



E2E thinking in digital industrial transformation

Things in the business environment are getting more and more complex every day. We constantly hear stories about blockchain, new technologies, changes in ecosystems, and the rise of new businesses and business models. Simultaneously, we still have a large amount of manufacturing and process industry companies working in much the same way as they have done for the past who knows how many years. However, the companies in this area need to step up their digitalization game and not only take initial steps but real leaps towards more a digitalized way of operating and managing their business.

Taking these leaps is not an easy thing to do. Everything cannot be done at once and the path to success must be split into pieces and manageable sized programs and projects. In many cases, those projects focus on a single area of action like sales, procurement, or services and at the end of the day, there will be a well-functioning approach for that single area, but gaps between areas will remain. The fix is to ensure fluent end-to-end flow, interoperability and full connectivity throughout different systems, platforms, and solutions serving the business.

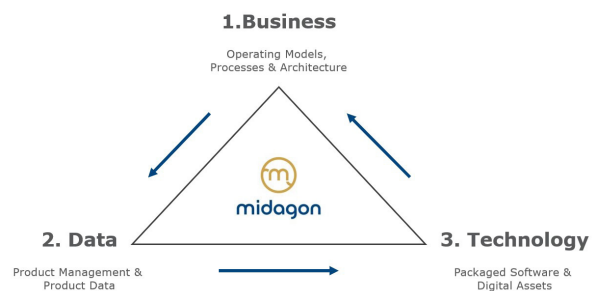
The goal

The goal for E2E thinking can be described in a simplified manner in just a few lines. The intention is to:

- Enable and ensure full connectivity and the continuous flow of operations and data throughout the whole chain
- Minimize the gaps and eliminate the silos between organizational functions and process areas
- Maximize value added in each phase and step
- Improve customer experience for both the external and internal customers involved

What, how, and why

As the field is complex, the approach cannot be simple. However, it can be simplified and, as usual, answering the three W's can take us a long way. In order to find the answers, we need to operate on multiple levels. We need some philosophy, holistic thinking, and solid understanding of business and its logic, recognizing essential and irrelevant details etc. At the end of the day, this means we need a systematic approach and methods for getting the results.



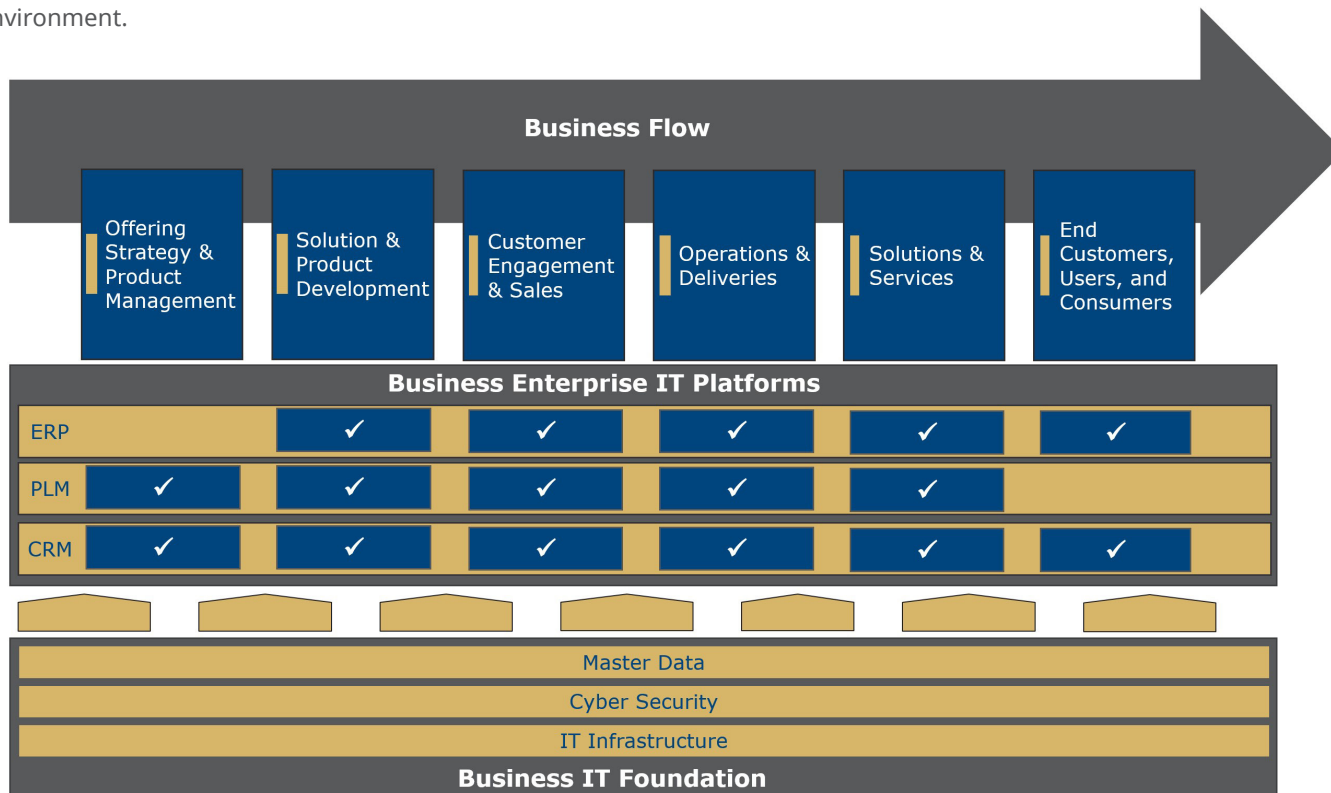
Put the business first

Our recommendation is always to think of and push for a business first approach. Business defines the needs and requirements for how IT should be utilized. Also, business sets the demands for both the implementation and operation of IT systems. Both data and technology play key roles in the business IT landscape. However, the proper setup and use of them is defined based on business' needs and requirements.

From an overall landscape perspective, there are multiple parts needed which are not directly connected to the business operation itself. These are considered as necessary supporting systems and their roles should be formulated so that they can be enablers for the actual business operations.

Build the big picture

The business IT landscape can be described using business functions or operating areas as vertical and IT platforms as horizontal elements. The business IT foundation supports both. Identifying the right pieces for this puzzle and understanding their dependencies and interfaces is essential for a well-functioning business flow and effective IT environment.



Fix the foundation

Like a skyscraper or any other building, a well-functioning business IT infrastructure needs a strong foundation. Before jumping into fancy digital solutions and systems, we must ensure we have a solid ground to build on. Paying enough attention to IT infrastructure, cyber security, and especially master data management is a tough job to do, but it will pay off. As we speak, there are numerous companies putting substantial effort into fixing the gaps they currently have in their master data management and governance due to a history of negligence in these areas.

Business enterprise IT platforms

Usually, companies have few IT systems in use which may be considered as enterprise IT platforms. In many cases, the three letter acronyms related to this topic are something like ERP, PLM, PDM, CRM, or even CPQ. The essential thing here is:

- To understand what these systems are used for in different functions and process areas
- To ensure connectivity and flow between the parts of the chain, organizations, and different systems, and
- To identify overlapping areas and define master systems

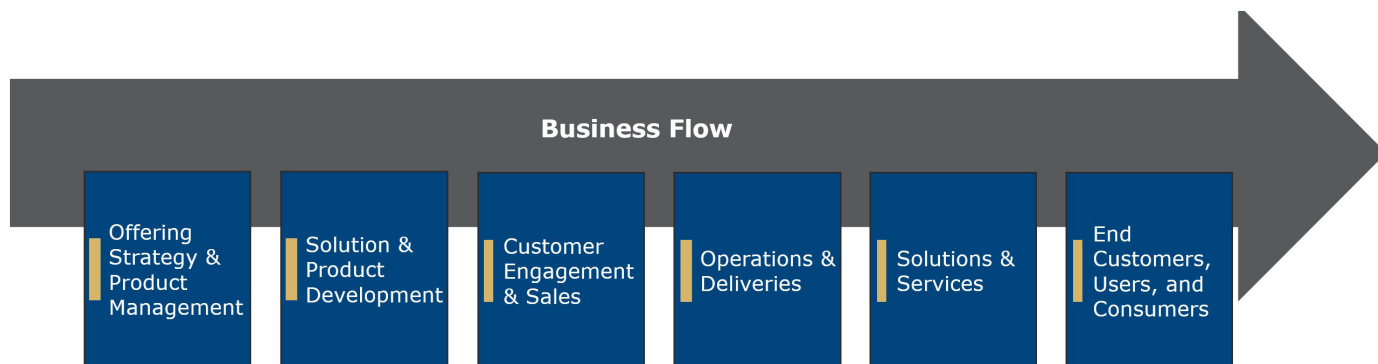
As these systems serve not only business but also general company functions like finance & HR, matching IT and business capability mapping is a great way to get these things done in a systematic way with a structured outcome.

Defining the verticals

The verticals in the big picture may be defined in many ways. For this presentation, we have defined six different areas:

1. Strategy & Product Management
2. Solution & Product Development
3. Customer Engagement & Sales
4. Operations & Deliveries
5. Solutions & Services
6. End Customers

Usually, these domains are found in all companies, but of course, the verticals can be defined according to company specific needs. More or less, verticals may be built and presented as long as they cover the whole chain of operations and represent logical entities from the company's point of view. For each vertical, we shall define relevant business processes, key roles, enterprise business IT platforms, business capability specific IT solutions, and success factors for implementation.



Ready to serve the business!

A solid IT foundation is a cornerstone for enabling business operations and, of course, we shall pay lot of attention to this and put in significant effort to make it work.

Verticals are an important part of the bigger picture. A lot of things take place in verticals, much value is created here, and a sizeable degree of focus is put on them. This is okay and actually a rather correct approach.

A lot of things were done in order to establish sophisticated IT systems & solutions. Time and money was spent on software and hardware. New partners and vendors stepped in. Everything is fine, even great if we remember to put the business first. If not, something will hit the fan big time. In order to achieve the goal and meet the requirements set by business, we must ensure the IT part of the game will live up to its promise and serve and enable the relevant business operations.

Fluent business flow requires interoperability and the full connectivity of different IT platforms and solutions, secured and steady data flows from end to end, and alignment with business targets, strategy, and operations across all verticals and IT systems, solutions, and platforms. Just be sure to put the business first, ensure interoperability, connectivity, and overall alignment. Good results will follow!

Establish ownership

The ownership for each vertical is usually relatively simple, as they are more or less tied with organisational structures of the company. What is more difficult and, in many cases, tends to be missing, is the ownership for the whole big picture. So, in the current environment, clearly defining a role for taking charge of this is essential. Someone like COO, CDO or other ABC type of abbreviation is needed for the owner's role. As said, it is not about the title, as long as the owner has the mandate to lead, steer, and develop the chain and has the time and the resources to do it.

The winner takes it all

A well-functioning, modern business environment is supported by a seamlessly working business IT environment. The capability to support an end-to-end business chain and value creation is a very valuable asset and a cornerstone for building competitiveness. Solid operations with clearly defined capabilities also enable timely adaption to the kind of rapid and unexpected changes we have experienced around us lately. In these circumstances, the winners are capable of evolving and improving their run continuously, with digitalization and other tools playing a key role now and even more so in the future.

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