

Change as a Growth Enabler

an eprentise white paper



tel: 407.591.4950 | toll-free: 1.888.943.5363 | web: www.eprentise.com

Author: Helene Abrams
www.eprentise.com

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Despite the inevitability of change, the resistance to it is so pervasive that it has inspired numerous publications and an entire industry of change management experts dedicated to overcoming it. The inability to change is certainly seen as a major flaw in business, resulting in the call for agile management, agile IT, and agile thinking. Yet, despite the dread with which many organizations face change, change can itself be used for strategic advantage. In particular, as we deal with the impact of economic downturns and new norms for working, we must be ready to embrace inevitable change.

Many changes actually drive business growth, such as:

- Mergers & Acquisitions
- The addition of a major new customer
- Disasters and other events that bring new market demands and opportunities
- Expanding / global markets
- Changing enterprise boundaries

Thriving through growth and change does take agility – which McKinsey and Company defines as “the ability of an organization to renew itself, adapt, change quickly, and succeed in a rapidly changing, ambiguous, turbulent environment.” (De Smet, 2015). Agility can be seen at the root of other qualities demonstrated by successful businesses:

- Innovation – the ability to think flexibly enough to perceive and respond to emerging opportunities
- Sustainability – the ability to not only explore emerging opportunities but to reconfigure the business as needed to exploit them
- Resilience – the ability to rebound quickly from a setback

Enterprise agility is a major determinant for managing and maintaining the network relationship. Companies with superior agility are better able to exploit the mechanism of network structure for rapid and flexible access to critical and valuable resources, capabilities, and information to improve their competitive edge and performance.

Another implication is that the value should go beyond being the repository of external resources to being the booster of enterprise agility. A business could access external resources to augment and complement its own resources and capabilities; however, utilizing the same structure attributes also enables the company to reinforce its agility when encountering unexpected changes and to further bolster its competitive edge. Therefore, organizations must put forth more efforts in developing and maintaining its structure for the benefits generated from accessing external resources as well as its agility in surmounting unexpected changes (C Yang, 2012). It is important to build both a strong structure as well as enterprise agility that can in turn have a great synergetic effect on the growth and success of the business.

IT as an Agility Enabler

Business agility largely depends on agile, integrated information systems. The ability to utilize business-to-business (B2B) developments depends on the ability to extend trusted data to suppliers and customers, which in turn requires clean, consistent, semantic interpretation of master data. Quality information provides the foundation for growth. It is very difficult to grow and change if there is not a good, solid

basis, including a well-designed IT infrastructure and good data practices.

For IT to enable growth and agility, it must be:

- Accountable – with clear visibility into transaction histories everywhere in the organization it is needed – and compliant with regulatory requirements
- Flexible – easy to change in response to new processes, markets, and channels
- Reliable – based on good data quality, trusted sources, and managed complexity

IT as an Agility Inhibitor

The hasty implementation of new technologies can leave companies without fully integrated systems, thereby limiting the ability to make business changes which are actually necessary to take advantage of the technology. This often results in costly IT complexity and disappointment with the ability of IT to deliver promised benefits. In *The Adaptable Corporation*, Eric Beinhocker (2005) cites “path dependence” on existing resources as one of the key obstacles to agility, because “A company...might be stuck with the wrong resources to go in a given direction because reconfiguring them would take too much time and money.” The conflicting constraints in large software systems such as Enterprise Resource Planning (ERP) packages can result in a level of complexity that makes change nearly impossible. Redundant applications, spaghetti networks, and information “silos” further increase the complexity and rigidity.

In “Enterprise Agility: Why is Transformation so Hard?” (Korvonen, Sharp and Barroca, 2018) the research found that the prevalence of bureaucracy and organizational silos are often contradictory to agile principles and values. The case study results identify transformation challenges based on observations from a five-month research period. Findings indicate that increased focus on organizational culture and leveraging of both bottom-up innovation and supportive top-down leadership activities could enhance the likelihood of a successful transformation.

Designing IT for agility and growth remains a significant challenge because information is growing exponentially. Now, more than ever, companies need to focus on making smart IT changes, which reduce silos and allow for consistent data, to help move forward into an ever-changing future.

Curious?

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About eprentise

eprentise provides transformation software products that allow growing companies to make their Oracle® E-Business Suite (EBS) systems agile enough to support changing business requirements, avoid a reimplementations and lower the total cost of ownership of enterprise resource planning (ERP). While enabling real-time access to complete, consistent and correct data across the enterprise, **eprentise** software is able to consolidate multiple production instances, change existing configurations such as charts of accounts and calendars, and merge, split or move sets of books, operating units, legal entities, business groups and inventory organizations.