

Transformation Execution Strategiessm

Insights to empower you to transform enterprise performance

Transformation Center-of- Excellence (TCOE)

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Context:

With the power and potential of performance transformation as a competitive business differentiator gaining attention and traction within enterprises, executives are exploring options to educate their staff about transformation and put in place capabilities to drive transformation.

As a contextual background, over the past few years, several leading enterprises have implemented Transformation Management Offices (TMO) within their SG&A domains (examples: IT, Finance & Accounting, Human Resources and Supply Chain Management). The TMO coordinates intra and inter domain change initiatives around costs, staffing structure, services and supplier performance.

Transformation goes beyond what a TMO can deliver. Transformation requires the enterprise to possess competency to rapidly implement newer, more innovative business-models by re-aligning its capabilities continuously, faster, and on a global scale. At First Kernel we think that it calls for a Transformation Center-of-Excellence (TCOE). A TCOE is an integrated one-stop-shop solution that brings together people, expertise, methodology, and tools to drive business innovation.

In fact, we are already seeing TCOEs being implemented in some enterprises and expect to see broader adoption over the next 18-24 months.

Analysis:

First Kernel believes that a robust TCOE must support, at minimum, the following:

1. Transformation Coordination
2. Performance Management
3. Supplier Governance
4. Complex Project Management
5. Process Life-cycle Management

Transformation Coordination:

Transformation coordination involves many of the functions and roles performed by a traditional Transformation Management Office (TMO). It entails the skills, the organizational structure and processes to coordinate successful transformational outcomes.

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Performance Management:

The focus of this function within the TCOE is to ensure that the capabilities in the enterprise domain supporting the business-model are always optimized with regard to parameters like costs, staffing structure, service quality and time-to-result. Advanced scorecards and executive dashboards are utilized to achieve this.

Supplier Governance:

With increasing use of, and reliance on, outsourcing and globally dispersed resources, third parties are increasingly vital to the success of an enterprise. The TCOE integrates the important function of supplier relationship management within the overall transformation process.

Complex Project Management:

The technology utilized for the TCOE must support advanced features like collaboration, content integration, document-level-security, workflow integration and versioning. This will ensure that the TCOE can facilitate truly sophisticated transformational engagements that require collaborating teams of staff, suppliers and consultants, and workflows that extend beyond the enterprise and into its ecosystem.

Process Life-Cycle Management:

In contrast to point-in-time optimization initiatives, transformation requires a structured methodology, one that brings together standardized processes, open KPIs and metrics, and continuous benchmarking. The methodology needs to provide the artifacts and utilities to adjust costs, staffing structure, service portfolio and other parameters continually.

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Take Away:

The Transformation Management Office (TMO) has provided the infrastructure for performance optimization in enterprise domains. The Transformation Center of Excellence (TCOE) will provide the infrastructure for its successor discipline, Enterprise Performance Transformation.

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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*TM, currently pending a United States patent.

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