



1224 Good Reasons To Change Consultants

ENKI, LLC

Article – Summary of Client Case Studies

1,224 GOOD REASONS TO CHANGE CONSULTANTS

Let's face it, customers are unreasonable. Customers want continually improving service, reduced prices and a growing set of offerings. To accomplish this ever-increasing set of demands, companies have to continually improve performance and innovation. New startups offer higher quality or disruptive solutions at significant cost savings for customers; further driving companies to continually improve performance and innovation. Startups are also unburdened by legacy structures to address old customer wants and have government regulatory requirements built in from day one. Shifting a company's strategy, structures and processes are sometimes necessary to remain competitive. Yet, transforming to improve innovation, quality, operating performance and even service improvements distract companies from fulfilling the very customers at the core of the transformation. Even something as fundamental as shifting operational process views to a "Customer Journey" perspective can be disruptive and uncomfortable for traditional companies built around legacy customer wants.

With advances in technology and social media introducing completely new business models for all industries, many companies must introduce a new strategic direction with supporting goals. Defining a new strategic direction and goals can cause a substantial change in how companies need to operate to achieve those goals. As a result, changing a strategy is a high-risk endeavor that can lead to reduced profits and revenues with increasing customer backlash and employee turnover even when the strategy and transformation are successful.



Figure 1 - Cartoonist Andrew Grossman

KEEP IT SIMPLE

We have found that transformation complexity is the enemy of success. Seasoned transformation executives keep the message to employees and the structure of the work simple, and this allows people to know what they need to accomplish. Small efforts that build upon each other generate excitement and show that change can be possible. Experience in working closely with employees to enable proactive communication and employee engagement in the transformation helps accelerate wins and annual objectives that help build momentum. A continuous focus by executives on metrics keeps attention to the details to help drive execution by the team members that really do the work.

Unfortunately, most leaders lack experience in transformation efforts. This is not a criticism but rather recognition of global business activities. Consider that most companies do not need to transform very often and then this lack of experience makes sense. Seasoned transformational executives usually have 25+ years in many different organizations across

multiple industries. These executives tend to move every 3-5 years to affect the changes needed to achieve ambitious strategic goals. After attaining the transition goals, these transformational leaders tend to move on to allow a continuous improvement minded executive team to take over and continually improve operating performance toward the longer term goals. Continuous improvement leadership is very different than transformational leadership.

GETTING IT RIGHT

So, experienced corporate executives sometimes miss that larger consulting firms have two strikes against them when it comes to structuring and executing transformational work



“What if, and I know this sounds kooky, we communicated with the employees?”

Figure 2 - From Cartoonist Andrew Grossman

efficiently. Their first strike is the level of experience for the average consultant. These large consulting firms hire smart but inexperienced people to lead and participate in this work. This is because these younger consultants "appear" to understand the clients' situation(s) but are less expensive to the consulting firm than people with 20+ years of corporate transformation leadership. Their second strike is the complex structures for transformation efforts that large consulting firms promote. These large consulting firms have to staff hundreds if not thousands of people on these efforts to cover the overhead costs and provide a profit to the owners and partners. So, their clients' complicated program structures are a direct result of the

consulting firms' average experience level and their pyramid/diamond business model, and not the specific clients' needs.

AN EXAMPLE OF WHAT CAN GO WRONG

We were engaged in a global transformation effort involving 36 enterprise initiatives for two business groups with each business group having 17 different functional areas, all within a single worldwide rollout. Although our focus was on the redesign of the business model, reporting structure, roles and responsibilities with metrics, internal and external definition of business services, and the organizational change management needs of the enterprise, we did have ownership of the technology transformation initiatives which triggered much of business change.

A Big-4 consulting organization structured the technology portion of this transformation effort before our engagement. Their structure reflected a separate project for every enterprise initiative in every function for both business groups. This approach resulted in 1,224 different projects spanning over 60 countries, each with their own culture and reporting structure. Five months after our engagement, we were asked to help identify the project inter-dependencies

with our program since the enterprise PMO for the technology projects was unable to identify these dependencies for the 1,224 projects. This Big-4 firm either missed the fact that their complicated structure was unnecessary or they did it intentionally to staff thousands of consultants as technical leaders on projects that were not necessary.

OUTCOME

The aforementioned structure was so complicated that the Big-4 consulting firm was not capable of managing such a complex transformation successfully. In fact, no company could have handled this complexity. It was a fiasco that the customer ended up paying for with budget overruns, missed deadlines and an eventual cancellation of the technology effort managed by the Big 4 firm. The CEO of the client recently departed along with several other senior leaders. The publicly announced transformation did not roll out as planned and the company did not meet the stated goals.



Say Yes To Change

Figure 3 - From Cartoonist Andrew Goodman

OUR APPROACH

Although our effort was triggered by the technological transformation, our entire program structure reflected a global organizational design and the local country rollout approach. We did not base it on each functional group impacted by the change. The program we designed reduced the complexity to only two different methods that we could quickly explain based on a global or local need. We had a maximum of 9 projects running in parallel and finished our chartered work under budget, 20% ahead of schedule, and found 600 times more in savings than initially planned. As we reviewed the work on our program and the technical program, we revisited the complexity of the other programs and recommended country level focused teams with a global design team that would have cut out 1,157 projects and eliminated at least that number of global project managers.

FINANCIAL WASTE

For consideration, project managers from the large firms had a negotiated billing rate of ~\$300/hour. Our recommended simplified structure, regardless of the outcome, would have saved \$57.7 million a month just in un-needed project managers for a total project overhead estimated savings of 1.4 billion over the 2-year initiative.

EXPERIENCE MATTERS

Although successful leaders validate the plan, architect winning design, and structure the projects and programs to achieve promised outcomes, it is seasoned executives that make it

look easy and accelerate the speed of the transformation to achieve the goals faster and for less investment than executives doing it for the first time.

HIRE THE RIGHT TRANSFORMATION LEADER

We base our lessons and develop our methods from the mistakes we made as executives. Our goal for our clients is to make sure we no longer make those mistakes. With over 70 transformation engagements under our belt, ENKI's consultants have experienced our share of failures, stumbles, and successes.

- We have owned the outcomes as executives ourselves.
- We have guided the executive team and boards of directors through complex transformations.
- It is not about chasing magic bullets. It is about quality intelligence, proper planning, and collaborative execution.
- We make sure you know upfront why you are doing it, the outcomes you are trying to achieve, and what will be involved.
- Start small with feasibility studies and pilot efforts.
- Build momentum with success.
- Winning teams become evangelists and encourage others to join. Winning is contagious.
- Since the winning team members get others to join them, they become active mentors for other team members to succeed. Active engagement builds momentum and accelerates change.
- Please note: failure is also contagious. If your efforts are struggling or not meeting expectations, it will only get worse without intervention from strong, experienced leaders.

CONCISE, COMFORTABLE, OPEN, TRANSPARENT

The good news is that ENKI assigns business executives that have done this type of work before to partner with your leaders and employees. Embracing your business model and culture while transforming the enterprise is a unique ENKI offering. What we do may seem familiar but how we do it is what makes us different.

Getting all of your employees to understand what needs to be done (changes) and why (goals) is critical to success. Everyone can help drive the necessary changes to accomplish the strategic goals only after they are informed, aligned and engaged in the need for change.

We have walked in your shoes. ENKI is the key to your success.