

Transformation Leadership Strategiessm

Insights to empower you to transform enterprise performance

enterprise Transformation Maturity Model (eTMM) –Part I

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Context:

Transformation is both inevitable and essential. If you do not drive it, it will drive you+says the V.P of corporate strategy and development for a Fortune 20 company. If it is true for a company of this size, it is certainly true for most other companies.

Transformation touches everything about your enterprise . business goals, perspectives, capability portfolio, performance measurement and more. And, transformation, by definition, is a journey. To effectively drive transformation today, an enterprise needs to assemble a suite of transformational building blocks (i.e., capabilities) and continually arrange them in combinations that offer it the distinctive competencies it needs to out-innovate and out-compete others in its chosen markets, year-over-year.

The enterprise Transformation Maturity Model (eTMM) was conceived in 2005 to assist enterprises achieve transformation. The Model is a prescriptive framework to assess and evolve the state of transformational maturity of your enterprise or business unit. The model assesses maturity in terms of 7(seven) leadership dimensions /capabilities and 6(six) execution dimensions /capabilities.

The intent of the eTMM framework is similar to that of the CMM (Capability Maturity Model) framework organized in the 1980s at Carnegie Mellon Software Engineering Institute (SEI) to promote maturity and standards in the discipline of software development.

The 7 (seven) Leadership dimensions of the eTMM framework were developed by Dr. Michael Oliff, 2020 Enterprise Transformation Center, University of Texas at Dallas (UTD), and are described briefly in part I of our coverage this week.

Analysis:

To achieve dominance in their chosen industry, enterprises must establish exceptional capabilities in the following 7 (seven) transformational

Editor's Note:

Today is a historic day for Enterprise Transformation. Results of several actual assessments utilizing the industry's first and only enterprise Transformation Maturity Model (eTMM) are being presented to several dozen CEO's and CFO's at the Financial Executives International (FEI) conference at the University of Texas at Dallas (UTD) by the ETM Forum (Enterprise Transformation Management Forum), a collaborative non-profit organization, dedicated to helping enterprises develop exceptional transformational capabilities, co-founded by the 2020 Enterprise Transformation Center at UTD School of Management and First Kernel. The results are being presented by Dr. Michael Oliff, Director, 2020 Enterprise Transformation Center, and Andy Puliaanda, Managing Principal, First Kernel, along with the CEOs and CFOs of the assessment companies themselves. The companies range in annual revenue size from \$20 million to \$12 Billion. The ETM Forum site can be reached at <http://som.utdallas.edu/et2020/forum.php>

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transformational leadership dimensions, covered by the eTMM framework:

1. Customer Value /Vision
2. Strategic Intent
3. Communication program
4. Complex Program Management
5. Stretch Culture
6. Distinctive Competency Development
7. Key Performance Indicator Program

Each of these capabilities /dimensions are briefly described below.

Customer Value /Vision:

The attribute of an enterprise or its unit to channel all enterprise initiatives, actions and behaviors to exceed customer expectations and to create value with its customers.

Strategic Intent:

The attribute of an enterprise or its unit to base its choice of resource allocation and its markets on future customer expectations, future trends, and its current competencies.

Communication Program:

The attribute of an enterprise or its unit to achieve comprehensive awareness, understanding and commitment for its vision, mission and values within the enterprise

Complex Program Management:

The attribute of an enterprise or its unit to ensure that a formal, comprehensive program management competency integrates enterprise- vision in all major initiatives

Stretch Culture:

The attribute of an enterprise or its unit to promote a culture wherein individuals and teams voluntarily and routinely set stretch-goals and consistently achieve them across the enterprise or unit.

Distinctive Competency Development:

The attribute of an enterprise or its unit to institutionalize and formalize a comprehensive distinctive-competency development program.

Key Performance Indicator Program:

The attribute of an enterprise or its unit to design comprehensive key performance indicators from top level %cockpit+to lowest level processes, and to directly relate them to both team and individual recognition and reward.

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Each of the above leadership capabilities /dimensions are assessed within a range of 5(five) progressive levels . Introductory, Moderate, High, Superior and Exceptional. The assessment establishes your current-baseline and facilitates dialogue and discussion regarding gaps to be closed.

Also, the ETM Forum is establishing a global repository of eTMM-Leadership scores of enterprises across all industries worldwide, to help you to benchmark your enterprise /business unit eTMM-Leadership maturity scores against those of your peers and competitors.

The 6 (six) Execution dimensions of the eTMM framework were developed by Andy Pulianda, First Kernel Consulting, Inc., and are described briefly in part II of our coverage next week.

Take Away:

Whether it is at the business level, or at a business process level, the mastery of transformation will set apart enterprises that dominate their chosen markets from those that get dominated by their markets. Newer mechanisms are therefore needed to assist enterprises address transformation. The *enterprise Transformation Maturity Model (eTMM)* is a useful tool for this purpose. Just as a maturity model for software development in the 1980s helped enterprises eventually harness the potential of software, data and information, a maturity model for enterprise transformation in 2005 could eventually help enterprises harness the potential of globalization, modular services, outsourcing, metrics and more.

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Mentioned in this Research Update:

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Websites:	http://som.utdallas.edu/et2020/forum.php
Publications:	None

About First Kernel Research

First Kernel Research is a unit of First Kernel Consulting, Inc. We are experts in Enterprise Performance Transformation. We help enterprises develop and execute exceptional performance transformation strategies and initiatives to continually align costs, service quality and capabilities with the overall strategy and imperative of the enterprise.

Our Clients leverage the integration of our expertise, intellectual property, tools and guidance to achieve or surpass their SG&A performance targets. First Kernel has developed the industry's first *Enterprise Performance Transformation System*[™], currently pending a United States patent.

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