Structural and Transformational Duidance coming from above.

Lobbying is performed by each phase, to the Phase above, and makes sure that any problems or opportunities that are discovered (or tripped over) that prevents compliance to the Structural and Transformational Guidance coming from above, are identified and raised to the correct level for a decision to accept the non compliance (and all the resulting issues and risks) or to provide what is required for compliance to be achieved. Problems and issues are addressed at the time they are discovered rather than what usually happens which is that they remain hidden and only come to light when large amounts of money (and more importantly time) was been wasted.
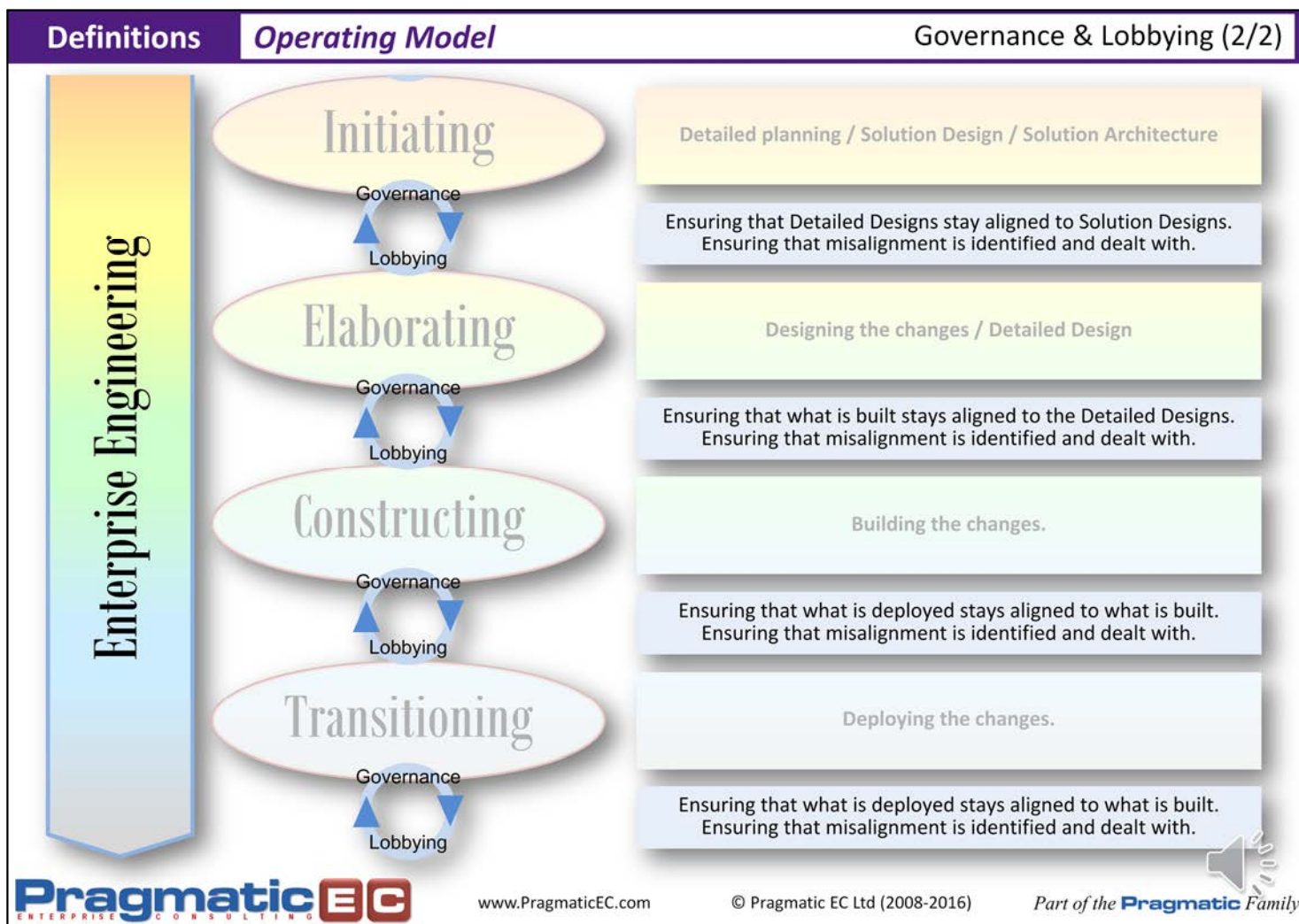
The Yin and Yang of Governance and Lobbying is a massively important thing that many Enterprises do not do well and contributes massively to why at least 70% of projects fail.

(Pragmatic has developed a very Pragmatic approach to Governance and Lobbying which is easy to adopt and cheap to operate but is outside the scope of this presentation. If you want to know more about that, please contact us.)

So Strategising tries to make sure that Roadmapping stays aligned to the Strategy, and that any problems or opportunities that are discovered are dealt with appropriately.

Roadmapping tries to make sure that Initiating stays aligned to the Roadmaps, and that any problems or opportunities that are discovered are dealt with appropriately.

Initiating tries to make sure that Elaboration stays aligned to the Logical designs, and that any problems or opportunities that are discovered are dealt with appropriately.

| Definitions | *Operating Model* | Governance & Lobbying (2/2) |

Enterprise Engineering

Initiating
Governance
Lobbying

Detailed planning / Solution Design / Solution Architecture

Ensuring that Detailed Designs stay aligned to Solution Designs.
Ensuring that misalignment is identified and dealt with.

Elaborating
Governance
Lobbying

Designing the changes / Detailed Design

Ensuring that what is built stays aligned to the Detailed Designs.
Ensuring that misalignment is identified and dealt with.

Constructing
Governance
Lobbying

Building the changes.

Ensuring that what is deployed stays aligned to what is built.
Ensuring that misalignment is identified and dealt with.

Transitioning
Governance
Lobbying

Deploying the changes.

Ensuring that what is deployed stays aligned to what is built.
Ensuring that misalignment is identified and dealt with.

PragmaticEC
ENTERPRISE CONSULTING

www.PragmaticEC.com   © Pragmatic EC Ltd (2008-2016)   *Part of the Pragmatic Family*

Elaborating tries to make sure that Constructing stays aligned to the Physical designs, and that any problems or opportunities that are discovered are dealt with appropriately.

Constructing tries to make sure that Transition stays aligned to what was bought or built, and that any problems or opportunities that are discovered are dealt with appropriately.

Transitioning tries to make sure that Users are aligned to what was bought or built, and that any problems or opportunities that are discovered are dealt with appropriately.
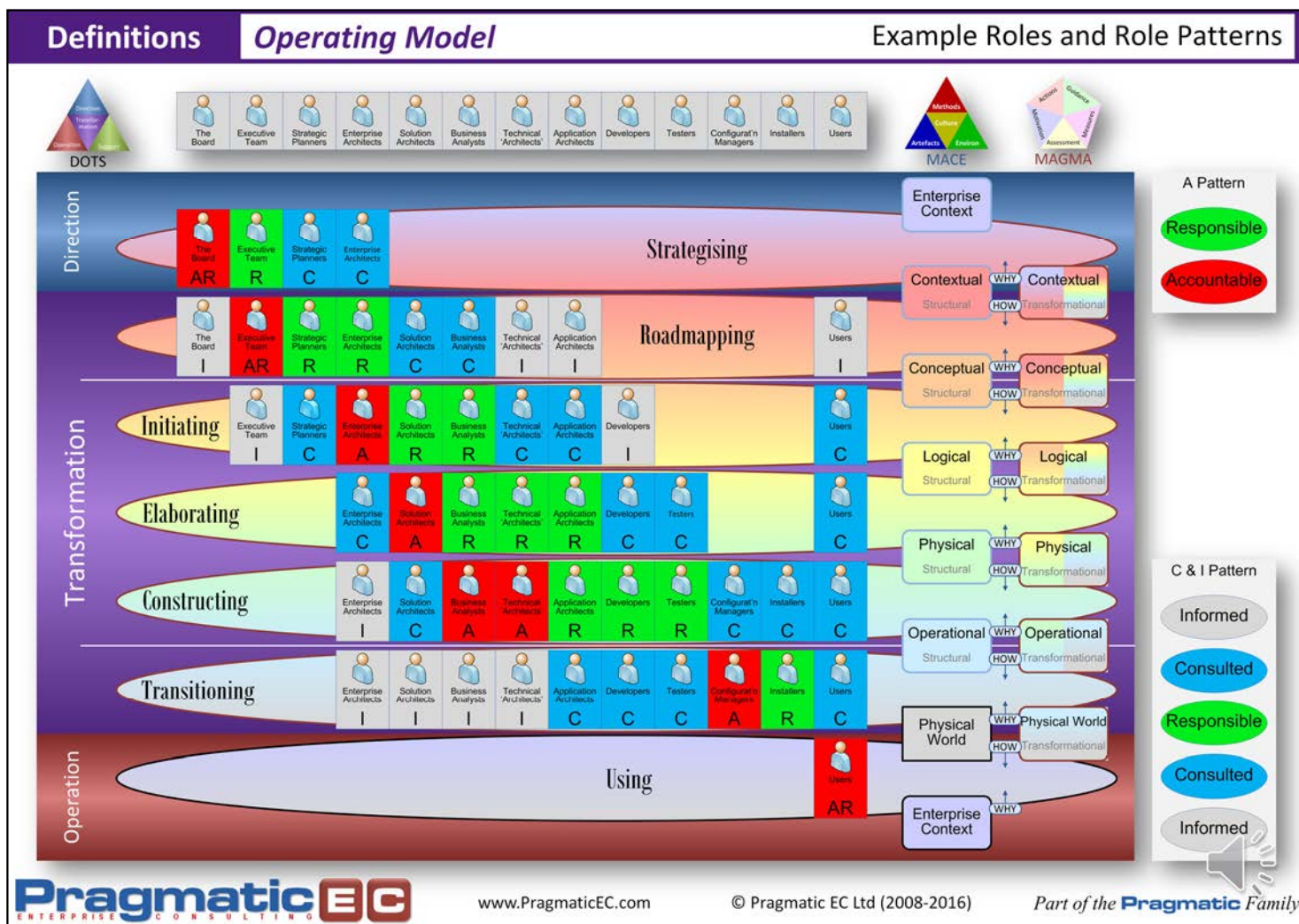
The Transformation domain consists of various phases with various roles being performed at various times.

The Transformation domain takes the output from the Direction part of the Enterprise at the top (Strategising) and delivers change into (mostly) the Operation domain at the bottom (Using).

This illustrates how some common roles map to these phases of Transformation, to help you get a handle on the kind of work being performed in each phase.

I'll just leave that there for a while for you to look at it….

It is these phases that a maturity assessment can be conducted against.

So, since the effectiveness and efficiency of Transformation is **Strategically important**, the first step in deciding if any resources should be spent on maturing it, is to understand the current level of maturity…
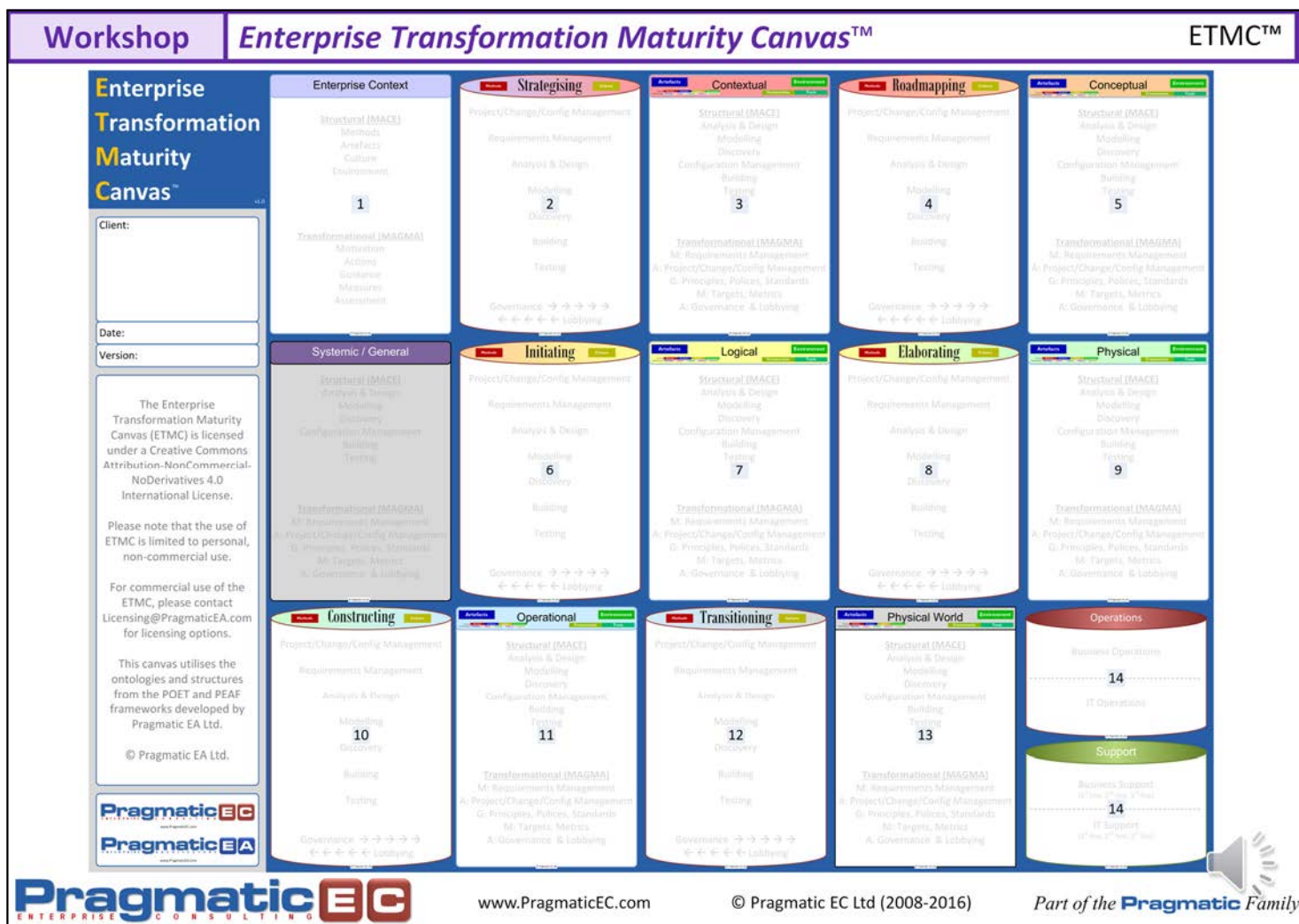
Workshop

1. Context

2. Definitions

3. Workshop

Pragmatic**EC**   www.PragmaticEC.com   © Pragmatic EC Ltd (2008-2016)   Part of the **Pragmatic** *Family*

So – the workshop…

In order to assess your Enterprise Transformation Maturity, we utilise the Enterprise Transformation Maturity Canvas™ (ETMC) show here.

The workshop begins with a 1 hour introduction to the ETMC and the concepts it uses, explaining them and making sure everyone is on the same page. This is the presentation you have been listening to.

The rest of the time is spent facilitating a workshop, working with people to extract and categorise the most important information.

At the end of the workshop there is a wash-up session, and over the following days a free report will be generated providing all the information collected, plus key findings and key recommendations.
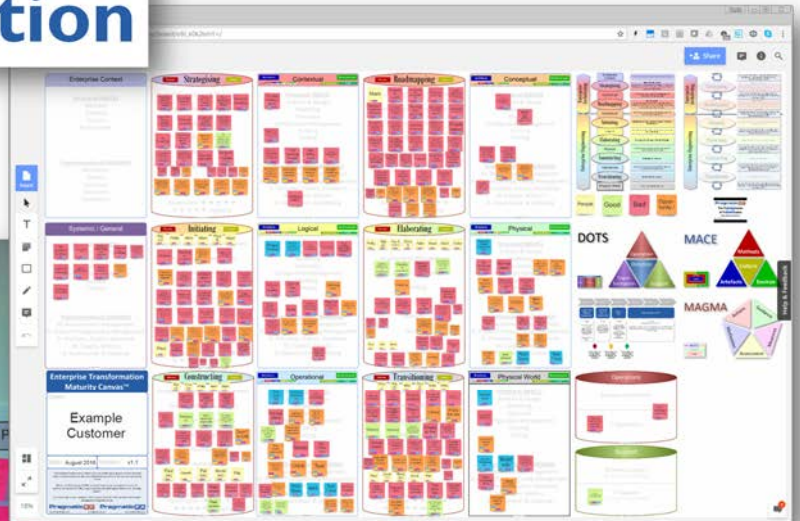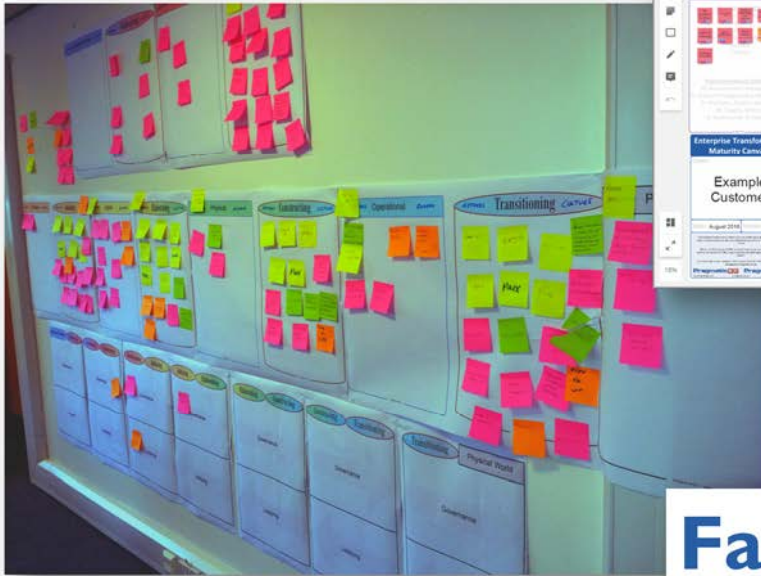
As show here, this workshop can be done face to face with post-it notes, remotely using a cloud based application, or a combination of the two.

People can contribute and discuss in a meeting, and at the same time collaborate with colleagues in other offices anywhere in the world.

| Workshop	*Summary*

- **Transformation is a Strategic capability of your Enterprise.**

- **Your Transformation capability has probably evolved over time.**

- **Your Transformation capability may or may not be mature enough.**

PragmaticEC
ENTERPRISE CONSULTING
www.PragmaticEC.com   © Pragmatic EC Ltd (2008-2016)   *Part of the Pragmatic Family*

So to summarise…

In todays world, your Transformation capability is **Strategically important** and will either provide massive business advantage if done well, or create massive business problems if done badly.

Your Transformation capability has probably grown organically over time, and while it was mature enough to bring the Enterprise to where it is now, it may not be mature enough to take it where it needs to go in the future.

The Enterprise Transformation Maturity Canvas is a good way to begin to understand if your Transformation capability has an appropriate level of maturity.
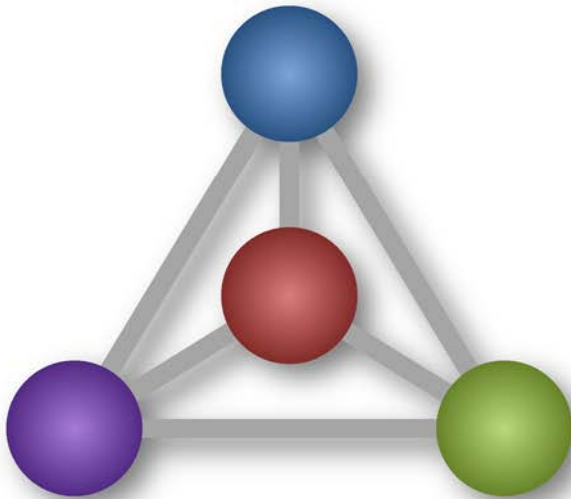
Thankyou for watching this presentation.