

UNCOVERING HIDDEN AND EMERGING ENTERPRISE RISKS

AN EKS CASE STUDY

Situation Analysis

The executive management of a rapidly growing multi-national technology firm felt that a radical change in operational processes was needed in order to support and sustain the current rate of growth. The most obvious immediate need was improving their customer and technical support systems. There was consensus that a complete re-design of customer-facing processes was required to align these processes into the product development cycle to greatly improve levels of customer satisfaction. The dilemma was how to go about it.

Desired Outcome

They wanted to create an operational baseline for the support system, as well as a template to manage the process of change for the redesign of company support systems. This involved:

- Analyzing the organizational operations of Professional Services, Marketing, and Sales;
- Analyzing the product development business and process interfaces with the customer-facing operations; and
- Analyzing the support that general management provides to the business.

Intervention

During the course of eight weeks, a small consulting team utilized the EnCompass® module of the EnCompass Enterprise (E²™) software suite. EnCompass expedited the collection of data, gathered through a survey-style method, that it then used to create sophisticated organizational process maps.

The consulting team worked closely with the client's internal process owners and subject matter specialists. They utilized EnCompass to map the relevant organizational operations in each of the business units as well as to identify ineffective or misaligned processes and systems. EnCompass captured individual interactions and matched them with those confirmed by other parties. Where no matching occurred, the unconfirmed interaction revealed the potential for a dysfunctional process.

The key - and surprise - finding was around how financial resources were being allocated and scheduled through the organization.

When all study participants were surveyed, the organizational view initially appeared to illustrate that the organization had a robust, interactive process for allocating and scheduling resources. Upon closer analysis of this study's resource allocation and scheduling map, however, it was discovered that most of the interactions were unconfirmed. These unconfirmed interactions are depicted on the map by broken lines.

Members of the organization who reported unconfirmed interactions (and thereby influence) on an issue did not actually have any real decision power. These members only perceived that they had influence in this area because they communicated their opinions to the decision makers. In reality, the confirmed interactions revealed a risky situation in the enterprise. Only a few members in the organization had any input into the decision-making process around resource allocation and scheduling. This represented a tremendous risk with respect to control over financial resources.

Results

Before the company brought EnCompass in, unfortunately, much financial damage had already occurred. Using what they learned from EnCompass, the multi-national leadership team held work sessions to further analyze the maps of organizational disconnects and areas where process coordination was not being well executed. To address the newly-identified risks, they developed a mitigation plan. They also modified corporate structures and procedures to improve coordination and controls in financial and customer management.

