

NUCLEUS
RESEARCH

IPX ALLEVIATES TRANSFORMATION PAINS

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THE BOTTOM LINE

Organizations feel constant pressure to adapt to changing business environments as market disruption is often the goal of competitors. Even if executives recognize the necessity of transforming their product, systems, and processes, the managers delegated to undertake the daunting task often lack the knowledge and expertise required for change implementation. In response, the Institute for Process Excellence (IpX) offers its True North Enterprise Calibration operating model that guides organizations to sustainable transformation. The engagement drives actions that directly increase employee productivity, typically, by three to seven percent, with exceptions ranging multitudes higher. IpX walks its customers down a strategic change management roadmap and trains personnel in CM2 to ensure standards are met and pitfalls avoided when driving business improvements.

THE CHALLENGE

Business transformations often end in failure: not only is the original issue frequently exacerbated, but new problems may arise despite management's best efforts. While poor planning is the usual culprit behind a failed transformation—for example, lack of technology, governance, focus, and executive sponsorship, and poorly defined metrics—mature organizations are equally threatened by antiquated business practices, management methods, and integrations with acquired companies. The traditional organizational structure is comprised of siloed departments with a well-defined division of labor. This model, however, is not conducive to change as processes are difficult to optimize across teams and departments. The result is inefficiencies, miscommunication, and inter-departmental conflict. Defining metrics for benchmarking and assessing progress becomes near impossible as well. Transformation consultancies like IpX aim to provide direction, strategies, and training to aid businesses in developing and following through with their change processes.

NAVIGATING WITH TRUE NORTH

IpX serves customers across a wide range of industries, from defense and aerospace to medical devices and technology, by injecting their business practices with CM2—the global enterprise standard for change and configuration management. True North Enterprise Calibration, underpinned by CM2 methodology, is IpX's flagship service offering to address the entire organization, across all departments, with a focus on end-to-end lifecycle optimization during the transformation process.

True North has eight distinct phases to guide decision making, manage change disruption, and reduce risk. The service also provides a set of best practices for organizations to design benchmarking, assessment, and transformation processes. While CM2 was conceived in the 1980s, IpX adopts the process for 21st century needs by focusing on an organization's people, processes, systems, and data as the necessary resources for program benchmarking and assessment. IpX recognizes that data is a business asset and aims to help organizations capture, generate, manage, and utilize its data effectively.

True North's phases serve to deliver streamlined processes of accurate design and deployment. With a focus on building process resilience, IpX helps its customers limit, and even avoid the reconfiguration and redesign typical in the deployment of new processes. As a result, Nucleus found that True North reduced redesign impact which enabled users to save an average of 66% of the time previously spent on addressing redesign issues.

KEY BENEFITS

Industry recognition of IpX's CM2 implementation standards have led many organizations to seek out the consultancy firm. The key benefit areas seen as a result of IpX and CM2 implementation include:

- Improved change processes. Interviewed customers confirmed that after following through with True North's implementation, their change processes were much more efficient—in some cases, shortened by half. Through standardization of methodology and a common language, customers noted a marked decrease in errors and corrective actions. Error reduction coupled with time savings led to productivity improvements and significant monetary savings.
- IpX community. Customers attribute the success of their CM2 implementation to the continuous support from both IpX and its CM2 community. IpX consultants are available for on-site training and customers often defer to their expertise during the implementation process. The community, mainly composed of CM2 experts and professionals, is a valuable resource that provides best practice, industry-specific advice, and change-management insights for free. Additionally, IpX relies on its global congress, a consortium of cross-industry professionals, to address current and relevant business challenges.
- Inclusive holistic process. True North and CM2 address the entire organization across all departments and levels when designing and implementing change processes. The holistic process is inclusive to key stakeholders, supply chain processes, and end-to-end product, configuration, or management lifecycles to ensure that the change process is error free and conducive to collaboration across teams and departments.
- Improved accuracy. True North has a dedicated digital transformation phase to leverage technology and data. Some customers reported that IpX introduced enterprise solutions that captured and enabled the utilization of their data. Solution functionality and information availability led to more well-defined metrics and accurate data for benchmarking. These improvements allow for accurate program performance monitoring and assessment.

CUSTOMER PROFILES

SEMICONDUCTOR COMPANY


The organization produces semiconductor technology for manufacturing companies such as Samsung, generating more than 10 billion USD in annual revenue. The organization is largely engineering oriented and is rapidly expanding. This organization previously did not have standards on which to base the implementation of its configuration processes and could only measure success according to its best past efforts. The organization originally considered IpX to disperse implementation standards, as it believed that IpX was the only service to implement CM2 standards and had a more flexible adoption process compared to other services.

The organization chose IpX because it was comfortable with the consultancy's proprietary CM2 standards which are known across the industry. It experienced fast adoption of True North, largely due to the transparent collaboration with the IpX congress community and IpX's openness to feedback. The IpX approach proved valuable during change processes as it clarified role responsibility; provided well-documented forms; and enabled past, present, and future impact assessment. The key benefit was that end-to-end configuration management—as opposed to a siloed solution—shortened the change cycle time by 41 percent. Time savings were accompanied by error reductions and the organization estimates that, upon completing the implementation, it will save 100 million USD per year.

AUDIO EQUIPMENT DESIGN AND MANUFACTURING COMPANY

The American organization generated nearly \$4 billion in revenue last year through its wide range of high-end audio products for both personal and enterprise use. The organization, with over 8000 employees, has long established itself as an industry leader whose research drives the technological development of audio equipment. Prior to CM2, the organization relied on Capability Maturity Model Integration (CMMI) and FDA-approved ICH Guidance Protocols for change processes, but was unsatisfied with their rigid nature as well as their difficulty in scaling standards and methodologies across different departments.

The organization's change management department adopted CM2 through IpX and is in the process of dispersing the methodology across the entire organization. The change management team quickly completed CM2 training through online courses and IpX on-premise training. CM2 training has also been extended to engineers, business analysts, and select executives. True North implemented defined metric controls that have decreased errors and corrective action in applicable products by approximately 90 percent, according to Nucleus estimates. Furthermore, as CM2 adoption spreads, the organization's



management has observed a positive change in company culture as there is a heavier emphasis on precise logic, and standardized methodology has served to remove emotion from processes.

LOOKING AHEAD

IpX differentiates itself from its competitors by providing increased flexibility, support, and community. Customers reported a high degree of satisfaction in collaborating with IpX professionals, citing their willingness to work closely with the organization in providing an involved experience with personalized implementation and goal setting. Access to the CM2 professional community also frequently saves IpX customers the cost of turning to third-party advisors. Furthermore, Nucleus has found that employees trained in CM2 are often promoted or receive raises due to their newly developed expertise and certification.

The necessity for companies to adapt to ever-changing business environments is underscored by the increasingly disruptive nature of new technologies; therefore, Nucleus expects change management to come to the forefront of organizations' attention as change processes become ever more critical to overall strategy. IpX's future is bright as customers can attest that the IpX name is synonymous with CM2: Change administrators who wish to optimize their legacy processes and systems turn to the leading implementer of CM2, IpX.