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# TSI Info Source

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A newsletter of ideas, comment, and dialogue.

Volume II, Issue 1

January, 2001

## Welcome...

Welcome to the New Year. Welcome to the potential for weakening markets, fluctuating interest rates, soaring energy prices, changing governance and possibly greater uncertainty than in recent years. Maybe this means is we have to be more efficient and effective than we have in the past. Perhaps we no longer have a choice.

We at TSI wanted to help you begin the new year with one tool you can use to assess/predict process performance change results and one article about why Dell Computer has been so successful. As always, we welcome your feedback and promise to consider your needs as we continue to evolve this newsletter and hopefully provide something of value to you. If you would like to share your thoughts or have any questions, feel free to send us an e-mail at [info@transforming.com](mailto:info@transforming.com).

## How Ready is Your Organization to Change?

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Numerous studies, including several published in The Harvard Business Review, CIO Magazine and others, confirm that organizations desiring to implement sustainable change must first have an environment that is suitable for such change.

Transforming Solutions Inc. (TSI), supports these beliefs and uses the following criteria with our clients to help assess how "fit" and ready an organization is for process improvement/redesign/re-engineering and/or organizational change.

This tool can be used in several ways including evaluating the perspective of several individuals (especially at various levels and positions) in your organization, measuring the readiness for change over time, as well measuring risk before exerting the effort and resources on a large change/process improvement initiative.

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Rank your organization on a scale from 1-10 (10 = highest possible) in each of the following categories defined below. Giving a score of "10" means that your organization meets or exceeds the description ALL of the time. A "1" would mean that your group is on the complete opposite end of the spectrum NEVER exhibiting these characteristics.

### 1. Executive Leadership and Support \_\_\_\_\_

The organization is led by an executive who strongly and publicly supports the change initiative. The executive must be actively engaged with the change initiative in setting its direction, providing vision, co-creating recommendations and continually supporting the deployment of those recommendations.

### 2. Capacity to change \_\_\_\_\_

The organization is adequately staffed to pursue a change initiative project from its initial planning stage through implementation. Full time (or close to it) resources are deployed on the project and other responsibilities take a "back seat" for those individuals.

### 3. Predisposition toward improvement \_\_\_\_\_

The organization has an inherent tendency to want to examine and improve itself. The Project Team is constructively critical of the problem area and regardless of its training in process improvement or organizational development, instinctively knows that it should be operating in a significantly better way. The organization also has had success implementing significant process improvement/change initiatives within the last several years.

### 4. Clarity of destination \_\_\_\_\_

The change initiative project has a crystal clear defined operating model and vision that is shared throughout the project team. This vision should define how it would like to function in their "new" environment.

### 5. Funding to implement change \_\_\_\_\_

Since change requires resources and at times additional capital, the organization must have adequate resources to staff the project and implement the short and long-term recommendations. This can be achieved either by directly providing all resources, sharing resources from other groups/departments or employing the use of contractors/consultants.

### 6. Alignment of the project's improvement objectives with a higher level organizational mission and objectives \_\_\_\_\_

Sustaining change requires alignment at multiple levels. At the highest level, alignment is required between the direction the organization is pursuing (e.g., relative to its competitors, within their industry...) and how this change initiative supports and enables the pursuit of this direction tactically. Secondly, alignment needs to exist between the goals and objectives of the project and the individuals, values on the project, and in the organization as a whole.

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### So What?

Using a grading scale of 90/80/70/60% we have found the following to be true about a project or initiative's predictability for success.

Score	What it means
54 or better	You are in the upper 10% of all companies who begin major change initiatives. You are well positioned to be successful. Keep these elements in check and you will, in all likelihood, be happy with your results.
48 - 53	You meet the baseline level for an adequate, but by no means ideal, environment. If any of these six factors decrease, the project is in the "danger zone".
42 - 47	You face a very risky endeavor. This project is probably worth waiting on unless you have a very strong Executive Sponsor, the right resources on the project and have indications that other factors will quickly improve.
Less than 42	You may want to save yourself the time and frustration and wait until more of these six factors improve dramatically.

## Why Dell's approach works

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*by Eric Lundquist, eWEEK*

The one value of delayed flights is the opportunity to read the books and magazines rattling around in your briefcase. And that is how I had the opportunity to take another look at "Direct from Dell"—the story from Michael Dell himself on how Dell became Dell. It seemed an especially opportune moment to reread the direct philosophy, what with all

The Web consulting companies falling off a cliff and all the champions of the New Economy starting to sound like Marxists before the fall of the Berlin Wall.

"Rapid and robust information flow saves time and money. It transforms organizations because it eliminates paper-based functions, flattens organizational layers and integrates global operations," Dell states.

And that probably sums up the role of the Web as well as any statement. If your Web efforts aren't geared to making cumbersome processes easier, you are going to find yourself in the dot-com graveyard.

It really isn't that much of a hassle to drive to the store and buy Fido that can of dog food, but it is a big hassle to build the dog food company that gets the right can to the right store at the right price on time.

Concentrate your efforts on smoothing the production of the product, rather than making silly Web sites for people who are going to go to the local 7-Eleven anyway, and you'll be better off.

The same is true for business-to-business exchanges. Concentrate less on how many people are taking part in an exchange, and concentrate more on how seamlessly you can tie legacy EDI and other buying systems into an exchange.

Michael Dell has made plenty of goofs on his way to the corporate summit (what was Mr. Direct doing selling through Best Buy and CompUSA?), but he maintained the objective of making the computer purchase less cumbersome rather than more complicated, and that is a lesson all dot-commers should take to heart.

***HOT LINKS (or, more places we like to surf)***

TSI Newsletter Archives – <http://www.transforming.com/archives.html> - check this page out for copies of past articles and other information.

CEO Express – <http://www.ceo-express.com> - a great source for links to many news sources, business periodicals, and various other online resources.

Chicagoland Expressway Congestion Map - <http://www.ai.eecs.uic.edu/GCM/CongestionMap.html> - Probably a moot point since traffic is always a challenge.

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*TSI helps organizations dramatically improve their service-driven processes by collaboratively and cost-effectively analyzing and improving how people, processes and technology are used within the organization.*



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