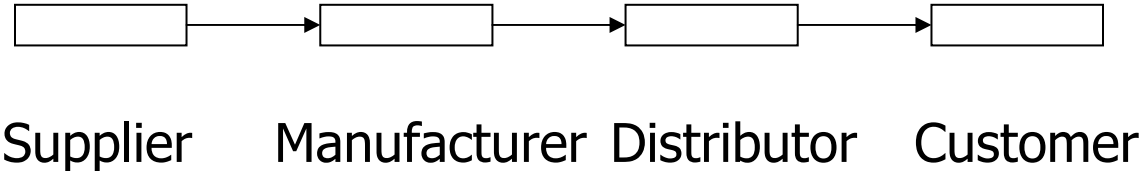


10. 7Es in e-Transformation

E Region

Traditional

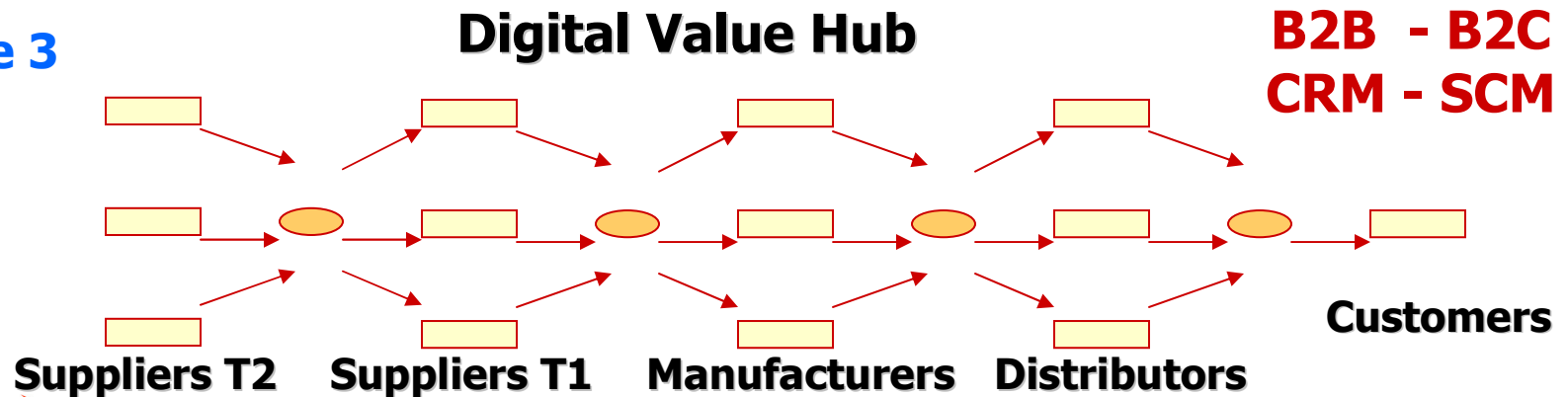
Phase 1



Phase 2

- Reengineering
- IT enabling of internal and external processes
- eTransformation

Phase 3

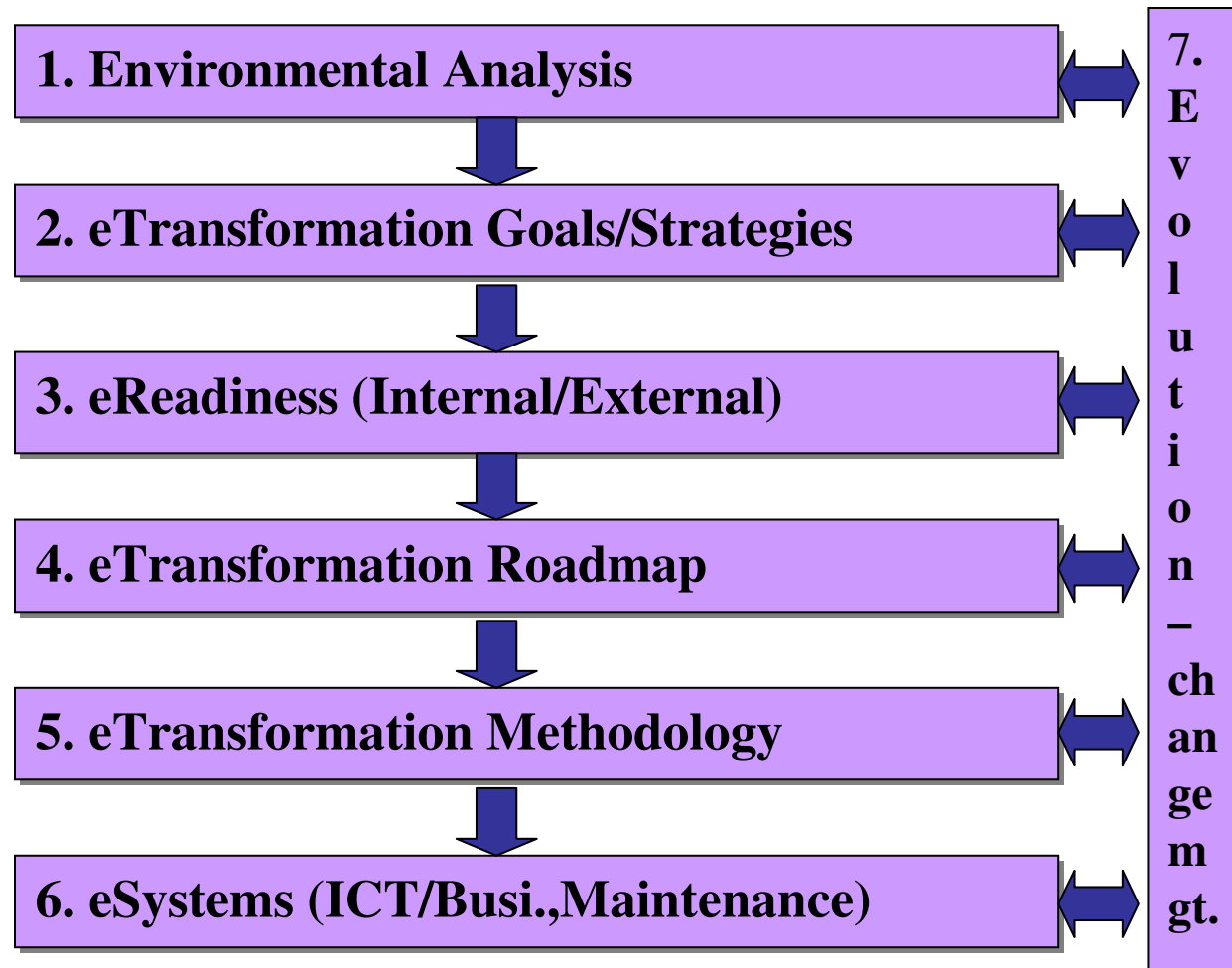


How to start eTransformation?

- “What becomes obvious is that the first thing you have to do, before you understand e-business priorities, is to understand business priorities! Which, by the way, makes sense because in the end there is no "e-business." The "e" is only temporary; it will go away. It will all be "business." Therefore, the right place to start your e-business initiative is where the most leverage is within the context of your business.....”
- Prof. Mohan Sawhney, Professor of Electronic Commerce and Technology at Northwestern University's Kellogg Graduate School of Management

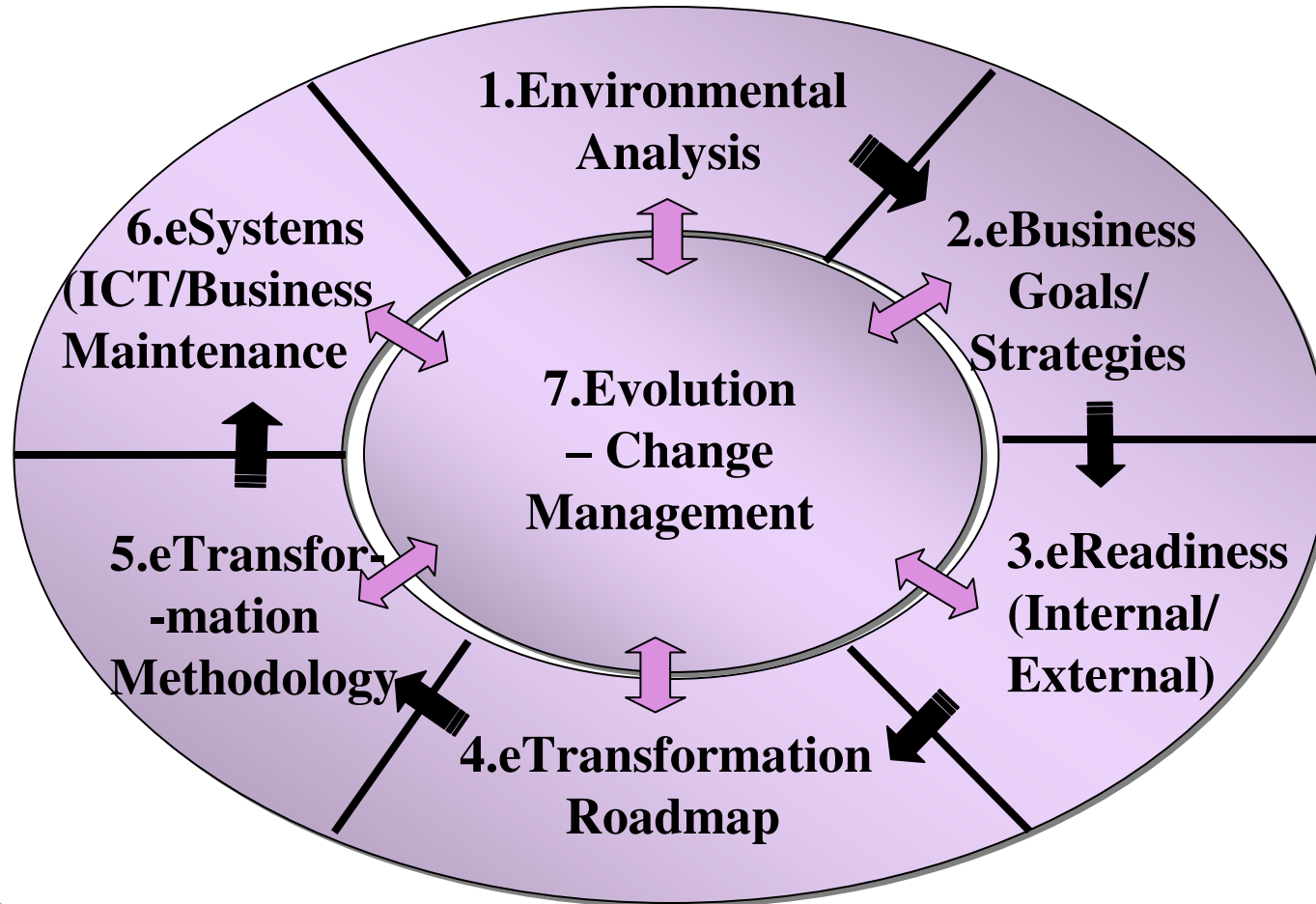
The Seven E's In eTransformation

– A Strategic eTransformation Model Developed by UWS



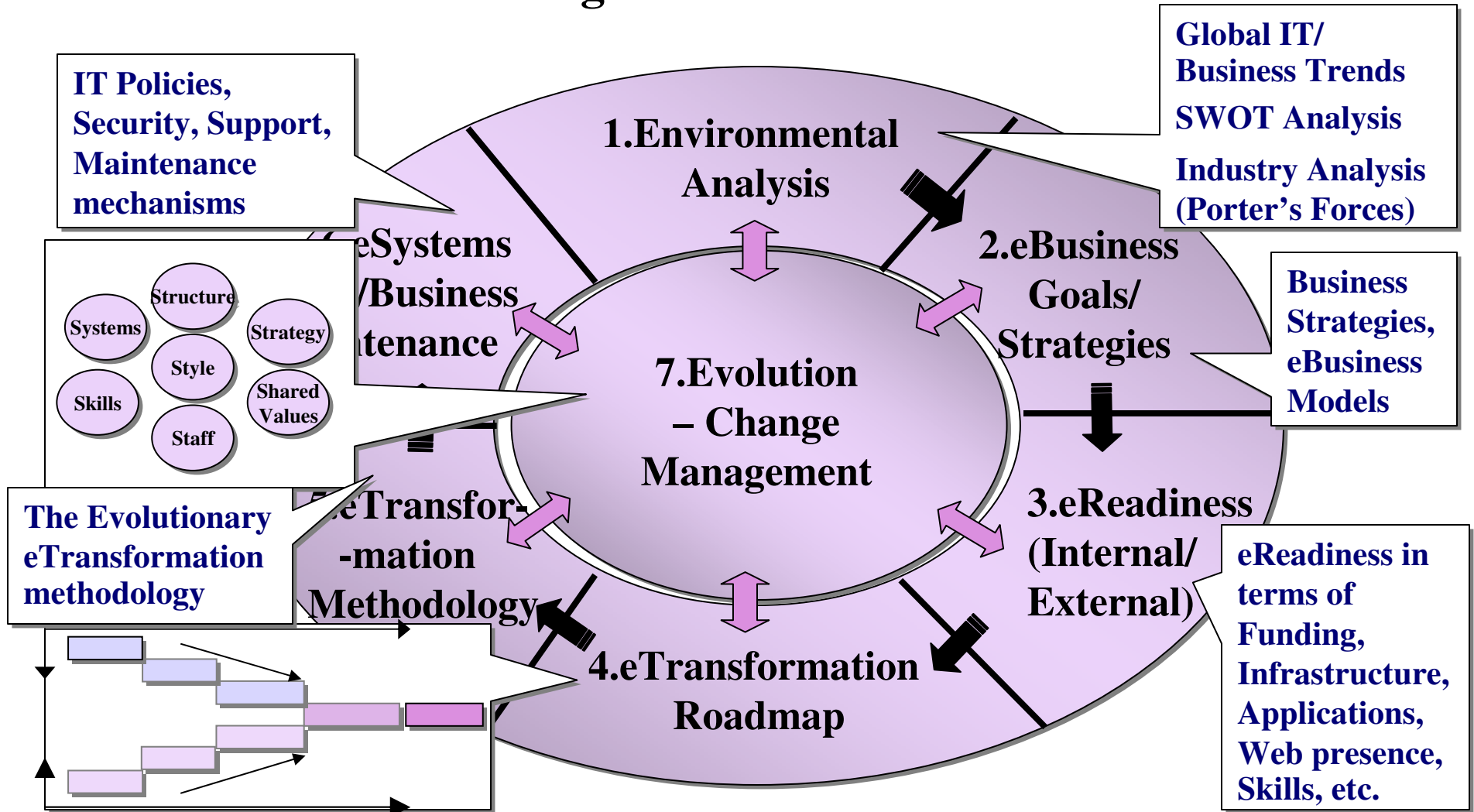
The Seven E's In eTransformation

– A Strategic eTransformation Model



The Seven E's In eTransformation

– A Strategic eTransformation Model



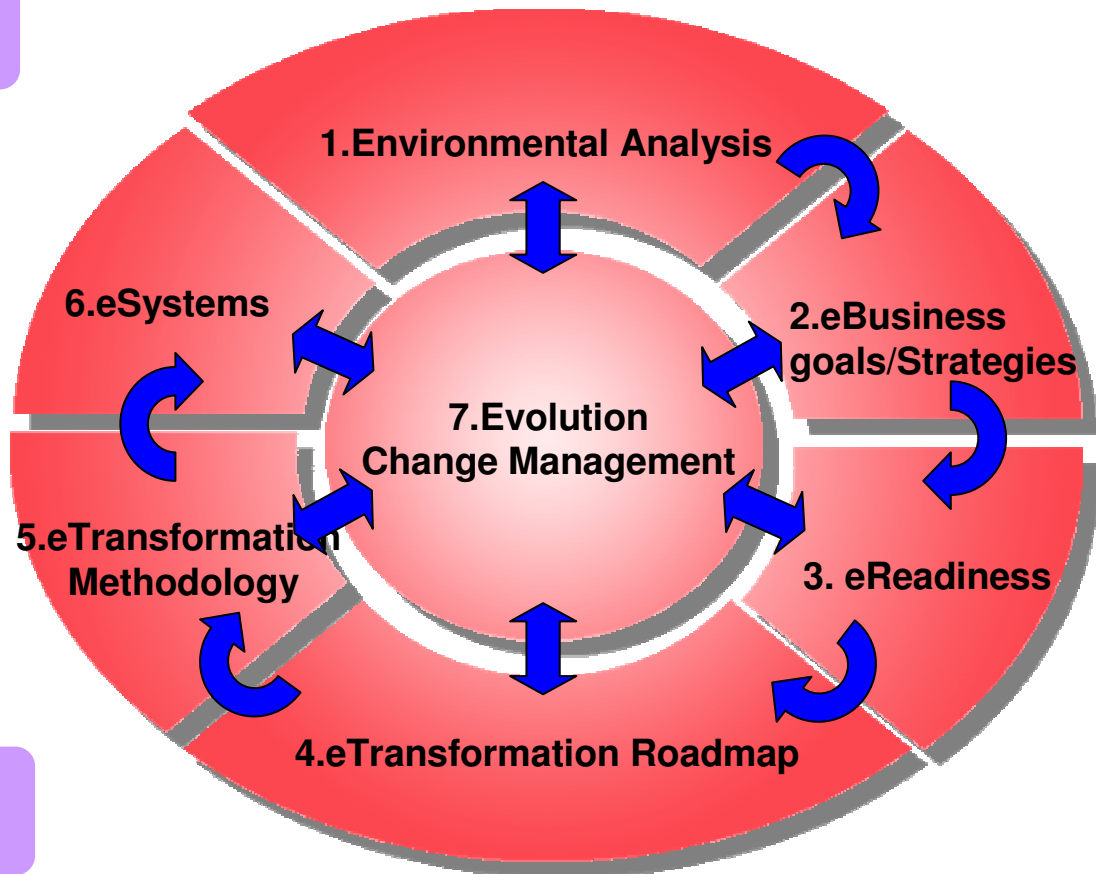
7E's eTransformation model

**A Strategic
eTransformation model**

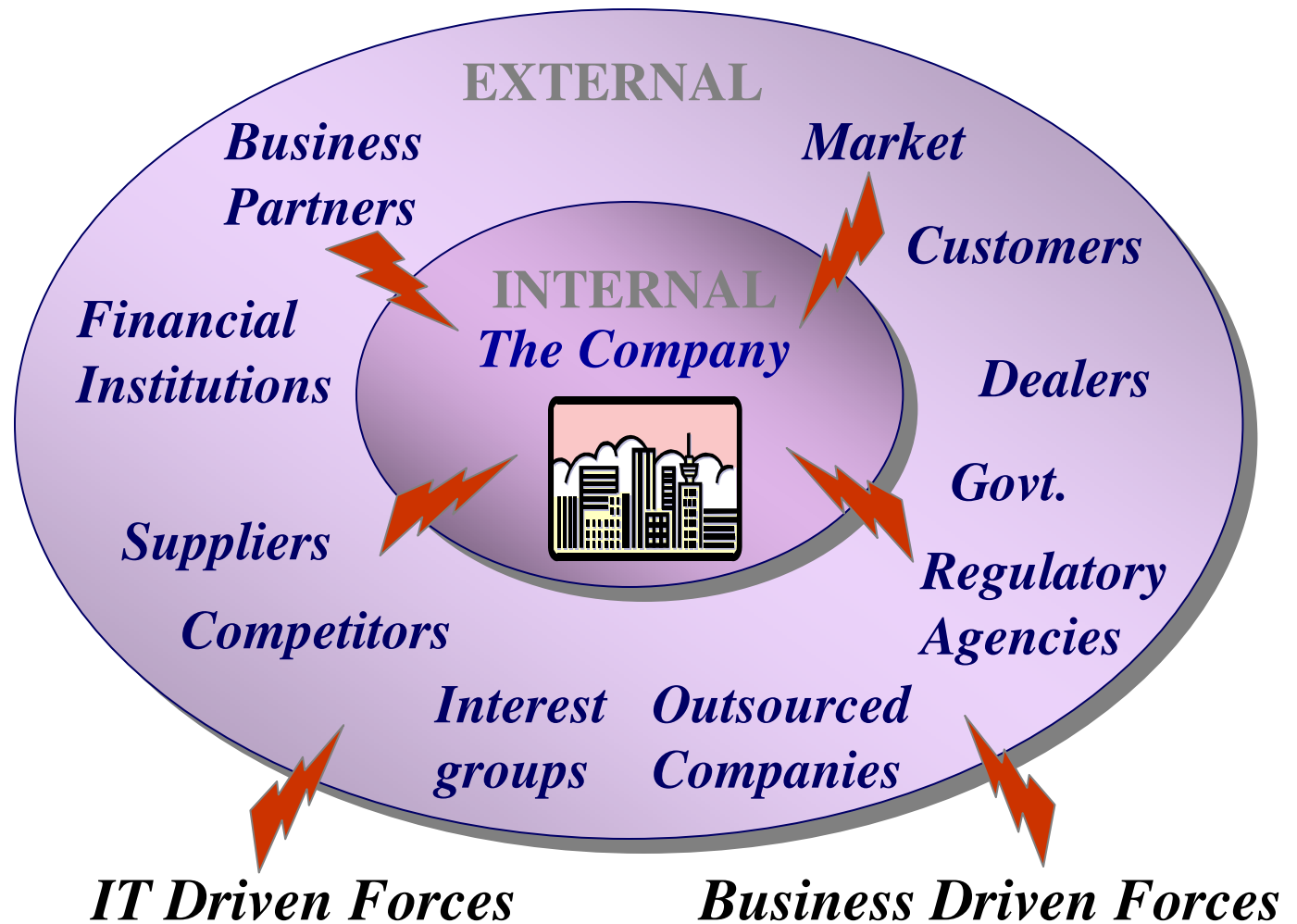
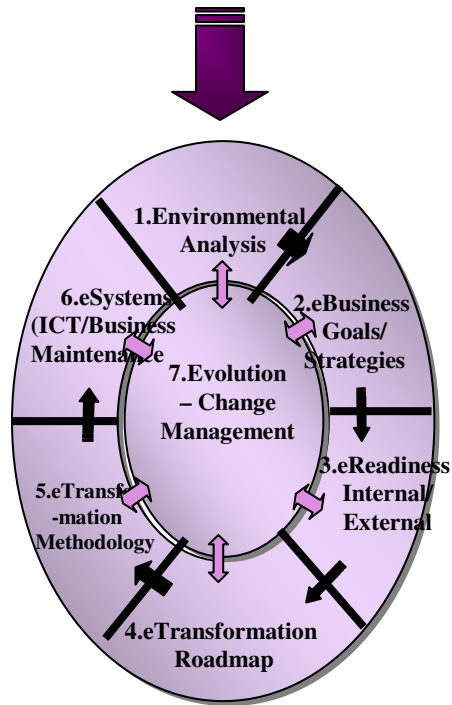
Developed by UWS

**Successfully used by some
SMEs in Western Sydney region**

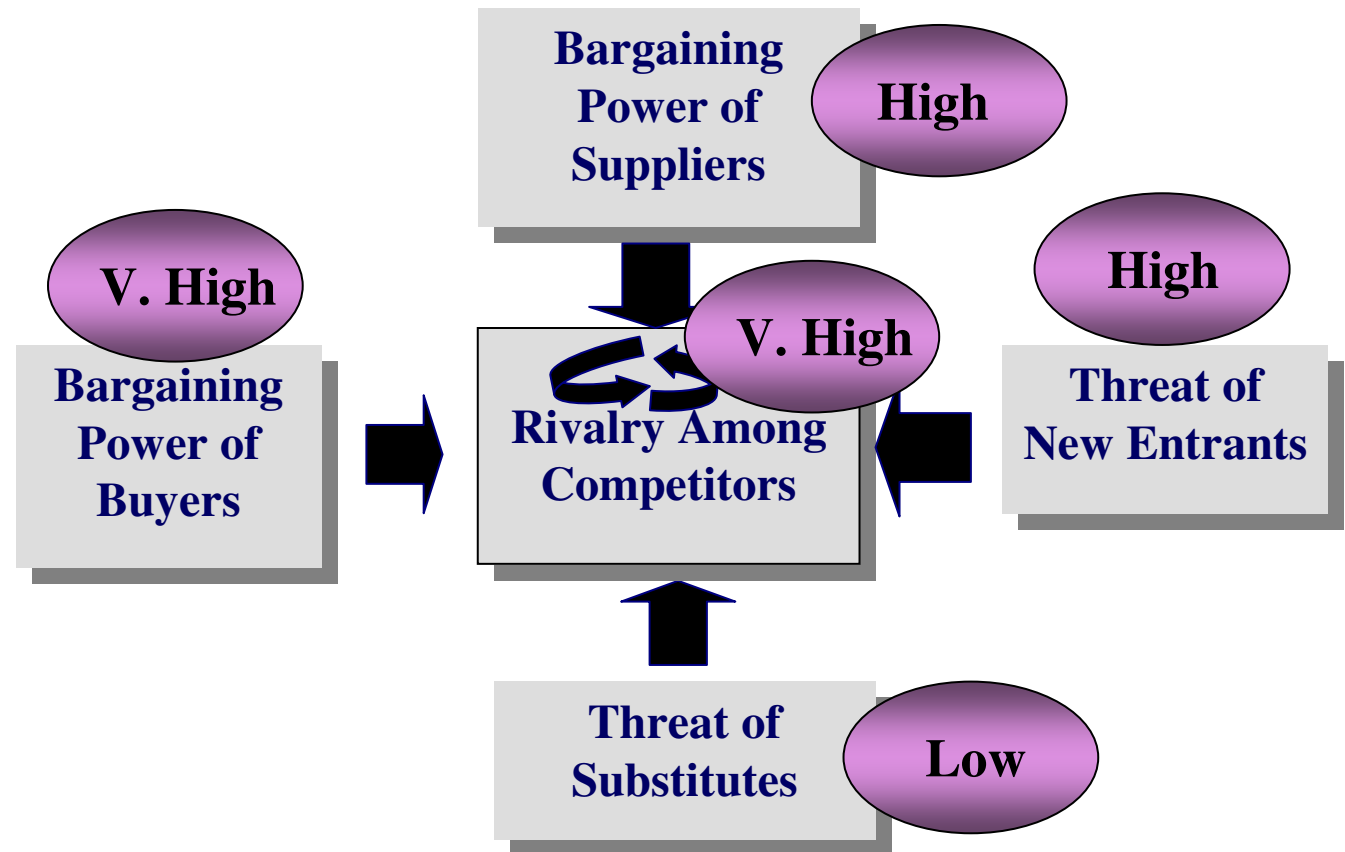
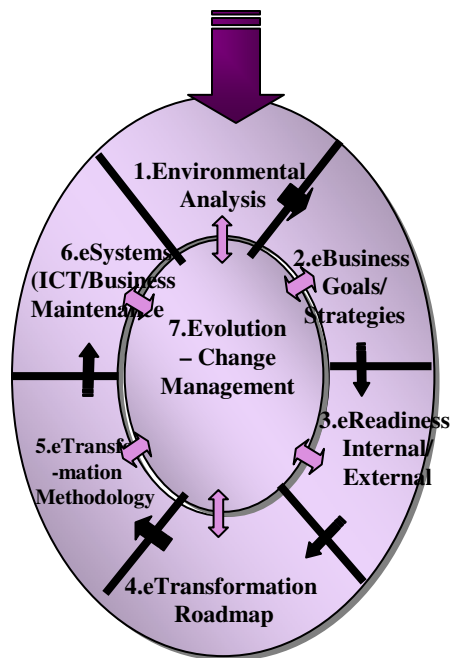
**Consist of 7
very important aspects**



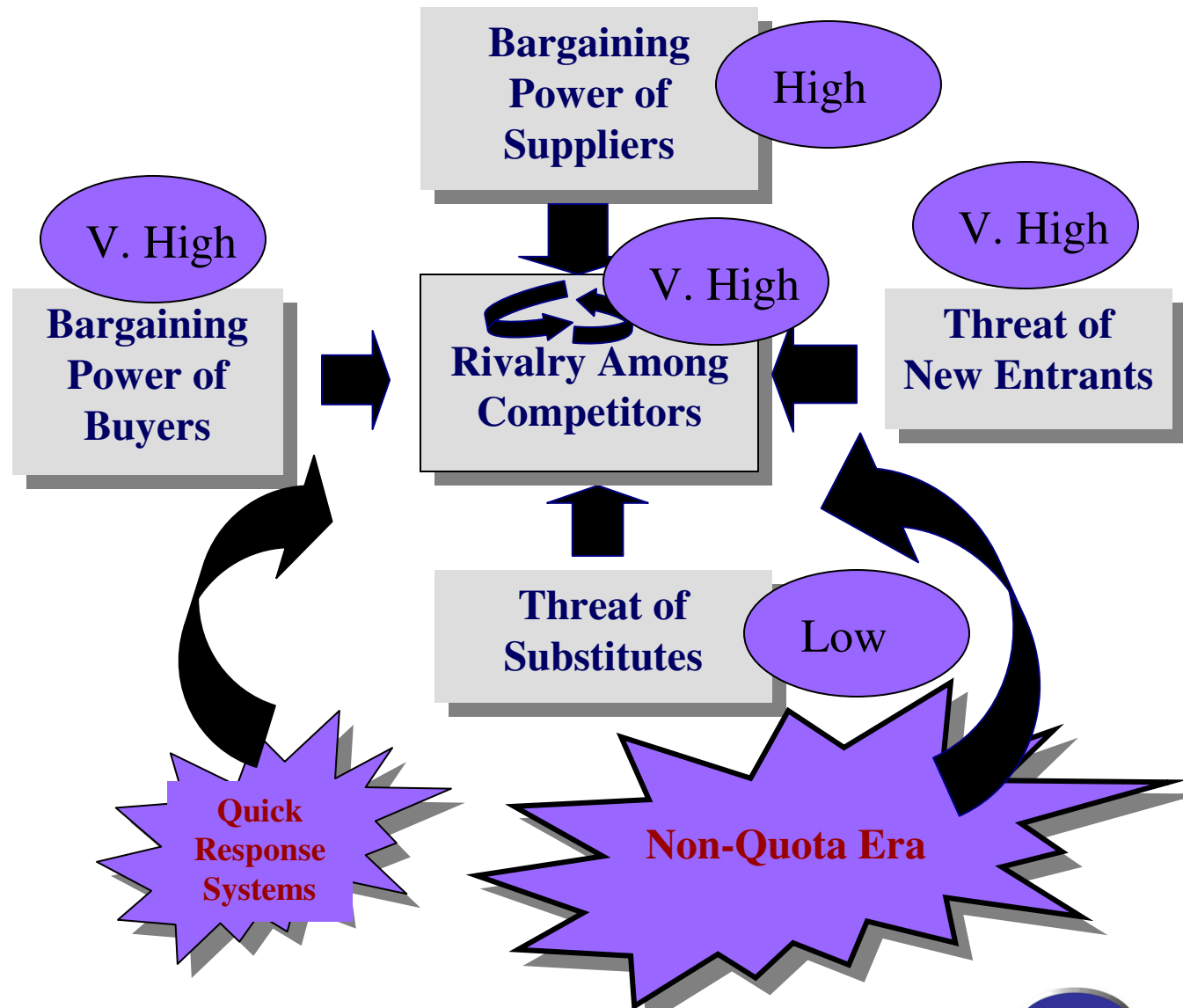
The Business Environment



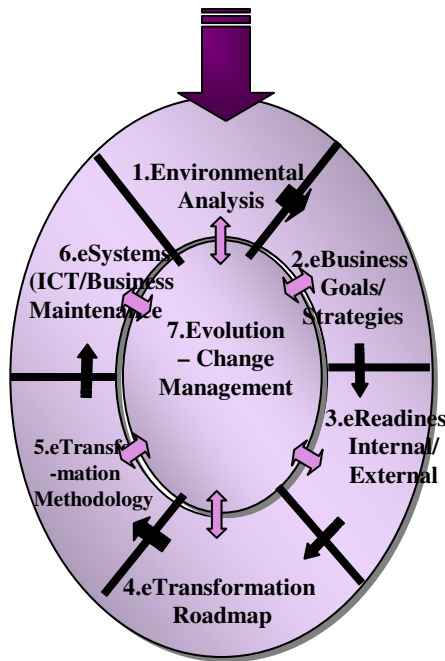
Application of Micheal Porter's Five Forces Model to the Industry



Application of Micheal Porter's Five Forces Model to the Sri Lankan Garment Industry

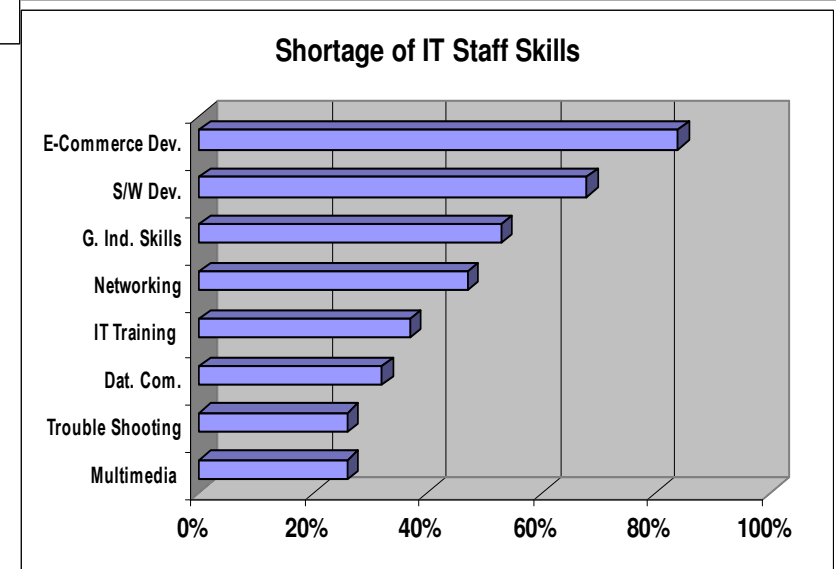
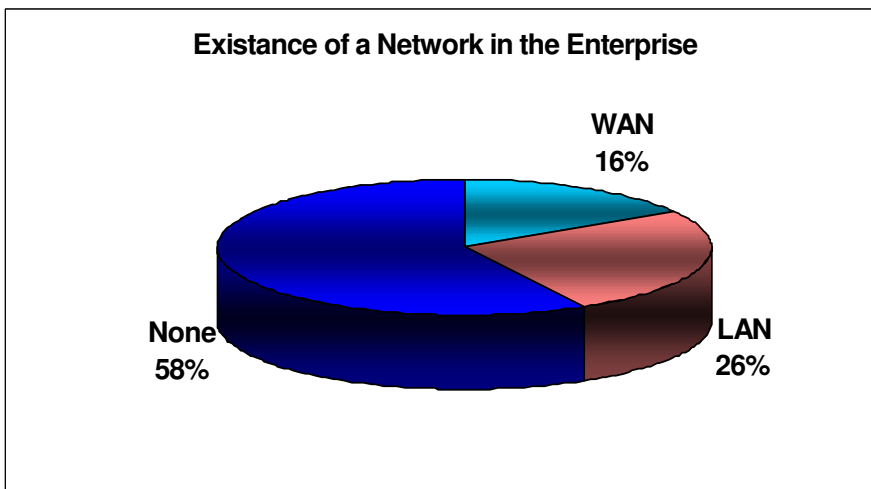
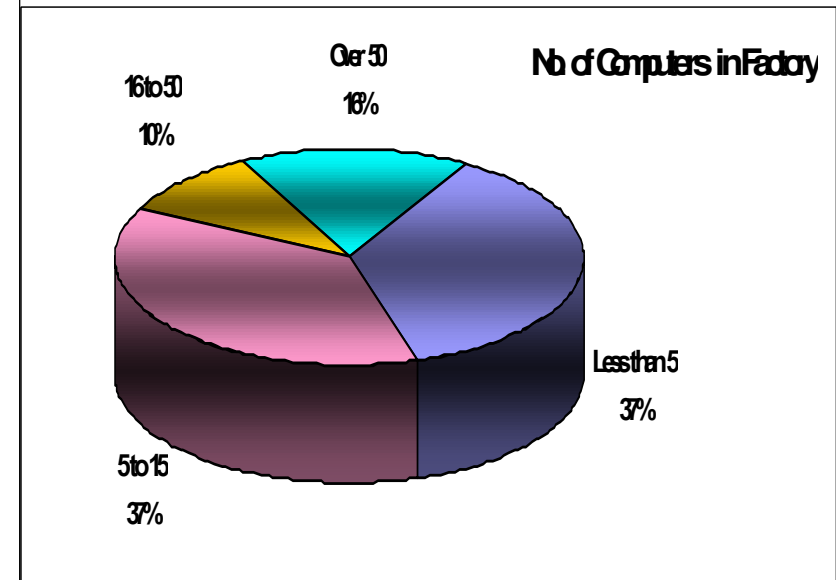
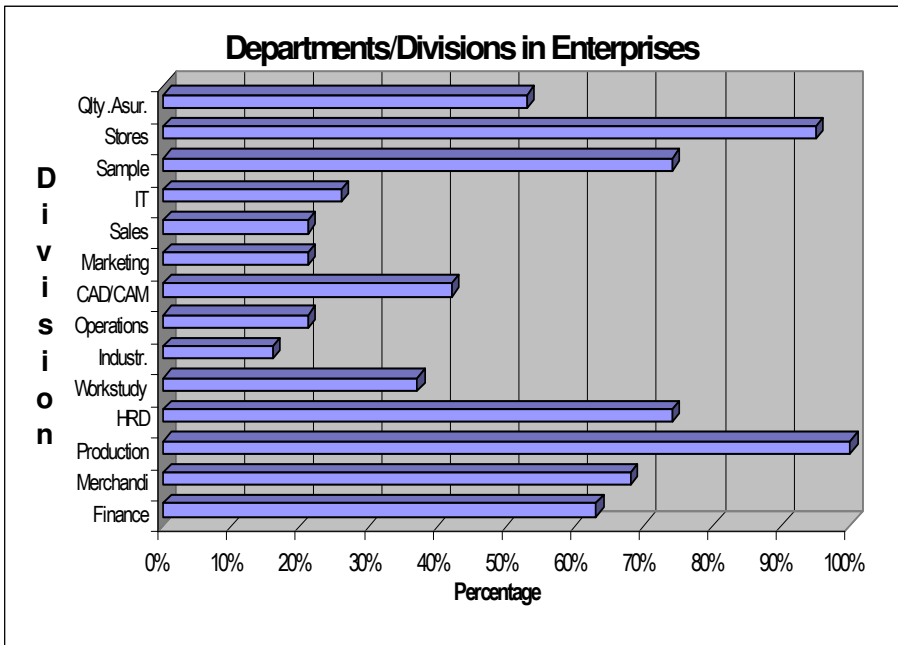


SWOT Analysis

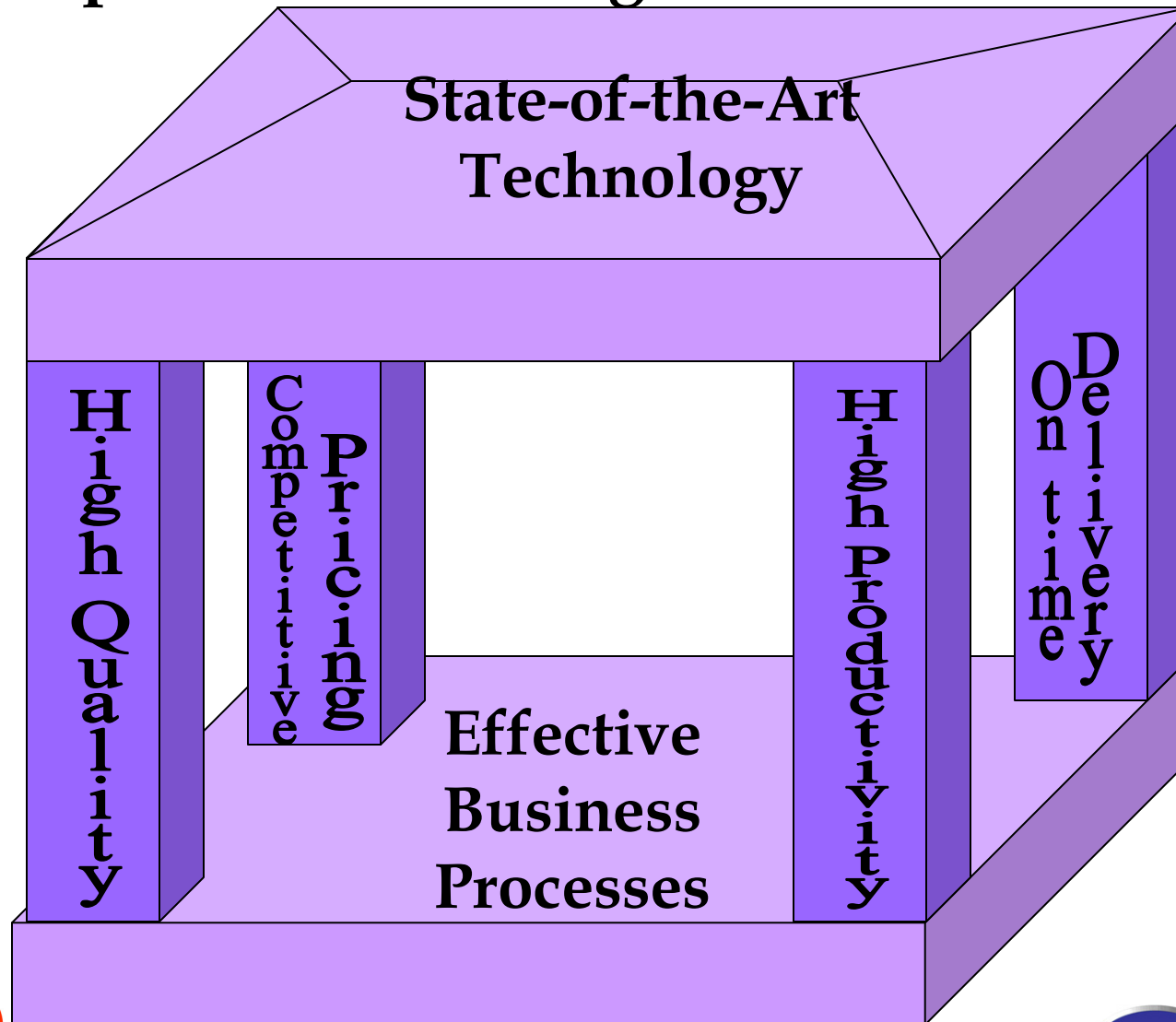


Strengths	Weaknesses
<p>The Industry knowledge of the CEO</p> <p>Manufacturing flexibility</p> <p>Company culture-best practices</p> <p>Innovation and creativity</p> <p>Customer base-Client pedigree</p> <p>Industry reputation</p>	<p>Over-reliance on the CEO</p> <p>Size of business – small</p> <p>Not using Web for any purpose</p> <p>Manual quality systems</p> <p>Lack marketing strategies</p> <p>IT is not used as a strategic tool</p>
Opportunities	Threats
<p>Possibility of acquisition</p> <p>New product/market develop.t</p> <p>Develop products to niche mkt.</p> <p>Alliance with giants in plastics</p> <p>Web as a strong marketing tool</p> <p>eBusiness opportunities</p>	<p>Raw material price increases</p> <p>Aging technology</p> <p>Market intelligence</p> <p>Legislations – Food/recycling</p> <p>Market - large competitors</p> <p>No direct link to end-user</p>

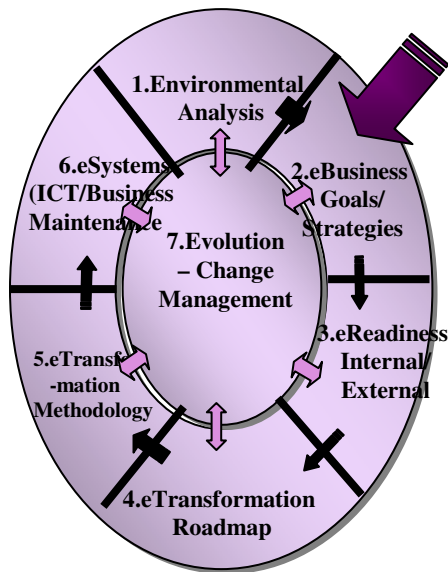
The Outcomes of the Garment Industry Survey



Critical Success Factors which give the Competitive Advantage in the Garment Sector



Goals, Directions, Strategies and Competitive Advantage



•Be the Cost Leader

•Differentiate

Cost/Price

Features/Quality

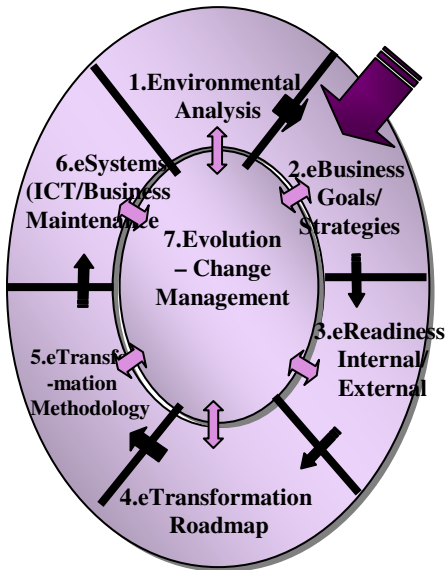
Features/Quality

Cost/Price

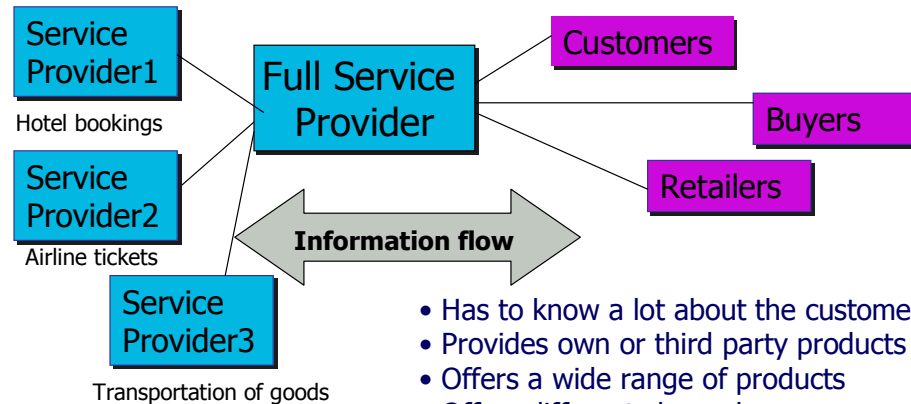
Apply eBusiness Model



eBusiness Models



Full-Service Provider Model



Vertical Market place Model

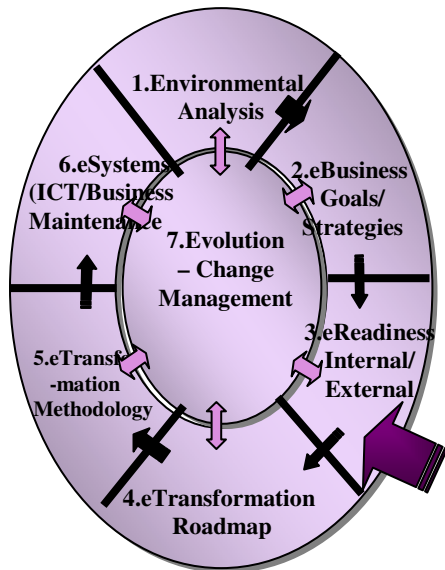
- Has to know a lot about the customer
- Provides own or third party products
- Offers a wide range of products
- Offers different channels
Internet, face-to-face, phone, etc.
- Sells it's own products+ Commission for third party products
- Some charge customers a service fee

35

The Suitability of the E-Transformation Approach to the Garment Companies

- Big Picture → Business-IT alignment
- Smaller incremental changes
- Change is constant – Changes in Requirements
- Flexibility is the key – Responsive, adaptable sys.
- Automation or Optimisation – SCM, ERP, MRP
- Strong Back End Systems to Support the Web based Front End Systems
- E-business is Business!

eReadiness (Internal/External)



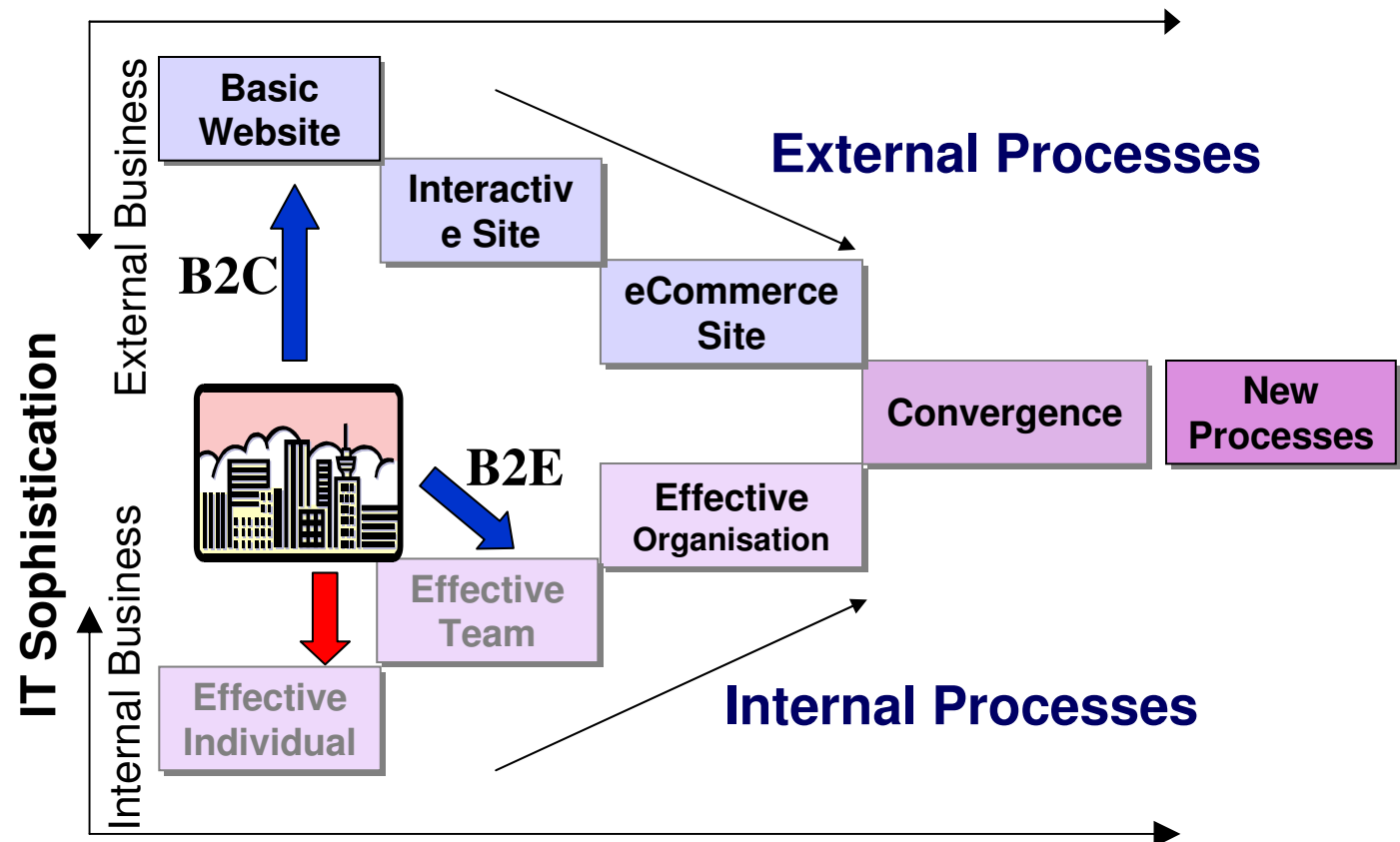
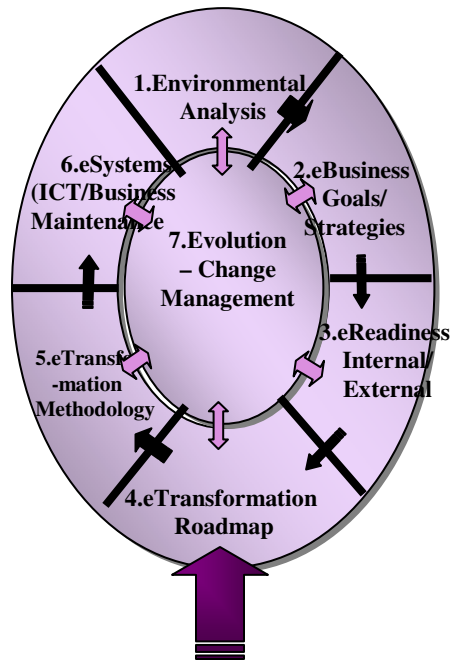
Internal:

- Business processes – Well defined processes
- Applications & Infrastructure
- Web presence – Existence/ usage
- Skills – Level of IT skills of the employees
- Executive mgt – Commitment/Support
- External connectivity – Channels
- Future directions – Plans for expansions

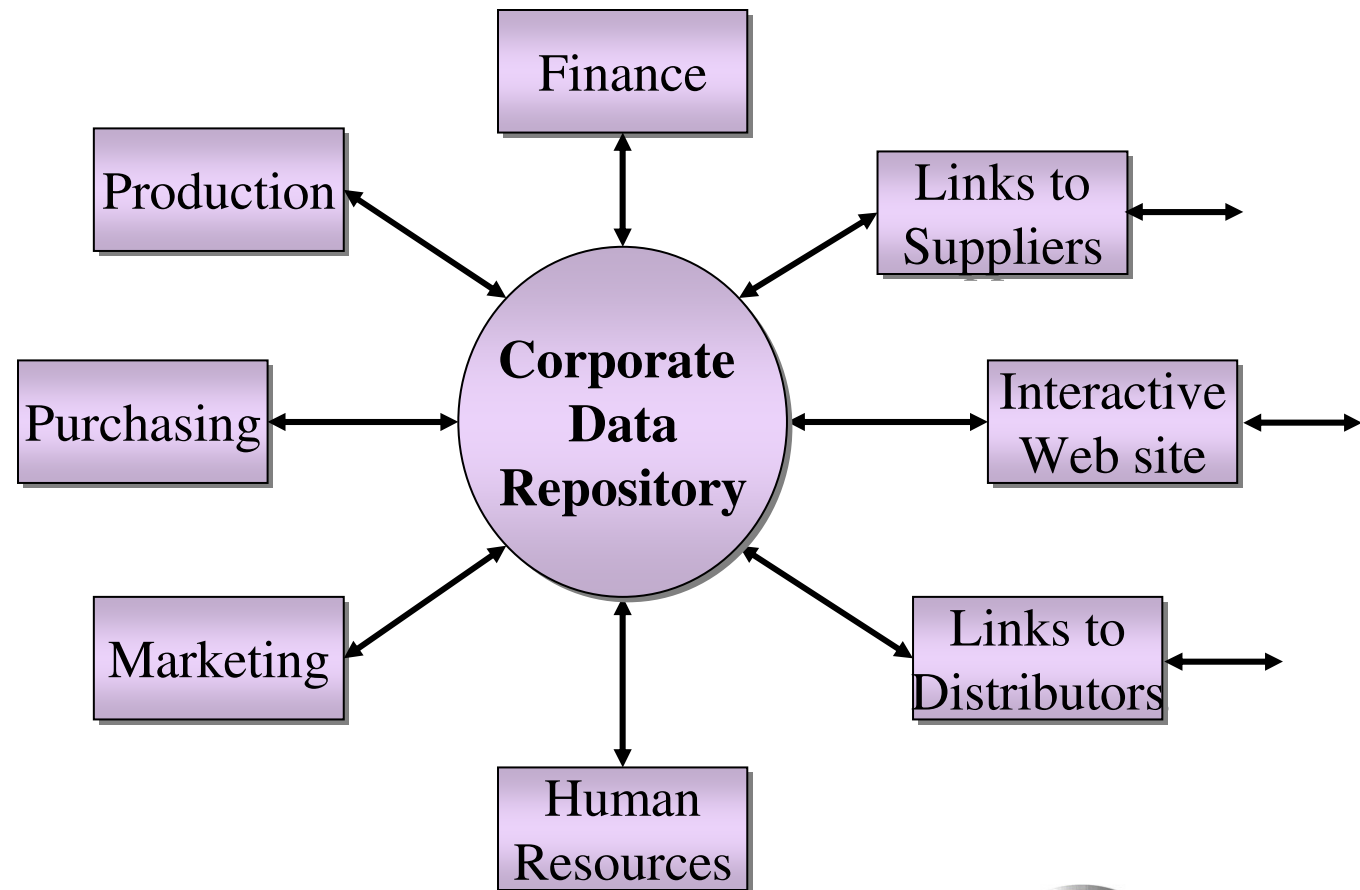
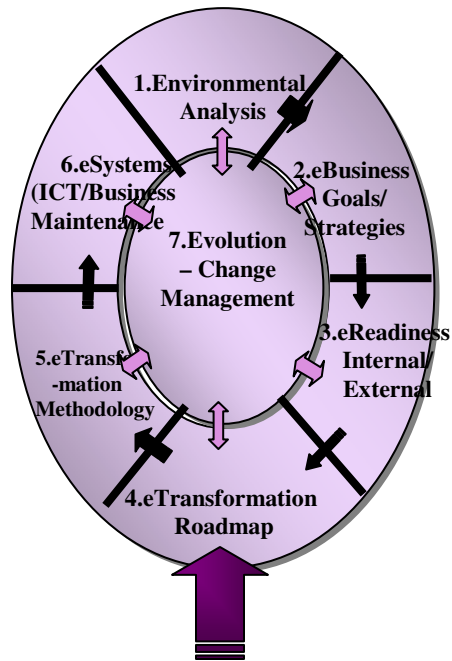
External:

- Customers, Suppliers, Potential users

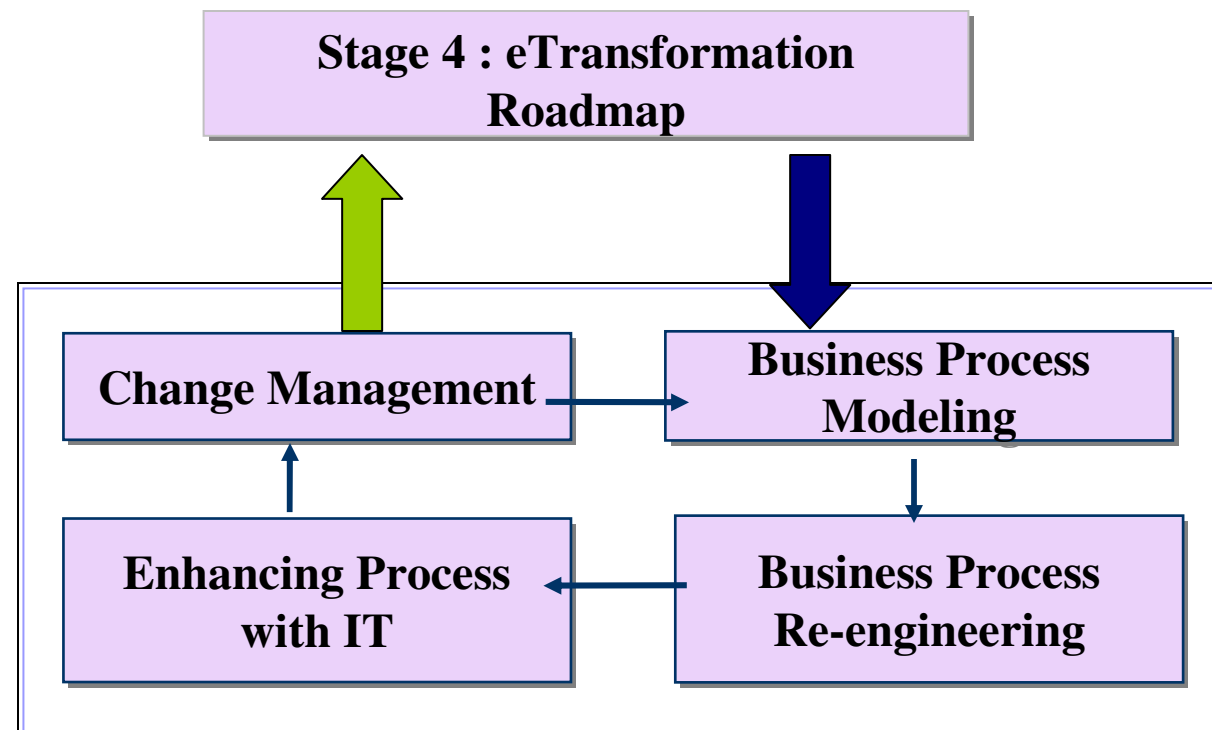
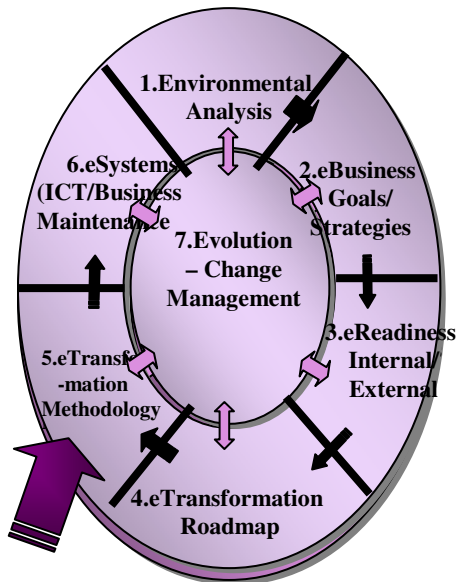
The Company's Position and Path in the eTransformation Roadmap



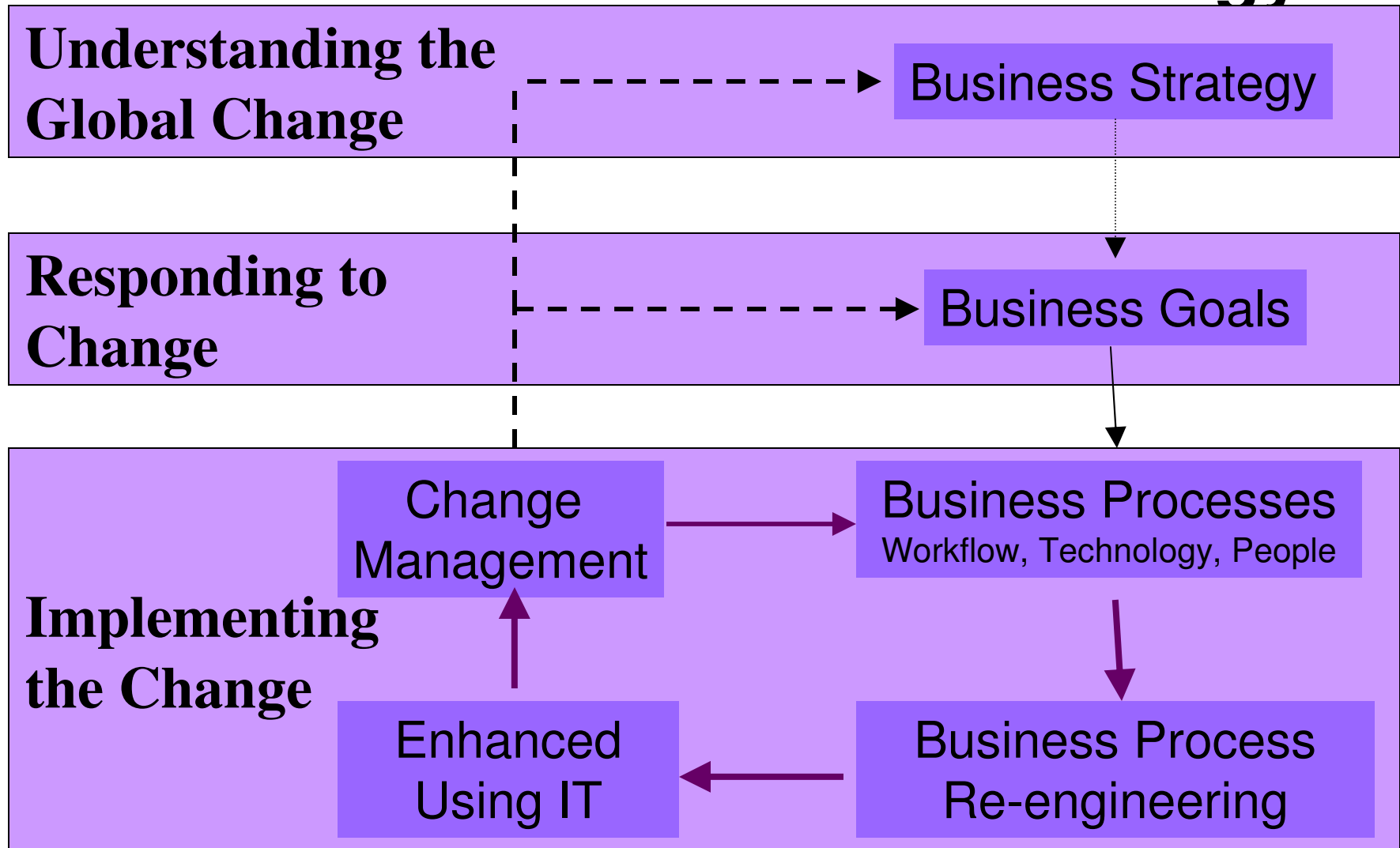
Convergence



Internal eTransformation Methodology



E Transformation Methodology



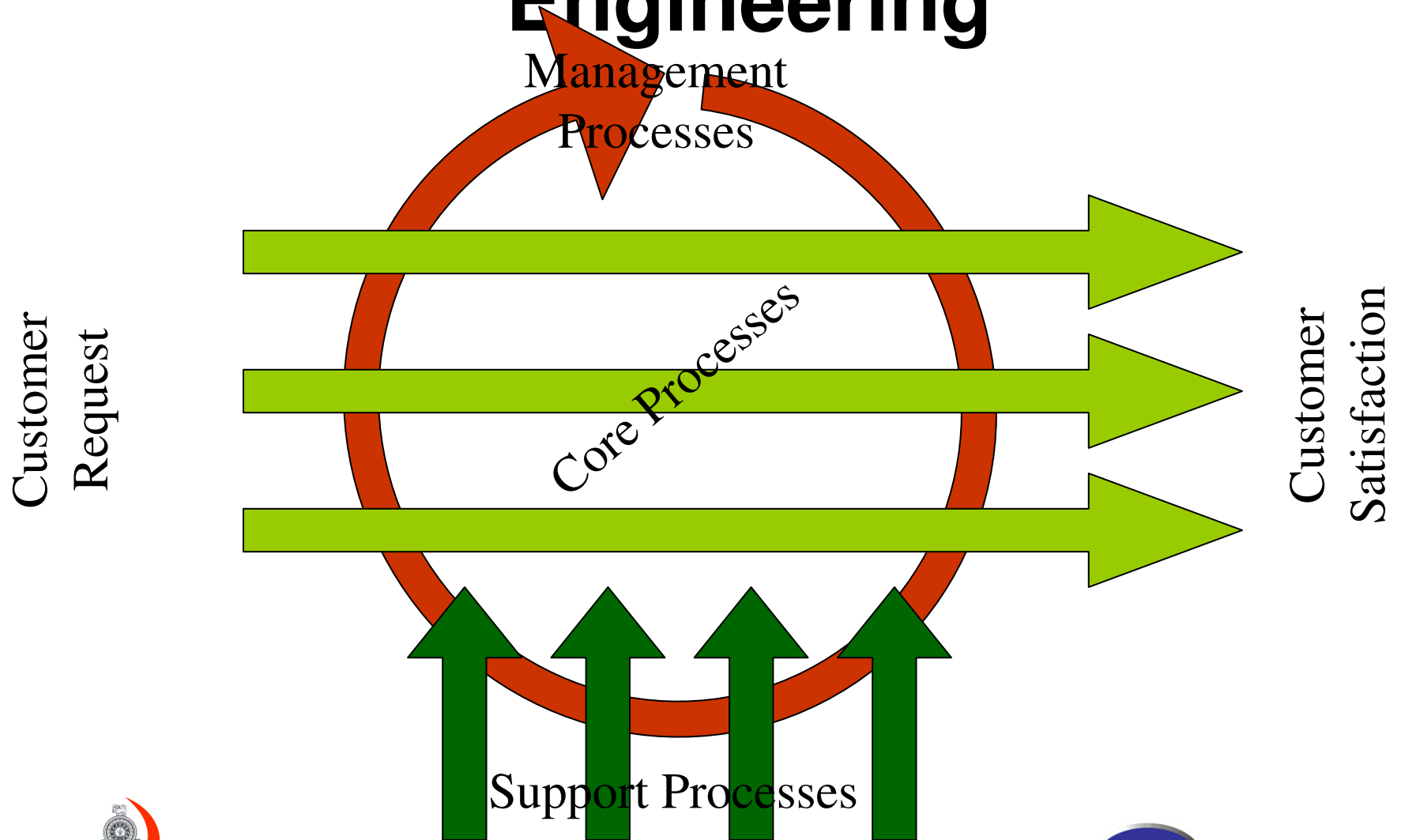
Business Process Modelling

Case Study – Garment Manufacturing Company

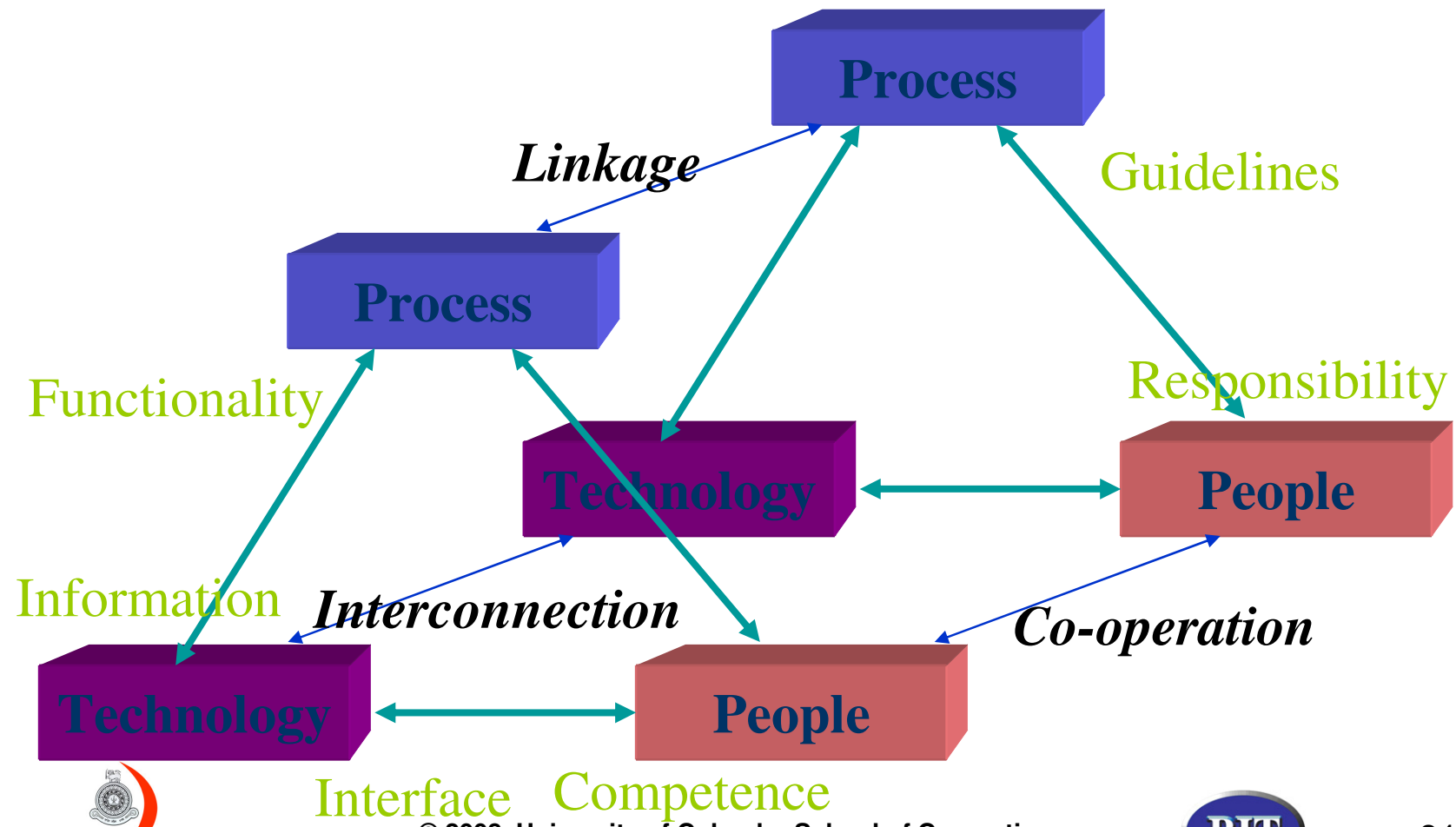
Business Processes

1. Customer Order Processing
2. Raw Material Purchasing
3. Pre-Production Planning
4. Resource Allocations
5. Production Process
6. Quality Assurance
7. Despatch Finished Goods
8. Sample Preparation
9. Inventory Control
10. Human Resource Develop.t.
11. Freight Forwarders handling
12. Accounts Receivable
13. Accounts Payable
14. Staff Recruitment
15. Payroll
16. Merchandising
17. E-Business Sys. Handling
18. Strategic Decision making
19. Marketing

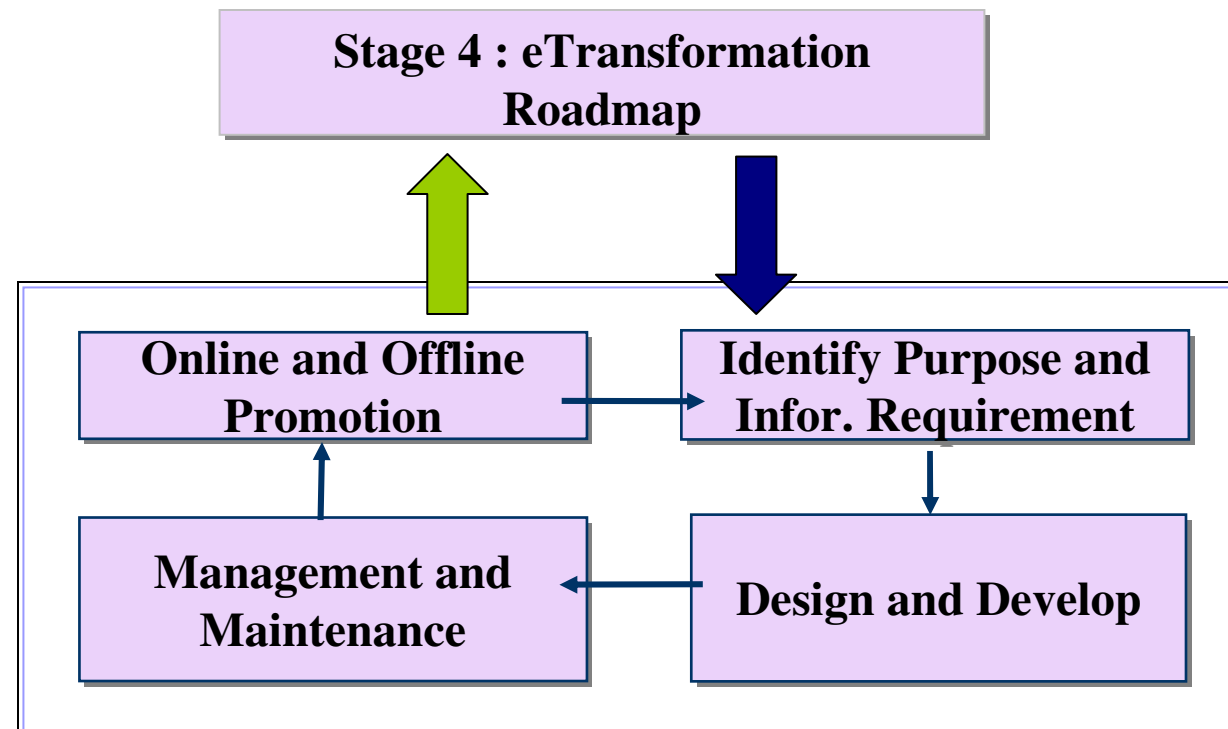
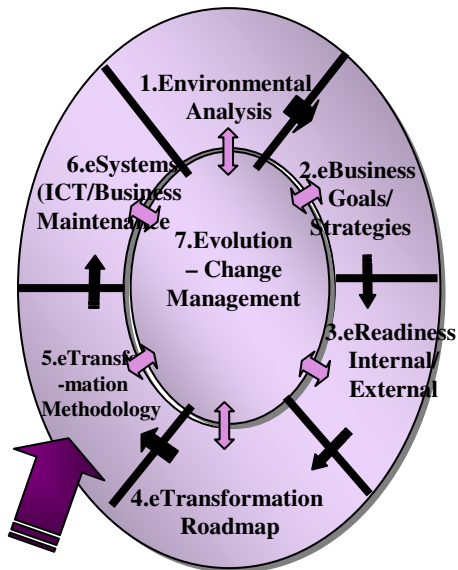
Business Processes Re Engineering



Understanding the Business Processes



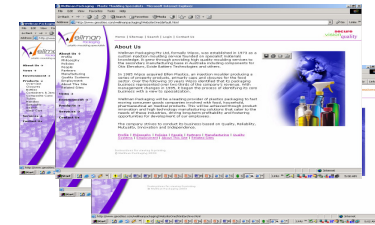
External eTransformation Methodology



Goals, Directions, Strategies and Competitive Advantage

- Innovative Designing capabilities
- Total Solution Provider
- Rapid response and commitment to client success
- Strategic integration with partners/clients
- Commitment to quality
- Clean room conditions in factory

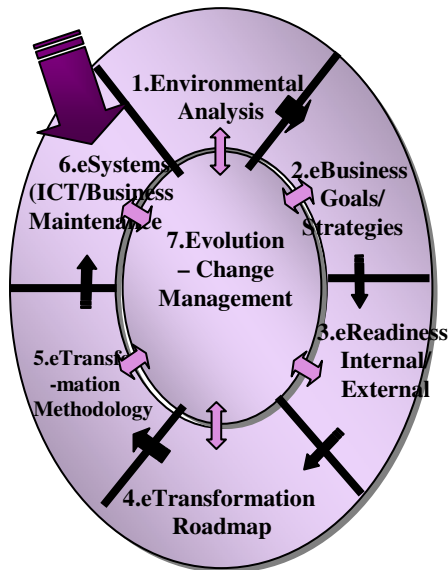
Context
Content
Community
Customisation
Communication
Connection
Commerce



Differentiate

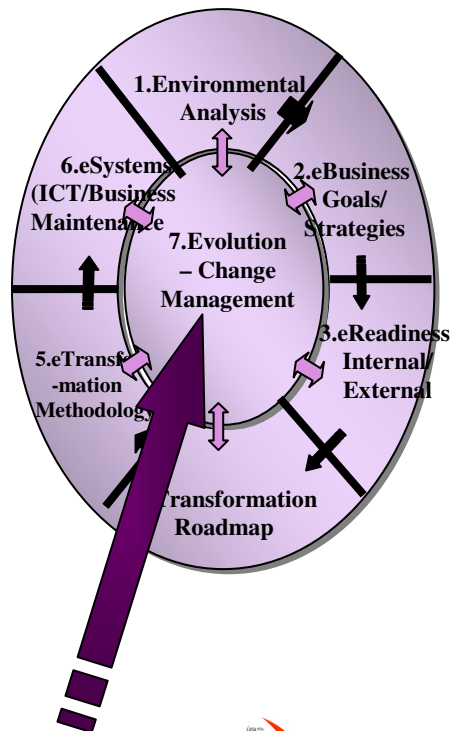
**CRM Tool
Pre-Purchase
Marketing
Tool**

eSystems (Policies, Support, Maintenance)

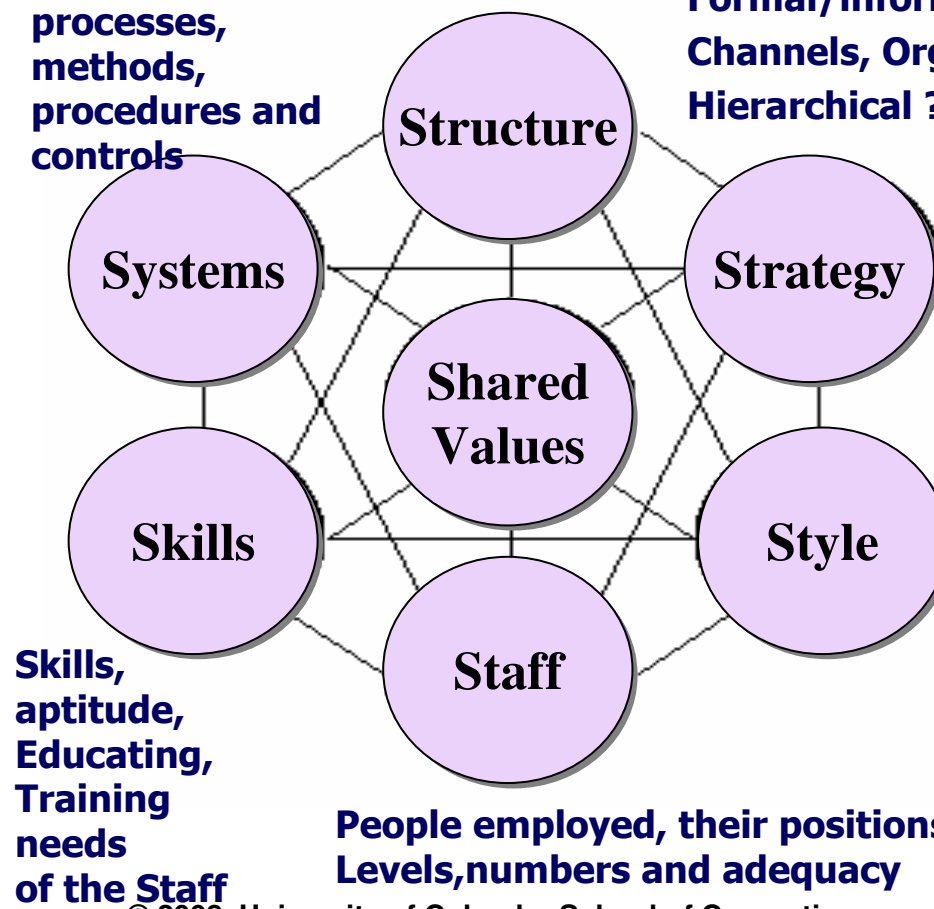


- **Management Controls** : Standards, guidelines to users, Procedures, Manuals
- **Security Measures** : To deal with common threats (sabotage, hacking, privacy, etc.) and contingency planning and disaster recovery
- **IT Maintenance and Support:** (Support for ICT infrastructure, upgrading, backing up, maintenance, troubleshooting, Support by the ISP and Vendors)

7S Model for Change Management



Business processes, methods, procedures and controls



Formal/informal communication Channels, Organisational Structure Hierarchical ? Network?

Business Strategy, Strategic alliances, marketing, product and service development, sales and channel distribution, business systems and processes

Behaviour of key managers and the way they relate to employees

People employed, their positions, Levels, numbers and adequacy

Skills, aptitude, Educating, Training needs of the Staff

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7S Model

1. Strategy – This defines key actions and capabilities along the major dimensions of marketing, product and service development, sales and channel distribution, business systems and processes, and management of alliances and partnerships in order to achieve organisational goals.

2. Structure – The way the organisation's units relate to each other and the chain of command and formal/informal communication channels

3. Systems – The information flow which requires capabilities in both information technology and in organisational processes, methods, procedures and controls.

7S Model

4. Style – The behaviour of the key managers and the way they relate to employees in order to achieve the organizational goals

5. Staff - The types of people employed in the organization, their positions, levels and numbers.

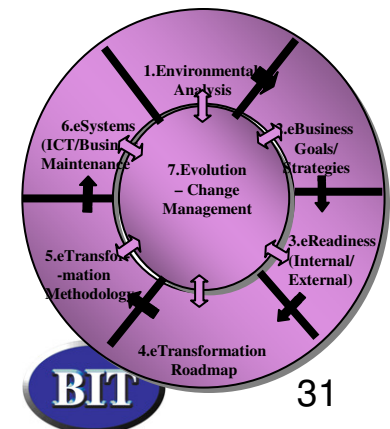
6. Skills - The skills and aptitude for developing customer relationships, service and sales For staff to develop appropriate new skills requires a learning environment.

7. Shared Values – The guiding concepts, values and aspirations, often unwritten, which directs all the personnel in the organization in the same direction

Application of the 7E Model to an SME in the Manufacturing Sector

Company Profile

- A family owned plastic moulding company established in 1970s
- Catering to the consumer foods and pharmaceutical market
- Turnover – 1.5M per annum
- Staff – 9 Full time employees



Architecture for the Company

