



Enterprise Transformed

Digital transformation is not all digital



DIGITAL TRANSFORMATION

THE SOFTWARE MONEY TRAP

The first thing people must understand if they want to get a huge return on their software investment is that **software does nothing**. It produces nothing. If we think it does, we are stuck in the thinking of the last industrial revolution.

Spending millions on tools without high confidence that your team will be able to produce a return is the money trap.

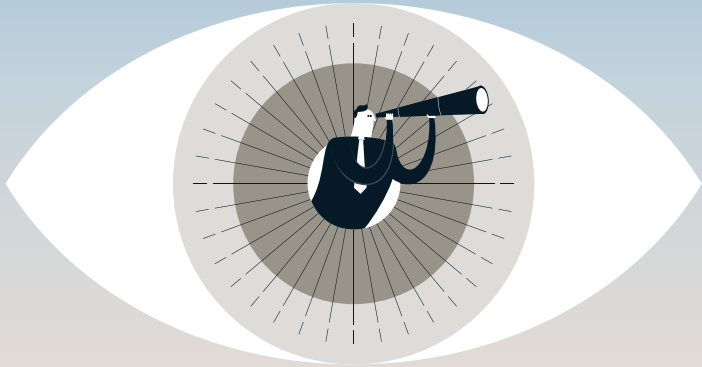
Software capability is almost always misrepresented or, at best, misunderstood. **Tools enable, but they don't do.** Sure, they can be used to automate some steps, but in today's environment those steps can change rapidly.

Tools "enable" outcomes... but only when designed with guidance from master practitioners who have produced superior outcomes in today's competitive environment. Their **understanding of competitive requirements for the users and the tools that support them are key to success.**

“

We've spent hundreds of millions of dollars on software with each promising millions more in return. I can't think of one example that delivered as promised.”

— VP of Engineering
Fortune 50 Aerospace & Defense



NEW COMPETITIVE REQUIREMENTS

A focus on efficiency will thwart speed.
The reverse, however, is not true.

The last 50 years has been dominated by large, hierarchical enterprises evolved from what the tools and thinking of the last industrial revolution made possible.

Operators and their machines performed standardized work sequenced in assembly lines. Alfred Sloan at GM used these principles to create the hierarchical business structures that are so common today, using standardized work and division of labor between departments.

GM became the most powerful business in the world in the most powerful industry in the world, while crushing competition that couldn't compete with their scale and cost advantages.

Those rigid structures and the thinking that produced them – ones focused on efficiency and standardization – are no longer competitive. They are easy to beat in a marketplace that is changing as fast as today's is.

Instead of a primary focus on efficiency and standardization, today's top competitors must focus on speed and capability in order to compete.

PRESSURE TO INCREASE SPEED:

Cut time-to-market by 50%. Most companies know this is the requirement, but their teams are thrown into moods of resignation and panic because they don't know how. Learning how to go fast will also help with efficiency.

PRESSURE TO INCREASE CAPABILITY:

Here, most companies are focused on understanding their competitive situation and then innovating their capabilities in ways that give them advantages.



As companies get larger and more complex, there's a tendency to manage to proxies. A common example is process as proxy. The process becomes the proxy for the result you want. You stop looking at outcomes and just make sure you're doing the process right.

It's always worth asking, do we own the process or does the process own us?"

— Jeff Bezos
CEO Amazon



MOVING WITH SPEED AND AGILITY

The first step to increase both speed and innovation is the same: **TRUST.**



When people trust each other, they share openly/collaborate and talk straight, and all this enables speed and effectiveness. If people knew how to produce trust between groups, they'd be doing it already. The recent historical results of large companies losing competitiveness, combined with the projection of a 50% churn in the S&P 500 over the next 10 years, is proof it is not obvious.

The departments of today's large enterprises must learn to operate as part of a trustworthy network of departments and individuals, who coordinate action with each acting like a "Business-within-a-Business".

This means they must be able to operate with close to the same array of concerns with which an enterprise operates. They have to be concerned with their mission or charter, their core offer and the practices for establishing a steady stream of fresh new offers.

They have to be able to explain and "sell" these new offers to their customers, which means they have to know who their customers are. They must be able to account for their costs and produce multiple of those costs in returns for their customers.

Finally, they need to specify and then acquire, grow, nurture or maintain the people, tools, and offers necessary to produce the outcomes required of them.

They will build trust if they have the skills on their team required to do this and can break the insular "department" mindset and see their enterprise as a resilient network of capabilities. Most don't have the skill or vision and will need help.

Large companies need to manage this transformation at scale, and software can help...

Trust can be built – one component at a time – if you know what the components are.

Gartner

The biggest barrier to digital transformation is culture.

“

Technology had been both a cause of our challenge and a tool for our success. But it was the culture change in the organization that allowed the Task Force to use it properly.”

— Stanley McChrystal
Commanding General, JSOC



SOFTWARE MUST SUPPORT THE NEW

MINDSET



All too often they reinforce old mindsets. Prior to computers, all tools were single purpose. Nothing more was possible, so organizations and crafts evolved around them.

In large hierarchical organizations, each department developed its own set of tools as well, focused on the unique needs of each department. Finance departments had their tools, engineering departments had different tools as did testing departments, purchasing departments, maintenance departments, and quality departments. These discrete tools reinforced people working insulated in their silos.

While the existence of networked computers opens the space of possibility for multi-purpose tools that facilitate cross-department sharing of information and workflows, the reality is that most new tools are not designed for this new world. They are still designed and sold into siloed departments.

Tools must be integrated, sharing data and coordinating workflows.

These tools are too difficult to use in an environment changing as quickly as today's competitive landscape. A symptom of the mismatch is the level of database inaccuracy endemic across the industry. This inaccuracy leads to additional costs, either from poor decisions or from having to search to find missing data that's required later in the process.

To support transformation today's tools must be able to operate in fast-changing environments and make it easy to:

- **Maintain data accuracy** across multiple workflows.
- **Inject domain-specific knowledge in relevant workflows**, where and when needed for rapid decision making.
- **Form trustworthy networks** by producing positive incentives that lead to speed and innovation.

CULTURE TRANSFORMED BY SENTE

Today's new competitive landscape will be won by companies that adapt quickly. To stay competitive means teams must adopt new practices and behaviors and improve the culture. But, making significant change at scale is hard, right? Not necessarily.

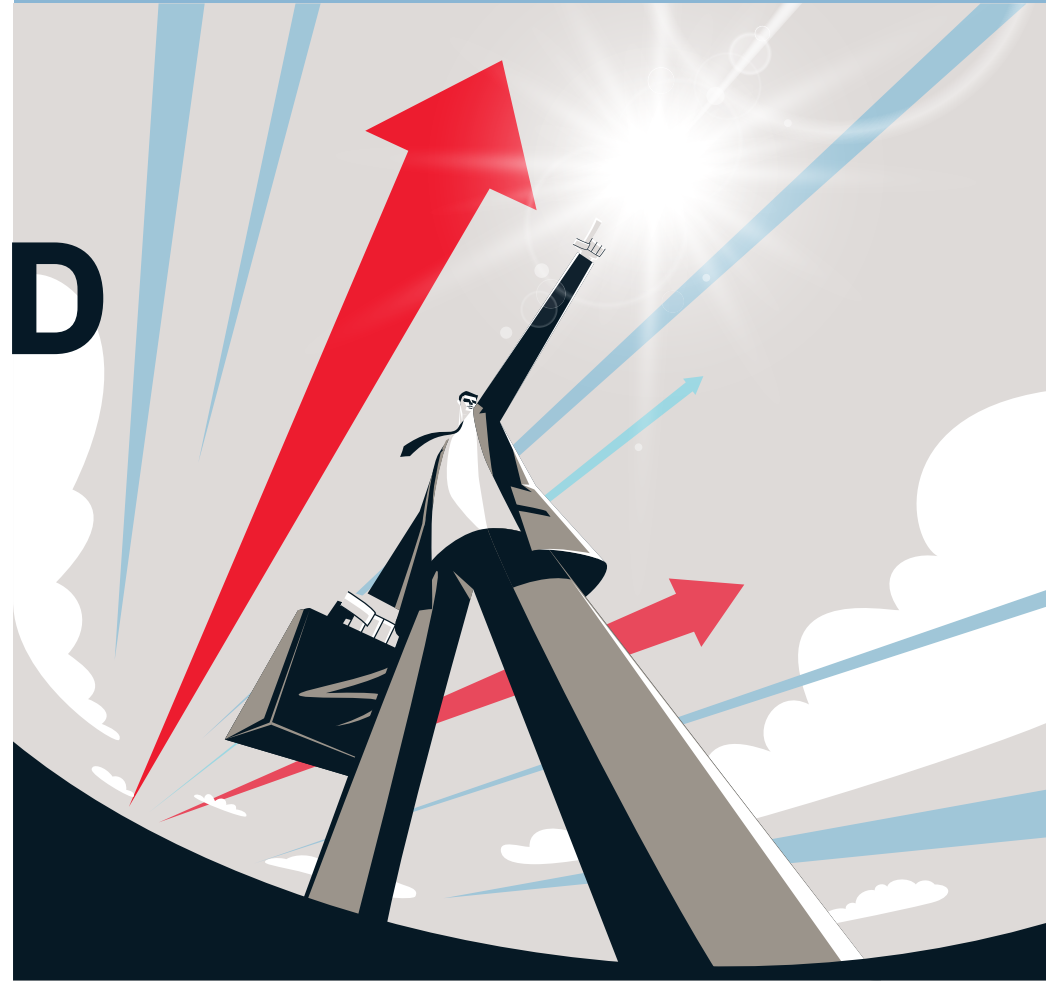
Over the last 24 years we have worked with aerospace defense companies to become more competitive. We have learned that coordinating your people, processes, and equipment in real-time is the key. We have had the most success when we bring together Enterprise Asset Management, Project Management, and Knowledge Management that we call we call Scireo, [Accelerated Enterprise Asset Management](#)



Through this system we have seen business performance increases of 2x to 4x, reduction of costs by fifty percent, an acceleration of time-to-market by 2x, and increase of asset utilization by as much as 4x.

We work with our partners to ensure success through a series of [workshops](#) and [SEAL training](#) programs. These programs allow our customers to get the most out of their software and maximize their team's output.

Learn more about the Sente Group and Scireo software at www.sentegroup.com



People often talk about change - Sente has demonstrated accomplishments in really producing lasting cultural change in our organization. The ROI (200%+) we produced led to our team being recognized by the company with an enterprise level best practice award."

-Director of Engineering
Fortune 50 Aerospace & Defense



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