

Globalization

Global Transformation Readiness, Part 4

By [Peter Elings & Doug Oliver](#)
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This four-part series by Deloitte Consulting experts Peter Elings and Douglas Oliver provides action items you need for a successful global transformation. The series includes a [preparedness checklist \(Part 1\)](#), [guidelines on creating a governance model \(Part 2\)](#), [advice on standardizing data reporting and infrastructure \(Part 3\)](#), and how to evaluate your organization's capacity and capability (Part 4) to achieve its global vision.

Organizational Capacity, Capability

While global transformation is an intensive exercise under the best of circumstances, today's current global economic climate adds an additional burden. Organizations are already running lean, focused on driving costs out of the business by arbitrage. As a result, most lack excess capacity in the organization to manage a global transformation initiative. Already stretched for resources, companies struggle with investments that must be made prior to transformation. For low-margin industries, these challenges are even greater. Retailers, for example, often have little left to cut or leverage for a transformation program. These organizations, especially, must realize the commitment they are making and plan accordingly in order for the transformation initiative to succeed.

In assessing the organization's inherent capabilities, there are no substitutes for experience and no short cuts for the hard work that must be done. While the majority of organizations have capable leadership, these individuals lack specific transformation experience. Transformation leaders must be able to envision and actively think in the future state rather than managing to the current state. Existing resources can be brought up to speed, but it can take years to acquire the level of transformation knowledge required. A better strategy is to recruit individuals with specific transformation experience into the organization in advance. Evaluate your competitors and ask, "Who does it better than we do?" and recruit from those organizations. For further considerations on capacity and capability, review the following checklist:

- ▶ What was the people requirement of your enterprise's biggest project to date?
- ▶ Are the changes being proposed scalable?
- ▶ Has your enterprise had previous experience implementing globally with complex, large projects?
- ▶ How much technical capability and knowledge does your enterprise currently have?
- ▶ Does your organization currently have the resources (quality and quantity) to support the vision of the project?
- ▶ Does your organization have people with global business and process knowledge?
- ▶ What is the organization's change-readiness threshold?

Working Toward Alignment

With the insights gained across the five key areas discussed here, you should have an accurate view of your organization's current state, as well as an understanding of the leap the business will need to take to reach its desired transformative target. Using your original business case, determine if the benefits driving transformation are valid, if they can actually be achieved, and at what cost. Consider current organizational constraints in weighing the feasibility of the transformation program. Is the gap wider or narrower than you anticipated? Is there work that must be done before the project can start – for example, governance or infrastructure changes? Acknowledging and reducing complexity up front while leveraging the strengths of your business can help ensure a more smooth and successful path to global transformation.

[Peter Elings](#) is a Director in Deloitte's Technology practice. [Doug Oliver](#) is a Principal in Deloitte's Technology practice.

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