A Proactive Business Model

Achieving a Triple "A" Rating

RL Information Consulting LLC
June 19, 2002

Presented By: Rick Leopoldi

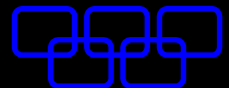People • Process • Technology
Organization • Integration

Topics

- Current Business Model Profile
- Current Model Difficulties, Results, and Impact
- Proactive Business Traits
- A Proactive Business Model Framework
- The Proactive Organization
- Triple "A" Maturity Assessment
- Achieving Triple "A" Rating

People • Process • Technology
Organization • Integration

Current Business Model Profile

- Organizations Have Invested People, Process, Technology on Organization and Integration:
  - ➤ Internally: Enhance Productivity, Effectiveness, Efficiency, and Decrease Cost
  - ➤ Externally: Enhance Competitiveness, Market Penetration, Customer Service, and Increase Income
- Organizations Have NOT Been Able to Prove:
  - ➤ Benefits Realization for People, Process, Technology
  - ➤ Consistent, Sufficient Apolitical ROI
  - ➤ Consistent Internal, External Effectiveness and Efficiency
- Limited Decision Making Process: Depth, Scope, Impact, and Correctness

Business Model Traits

- "Reactive" Business Model:
  - Decreased Effectiveness, Efficiency, or Increased Costs Drive Additional Investments in People, Process, Technology
  - Decreased Competitiveness, Market Share, Customer Service, or Revenue Drive Communications, Technology Infrastructure
  - Decreased Revenue or Increased Costs Drive Enterprise Wide Increase Focus on Organization and Integration

Business Model Result

- "Reactive" Oriented Organization Results In:
  - ➢ Decrease/Restrict People, Process, Technology (Do More with Less)
    - ■ Reduce Workforce, Decreased Budgets and Tighten Expenses, Decreased Proactive Posture (Firefight not Best Practices)
  - ➢ Increased Focus Organization, Integration (Do It Better)
- Decision Making at Higher Management Levels
  - ➢ Disables Knowledge Worker Empowerment
  - ➢ Management Mandated, Enforced Initiatives

People • Process • Technology
Organization • Integration

Business Model Result

- Misguided Tactical and Strategic Direction:
  - ➢ Decreased Internal Effectiveness and Efficiency
  - ➢ Decreased Identity and Credibility Impact
  - ➢ Disconnected People, Process, Technology
  - ➢ Reactive Posture Adopted and Implemented
- Impact on Organization Maturity Model:
  - ➢ Decreased Focus on Internal and External Success Factors
  - ➢ Decreased Focus on Proactive Posture
  - ➢ Disconnected Organizational Integration

People • Process • Technology
Organization • Integration

Business Model Assessment

- Focus is Reactive, Should be Proactive
- Focus is Result and Impact Driven, Should be Action and Direction Motivated
- Organization Focus is Addressing Symptoms, Should be Addressing Problem(s)
- Organization "Adopts" Redundant Reactive Cycle as the Acceptable "Norm"
- External and Internal Pressures Drive Reactive Responses

People • Process • Technology
Organization • Integration

Impact on the Business

- Decreased Ability to Be:
  - Aware
  - Adaptive
  - Agile
- Increased Costs, Decreased Service
- Increased Time to Recover and Refocus
- Decreased Ability to Re-Engineer or Re-Invent

People • Process • Technology
Organization • Integration

Proactive Business Traits

- Aware:
  - ➢ Ability to Recognize Internal and External Changes Are Necessary or Required
- Adaptive:
  - ➢ Ability to Change People, Process, Technology, Organization, and Integration Effectively and Efficiently
- Agile:
  - ➢ Ability to Recognize and Change Effectively and Efficiently in a Timely Manner

People • Process • Technology
Organization • Integration

Proactive IT Traits

- A Knowledge Focus That Enables Decision Support:
  - ➢ Data is NOT Information, Information is NOT Knowledge
- A Mature Knowledge Process:
  - ➢ Useful Information is Identified and Expertise is Applied
  - ➢ Knowledge Derived from This Useful Information
  - ➢ Knowledge Collected, Stored, and Refreshed
  - ➢ Knowledge is Accessible to Any and All
  - ➢ Knowledge Formatted for Retrieval and Applicability
  - ➢ Knowledge Presented in the Applicable Format
  - ➢ Knowledge Applied Where, When, and How It is Needed

People • Process • Technology
Organization • Integration

A Proactive Business Model

- Enterprise Wide Infrastructure Outside of IT Service Management Empowers:
  - ➤ Knowledge Management
  - ➤ Project Management
  - ➤ Risk Management
  - ➤ Business Modeling
  - ➤ Security Management
- Necessary Areas to Support Business and IT

People • Process • Technology
Organization • Integration

Proactive Business Model

- Data to Information Synthesis:
  - ➢ Related Data has a Common Denominator Associated with a Requirement
  - ➢ Reactively Applied to Historical Conditions
  - ➢ Predictive Use Yields Uncertain Results
- Information to Knowledge Synthesis:
  - ➢ Information Infused with Expertise and Combined to produce NEW Information – I.E., New Knowledge
  - ➢ Predictive Use Yields More Certain Results

People • Process • Technology
Organization • Integration

Proactive Business Model

- Using Knowledge Proactively:
  - ➤ Determine Business Drivers
  - ➤ Monitor, Track, Collect Business Driver Trends and Analyze for Predictive Outcomes
  - ➤ Employ Subject Matter Expert Knowledge Dependent on Area of Focus
  - ➤ Use Trends to Proactively Indicate Business Requirements
- Employ Requirements to Proactive Business Model – New Knowledge, New Approach

People • Process • Technology
Organization • Integration

Proactive Organization Traits

- Awareness, Adaptation, and Agility Proactively Rely on Knowledge NOT Data or Information
- Knowledge Infrastructure Supports People, Process, Technology, Organization, and Integration Best Practices
- To Achieve Proactive Posture:
  - ➢ Knowledge of Business Drivers
  - ➢ Facilitated by Decision Support Systems
  - ➢ Enabled by IT
  - ➢ Empowered Knowledge Workers

People • Process • Technology
Organization • Integration
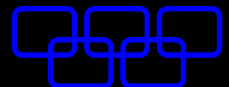
Triple "A" Maturity Assessment

- Awareness, Adaptation, and Agility Posture:
  - GAP Analysis: How Many Departments, People, Systems, etc. Separate Data from Knowledge?
  - Number and Complexity of Steps Involved?
  - Time and Effort Involved?
  - Cost and Impact of Effectiveness/Efficiency?
- For People, Process, Technology, Organization, and Integration:
  - How Well Do These Support Knowledge Infrastructure?

People • Process • Technology
Organization • Integration

Achieving A Triple "A"

- Awareness, Adaptation, and Agility Posture:
  - ➢ Knowledge Worker Empowerment
  - ➢ Information Flow to Knowledge Worker
  - ➢ Decision Support Systems Fed by Knowledge not Information
  - ➢ Proactive Business Based in Knowledge
- People, Process, Technology, Organization, and Integration Focus Applied to and Enables Knowledge Management Best Practices

People • Process • Technology
Organization • Integration