

# 10. 7Es in e-Transformation



# E Region

## Traditional

### Phase 1

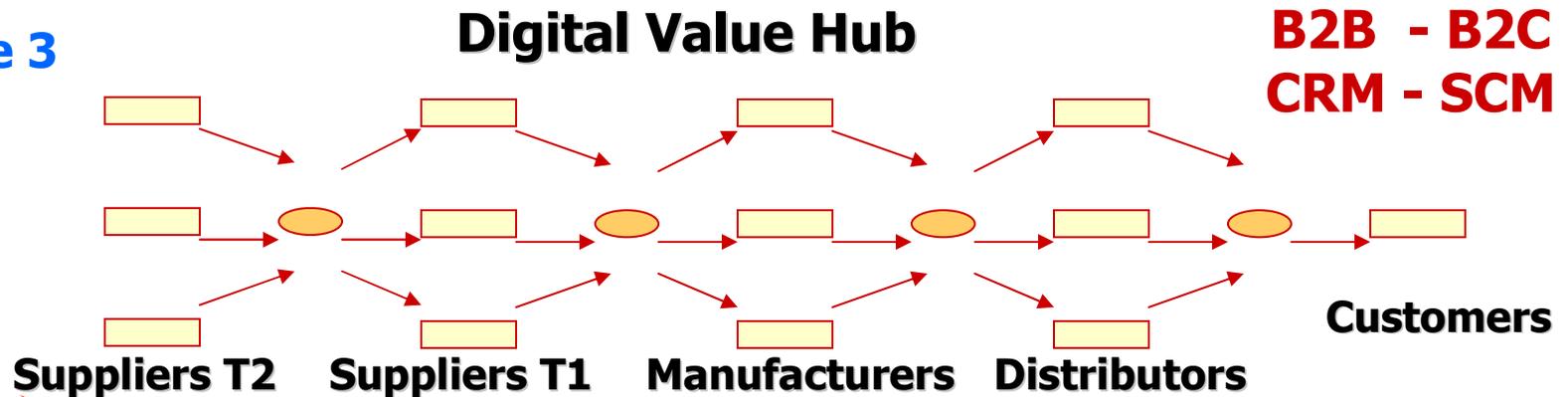


Supplier      Manufacturer      Distributor      Customer

### Phase 2

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

### Phase 3

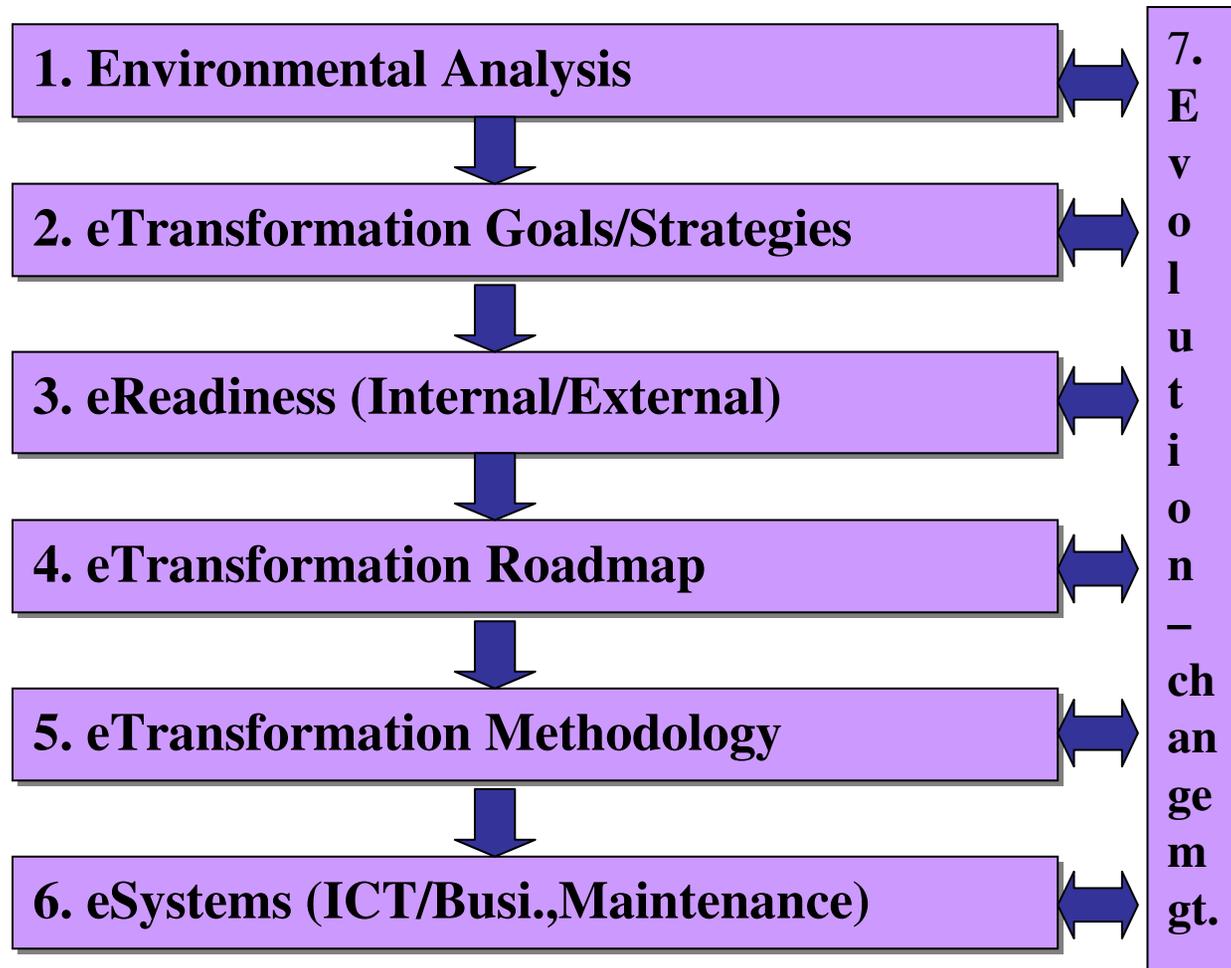


# How to start eTransformation?

- “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

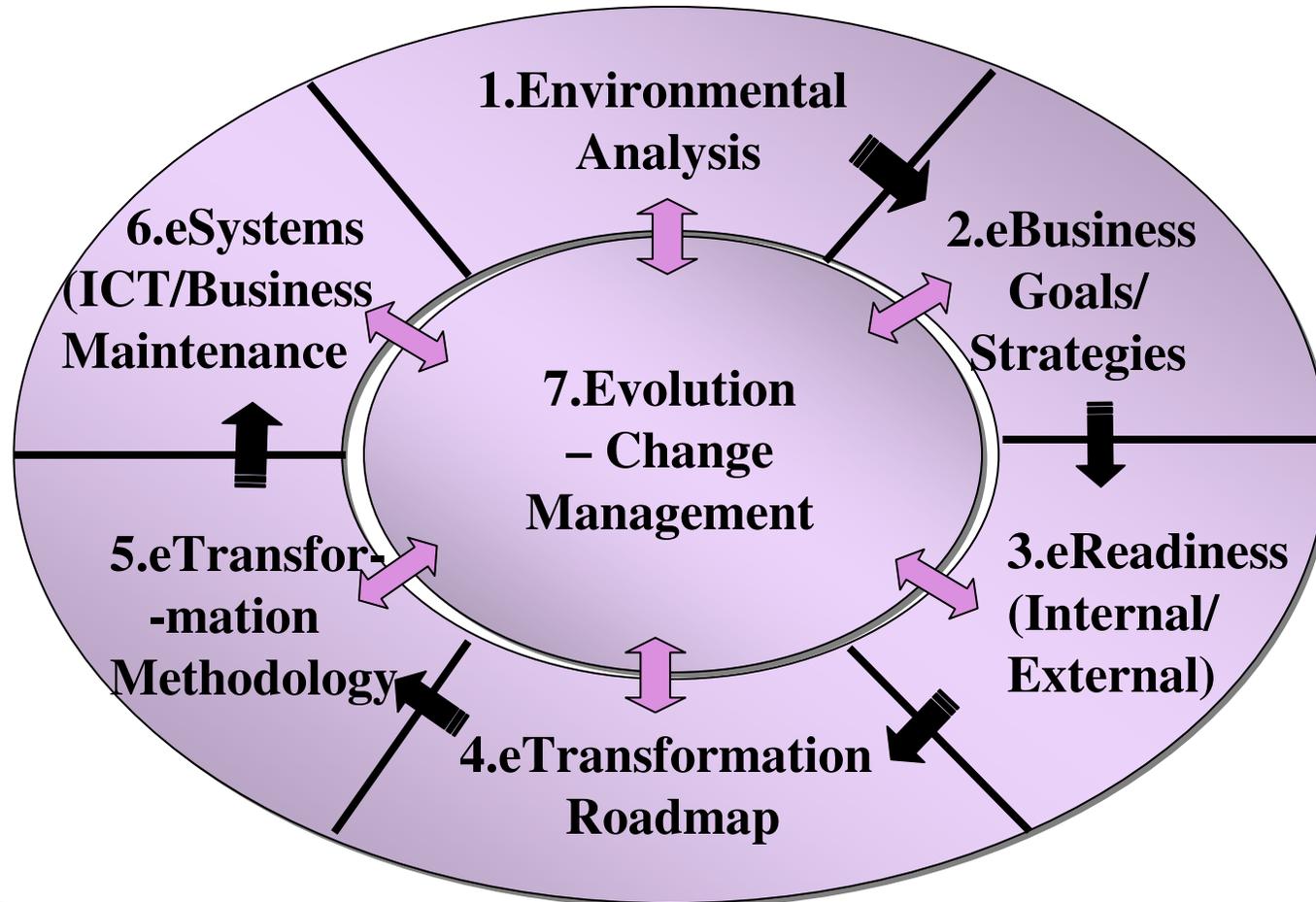
# The Seven E's In eTransformation

– A Strategic eTransformation Model Developed by UWS



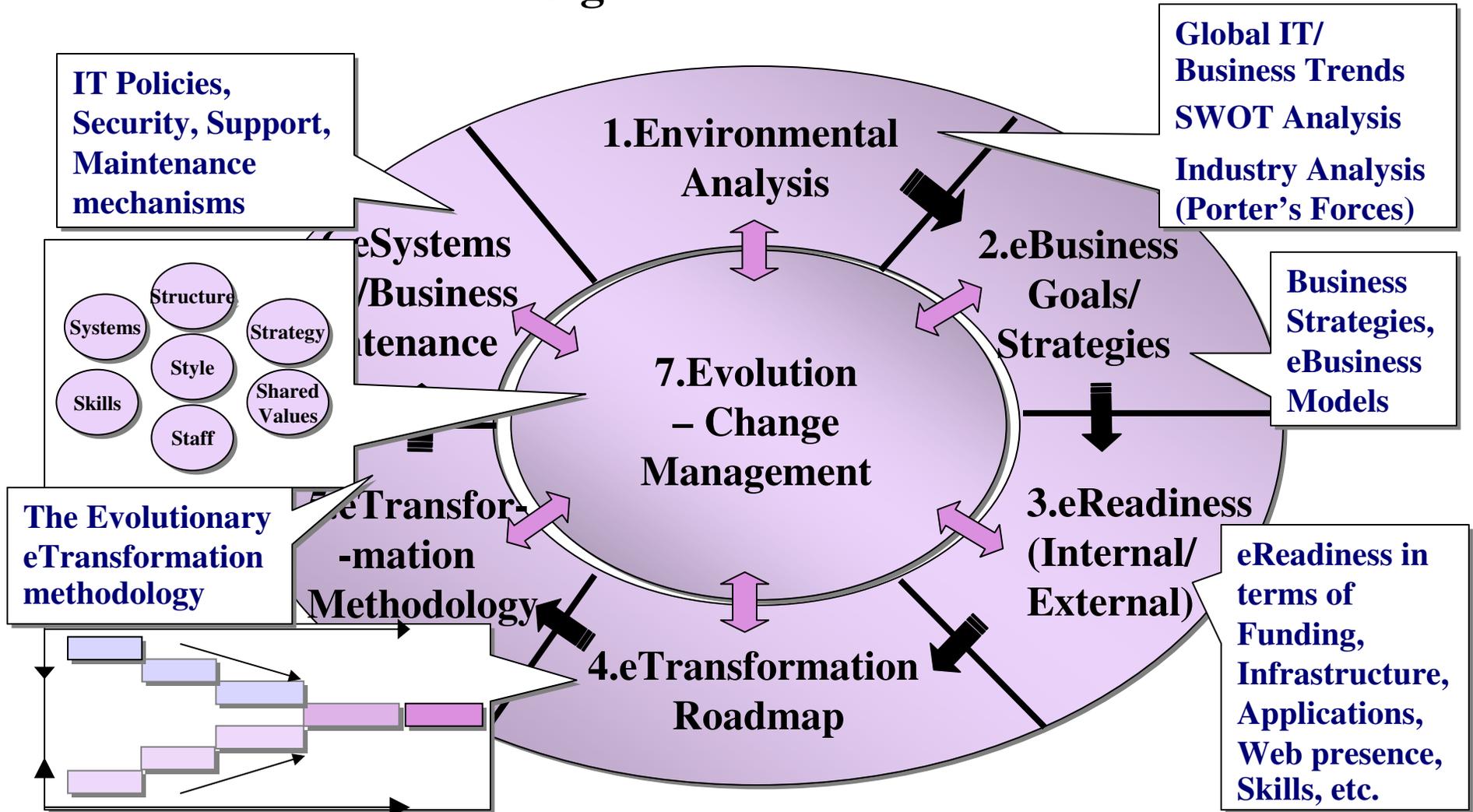
# The Seven E's In eTransformation

## – A Strategic eTransformation Model



# The Seven E's In eTransformation

## - A Strategic eTransformation Model



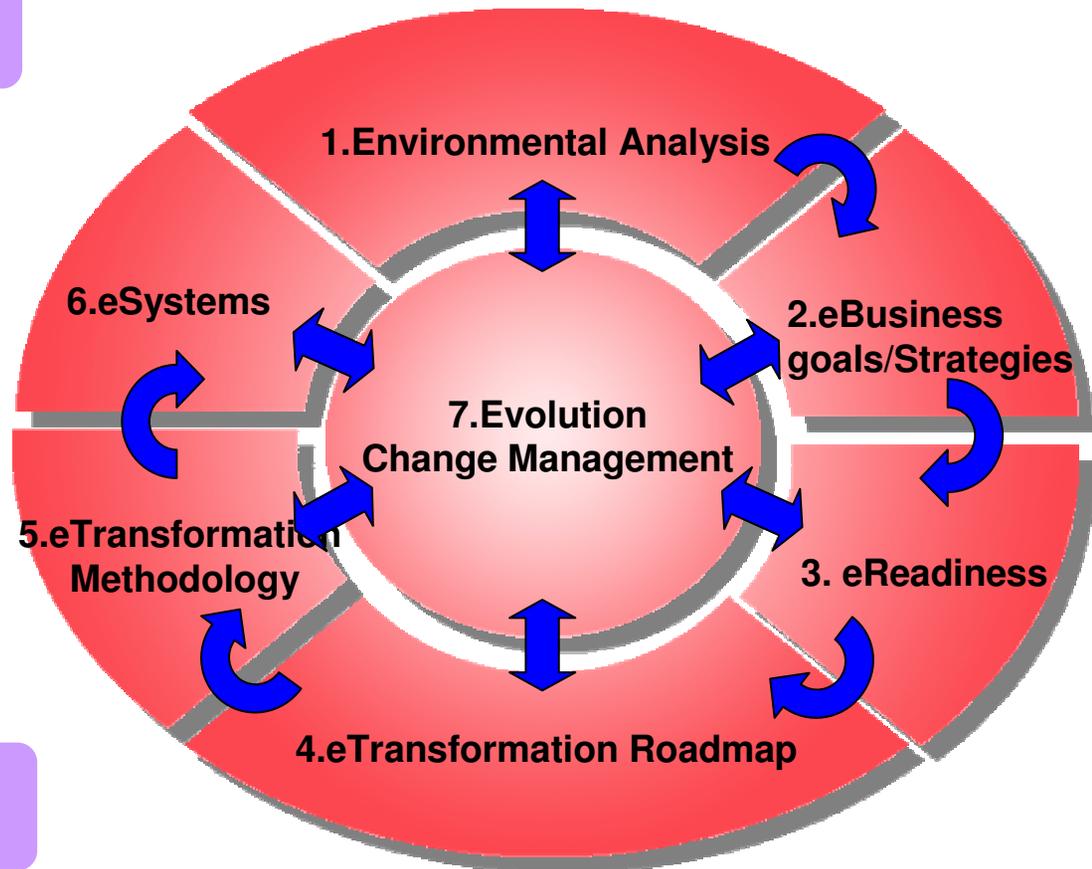
# 7E's eTransformation model

A Strategic eTransformation model

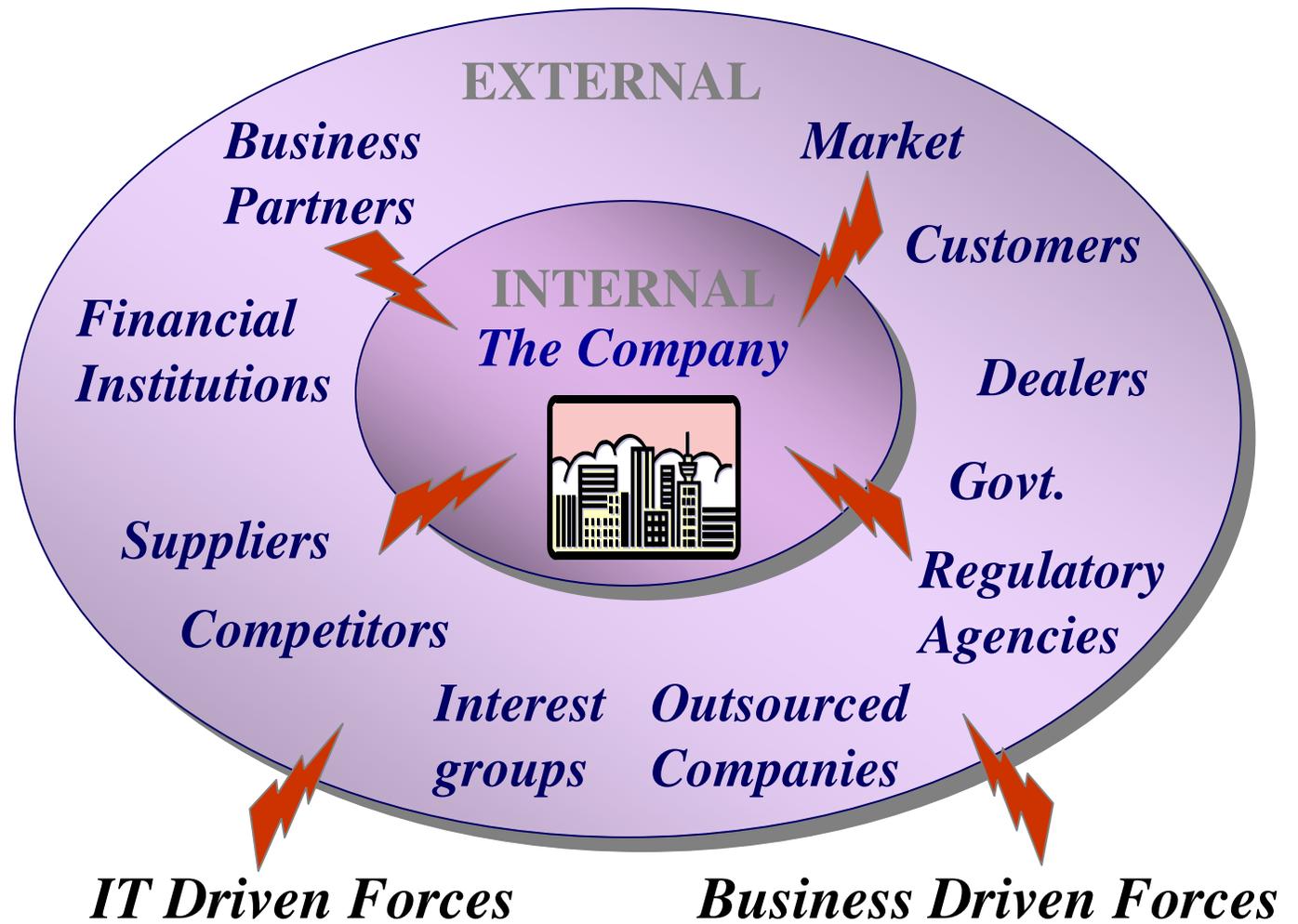
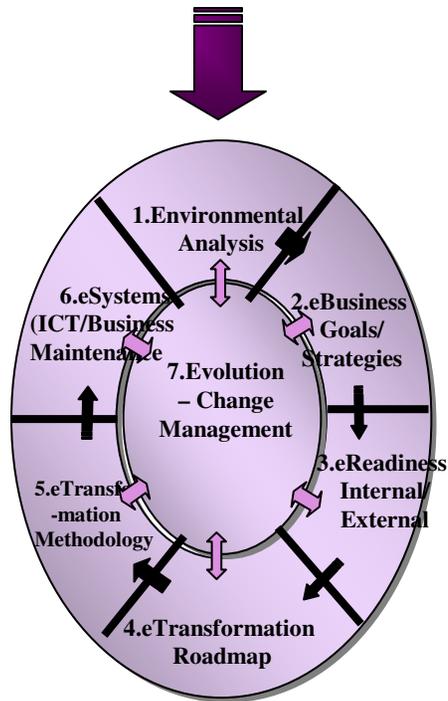
Developed by UWS

Successfully used by some SMEs in Western Sydney region

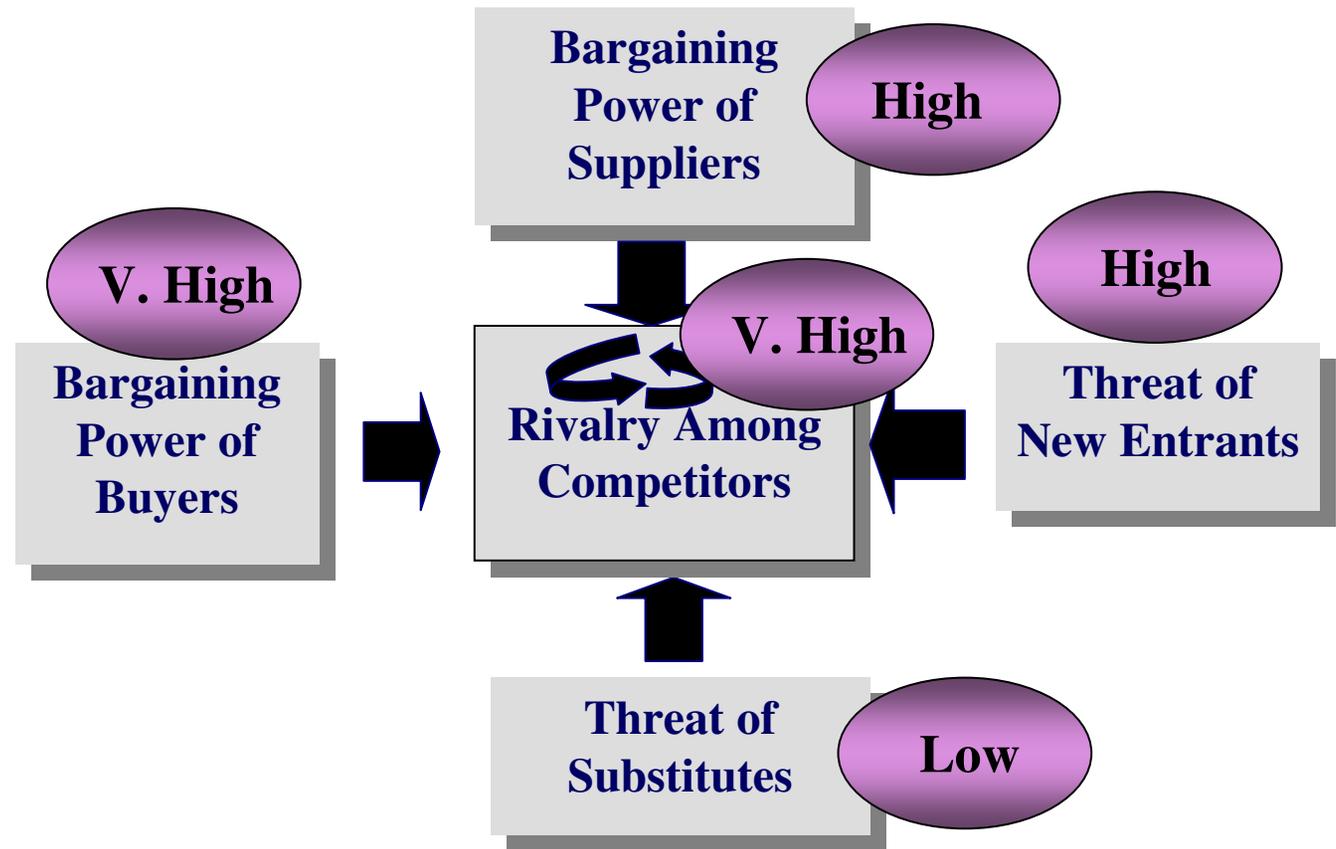
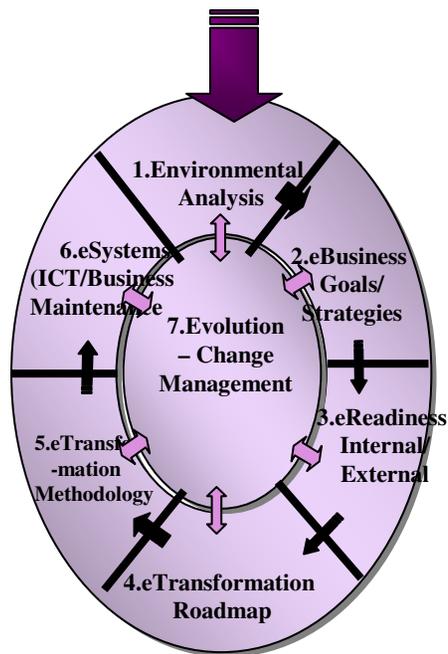
Consist of 7 very important aspects



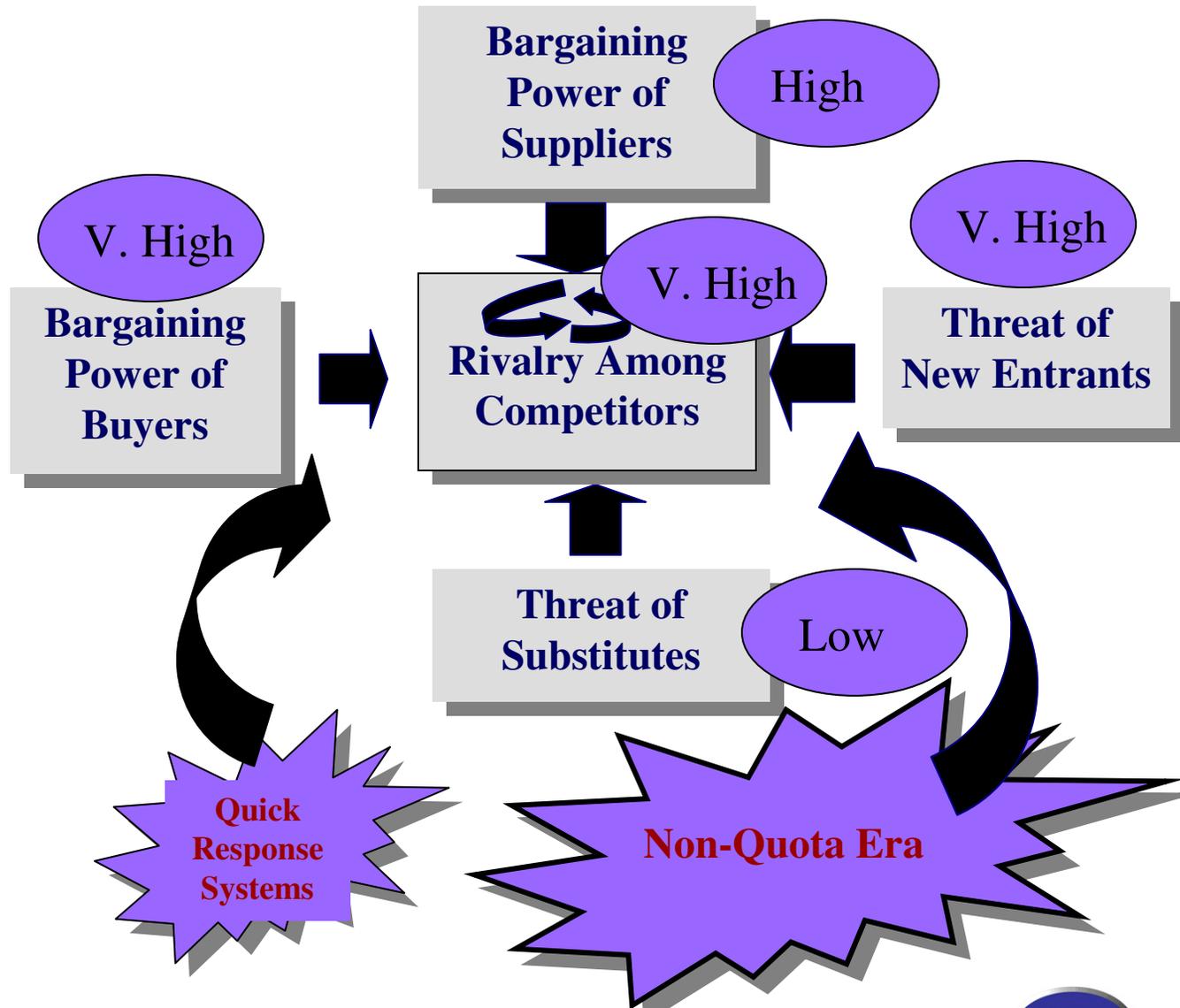
# The Business Environment



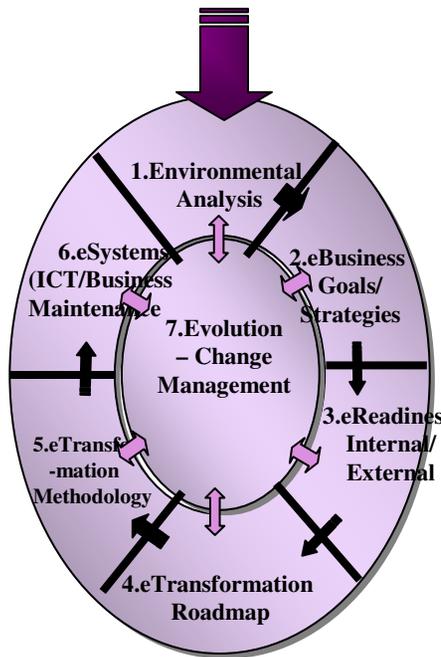
# Application of Micheal Porter's Five Forces Model to the Industry



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

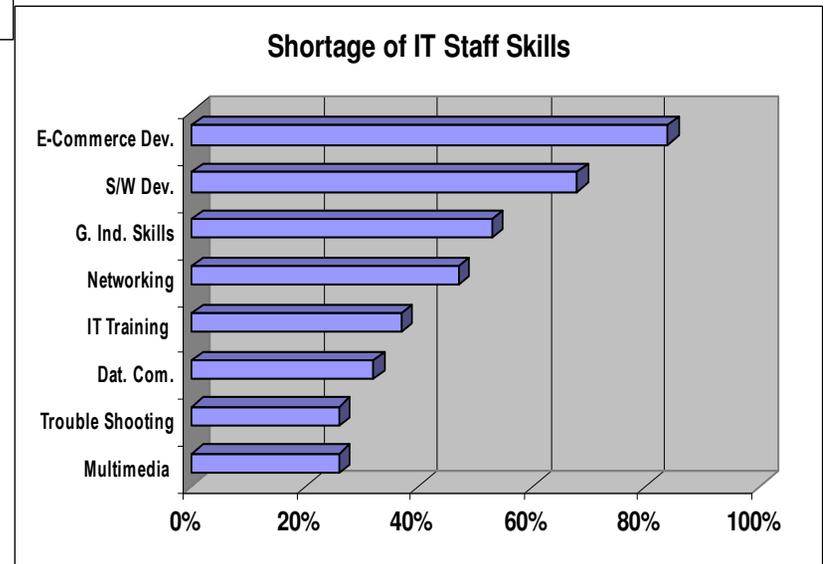
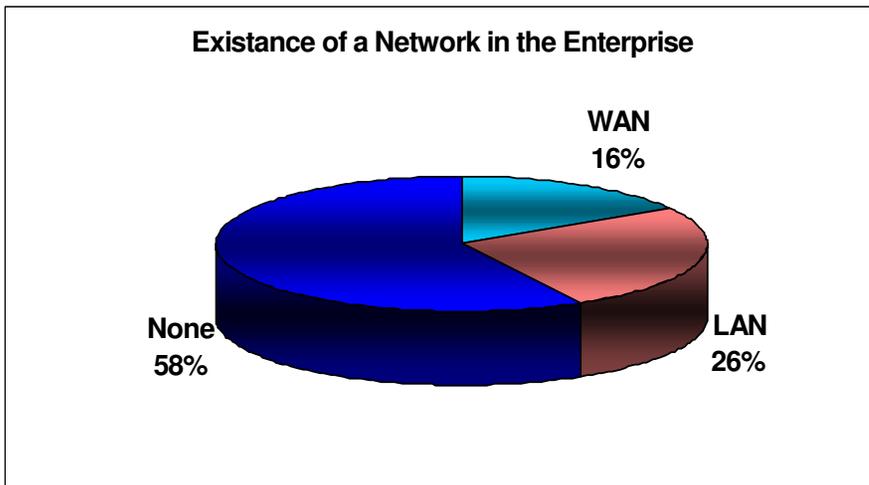
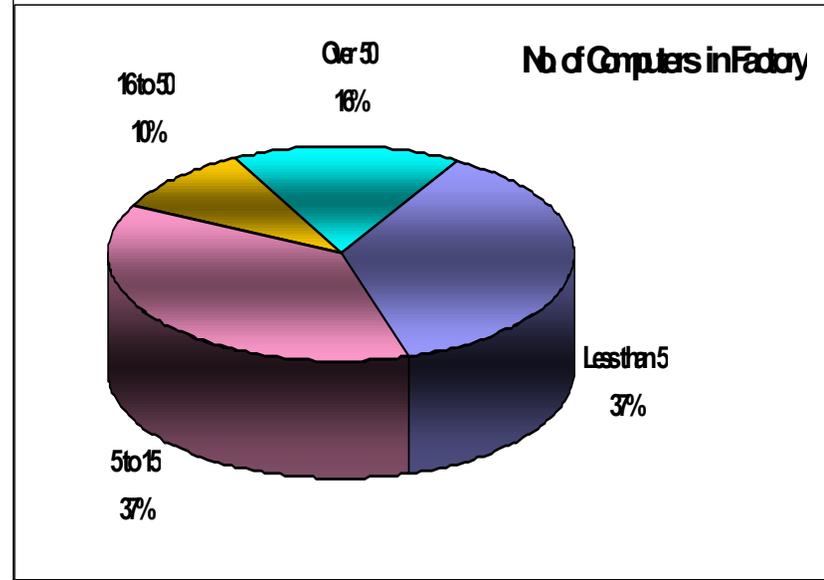
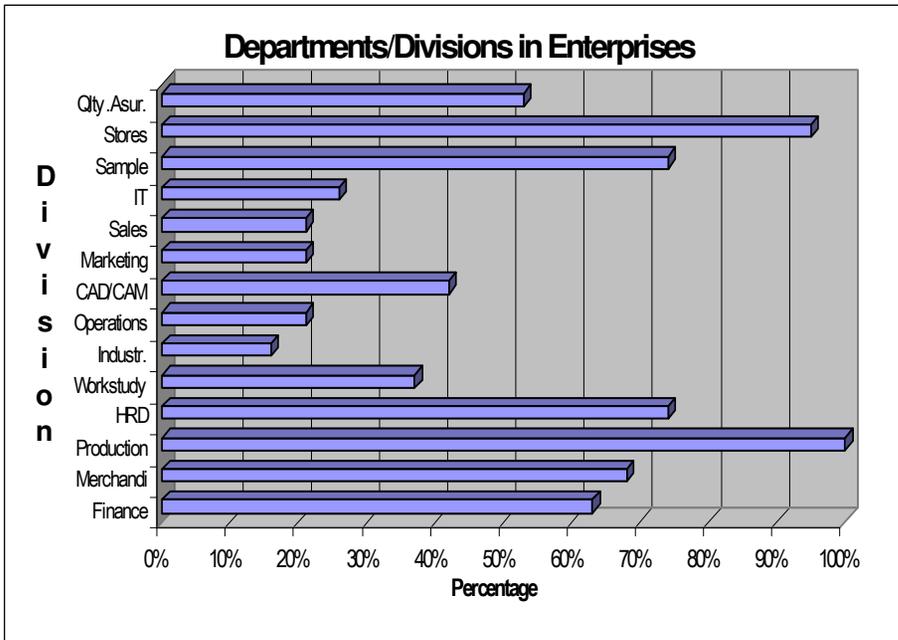


# SWOT Analysis

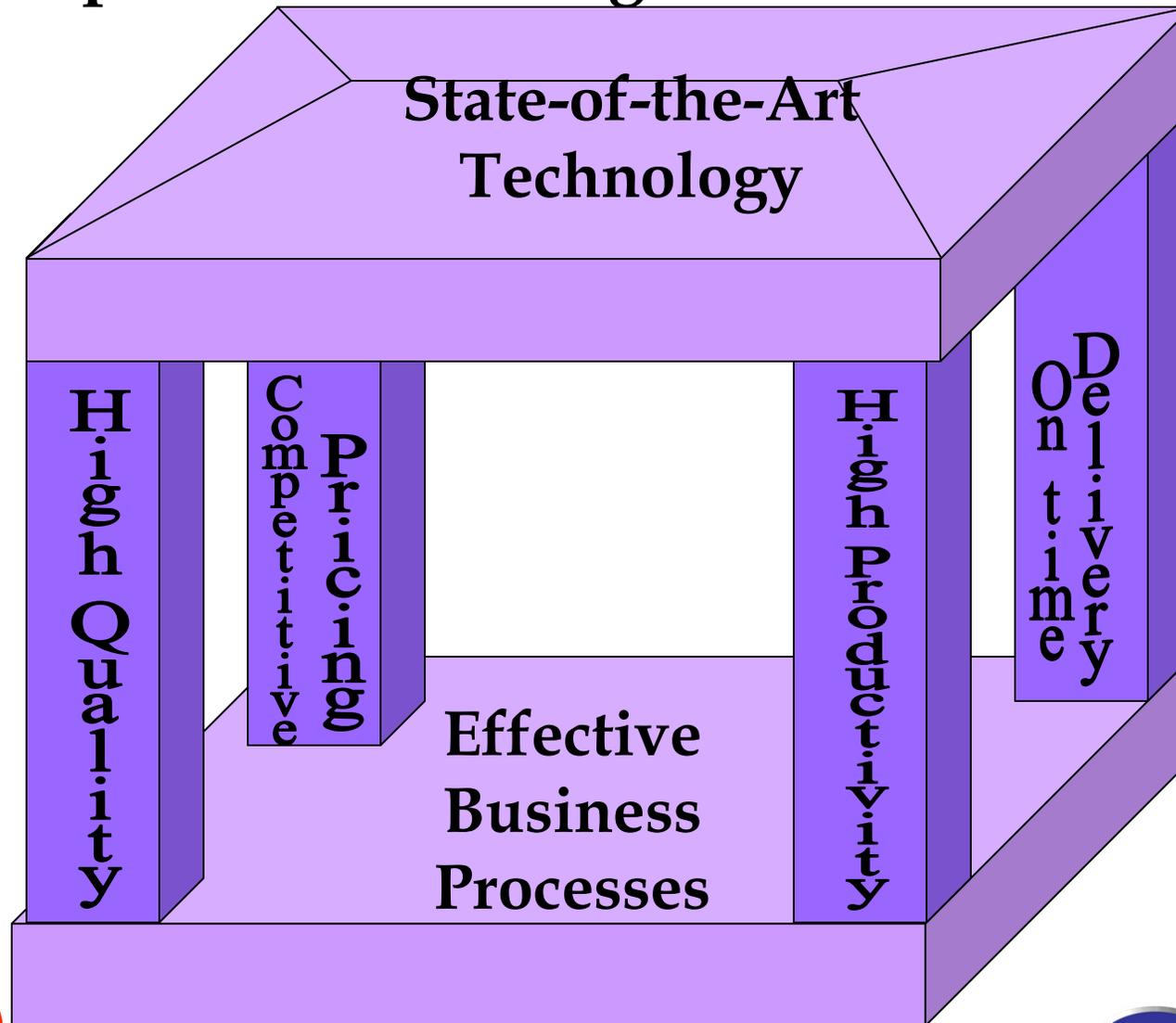


Strengths	Weaknesses
<p>The Industry knowledge of the CEO Manufacturing flexibility Company culture-best practices Innovation and creativity Customer base-Client pedigree Industry reputation</p>	<p>Over-reliance on the CEO Size of business – small Not using Web for any purpose Manual quality systems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

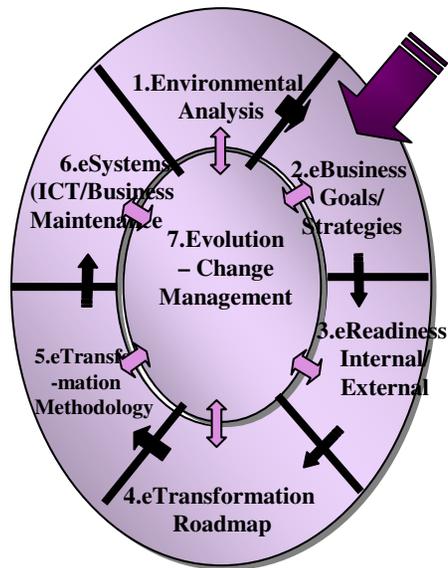
# The Outcomes of the Garment Industry Survey



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



# Goals, Directions, Strategies and Competitive Advantage



•Be the Cost Leader

•Differentiate

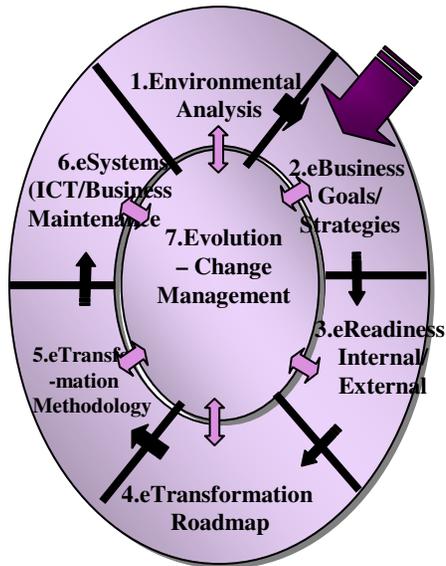
Cost/Price  
Features/Quality

Features/Quality  
Cost/Price

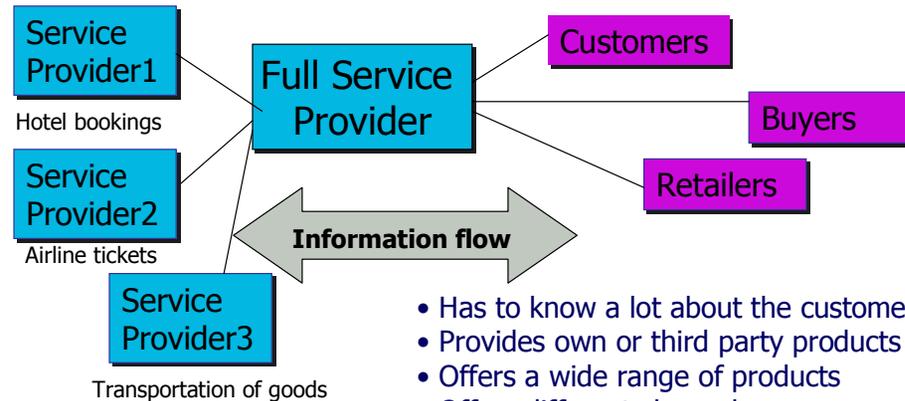
Apply eBusiness Model



# eBusiness Models



## Full-Service Provider Model



*Vertical Market place Model*

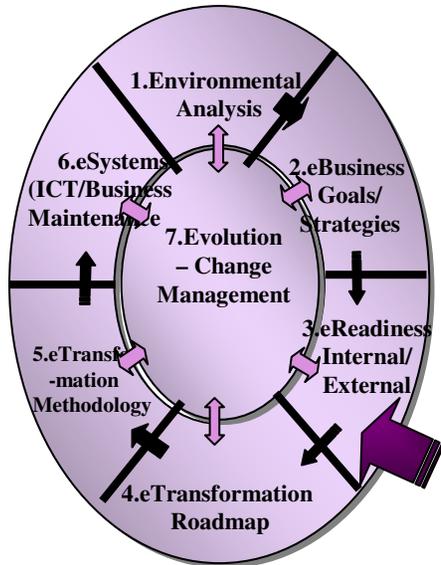
- Has to know a lot about the customer
- Provides own or third party products
- Offers a wide range of products
- Offers different channels  
Internet, face-to-face, phone, etc.
- Sells it's own products+ Commission for third party products
- Some charge customers a service fee

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# 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)



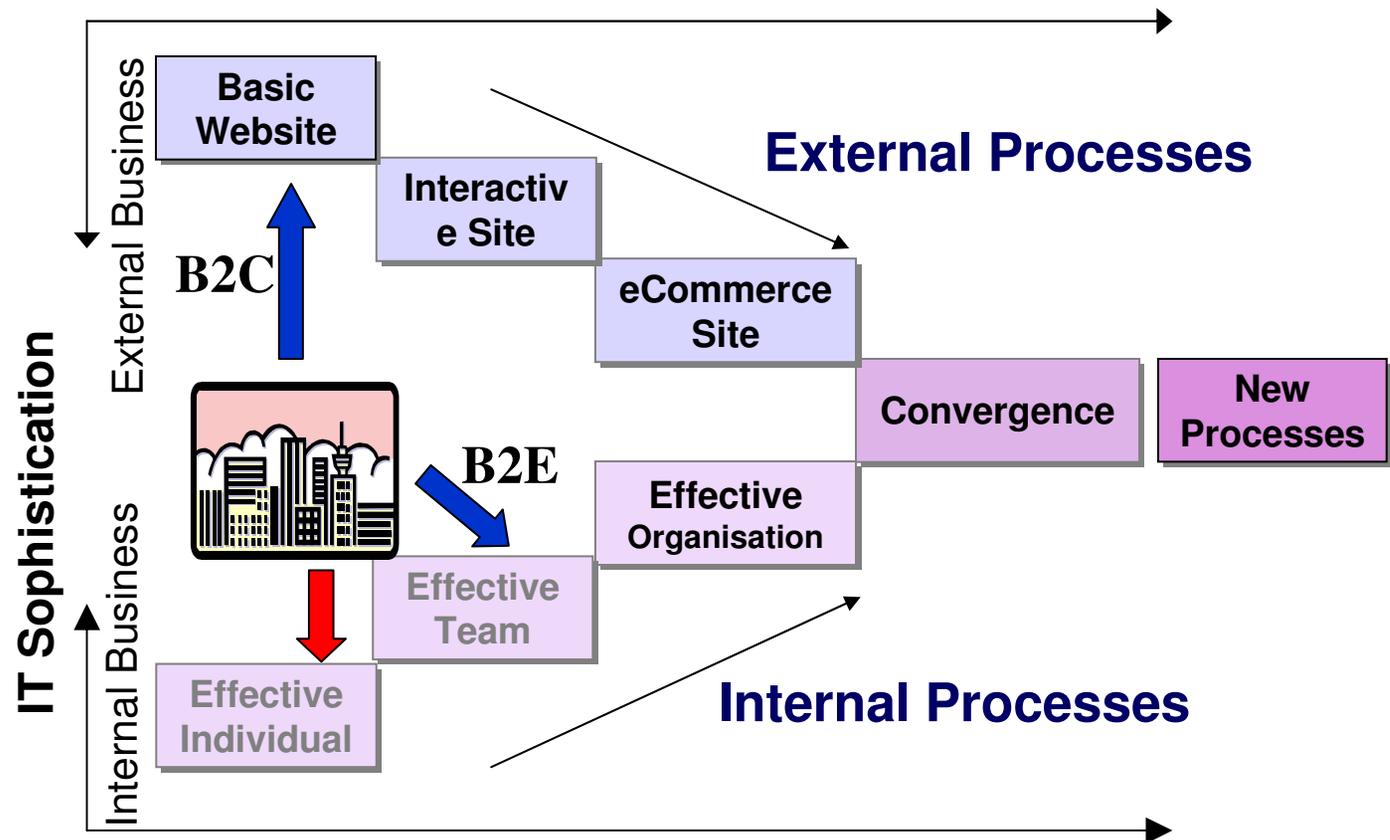
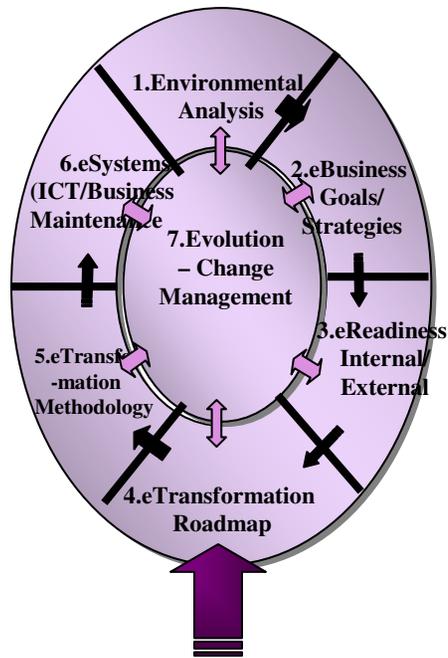
## Internal:

- 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

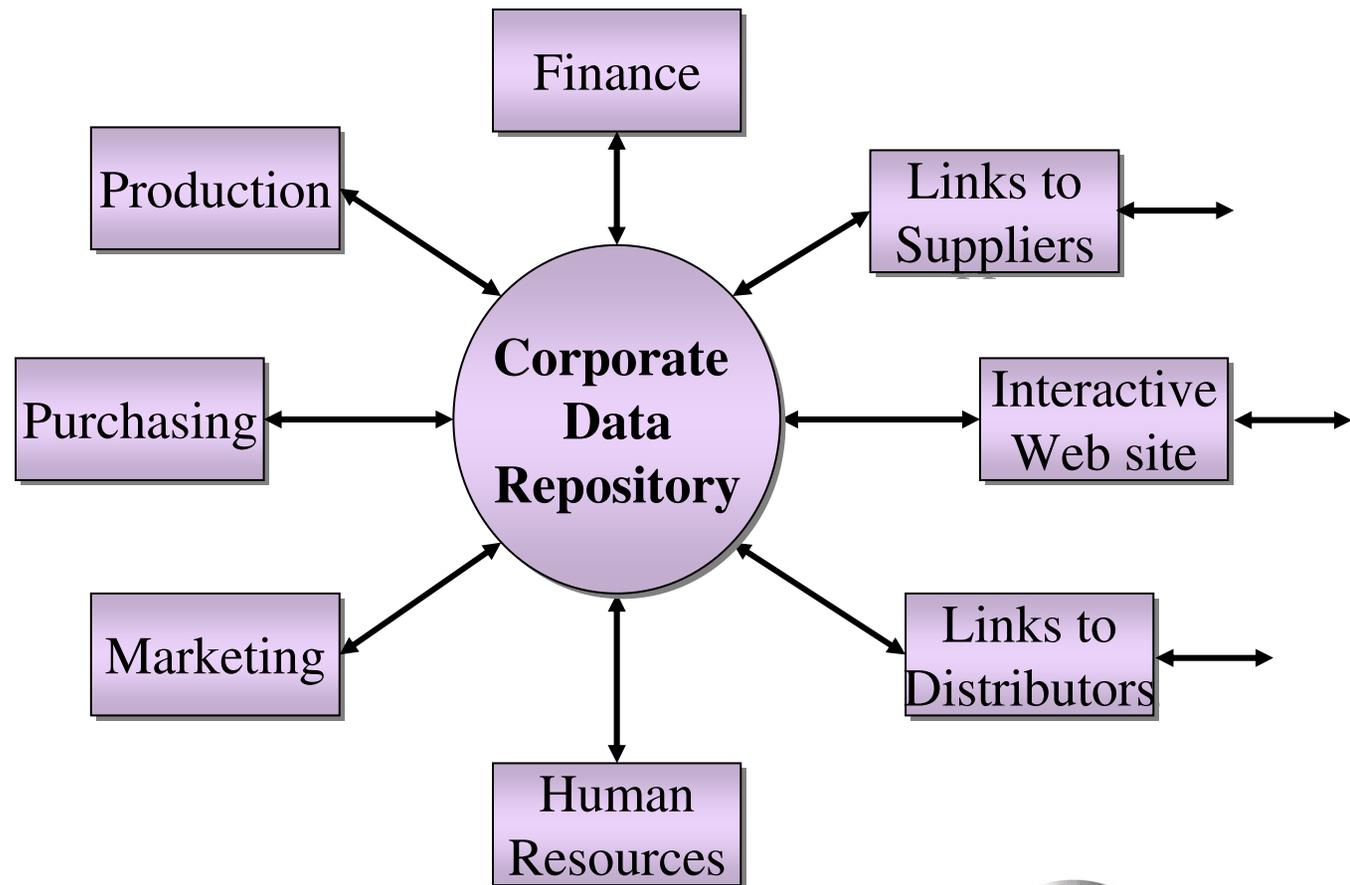
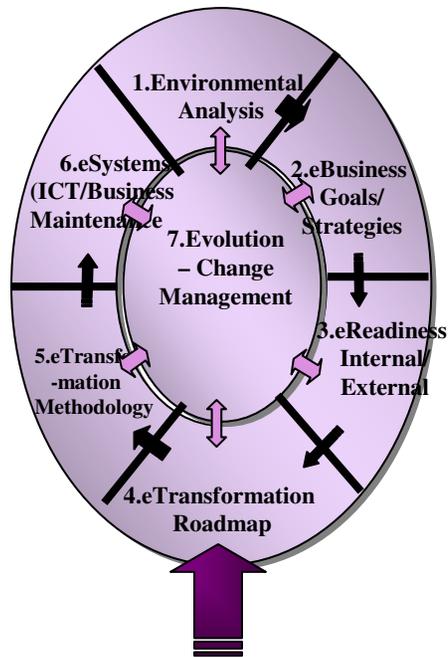
## External:

- Customers, Suppliers, Potential users

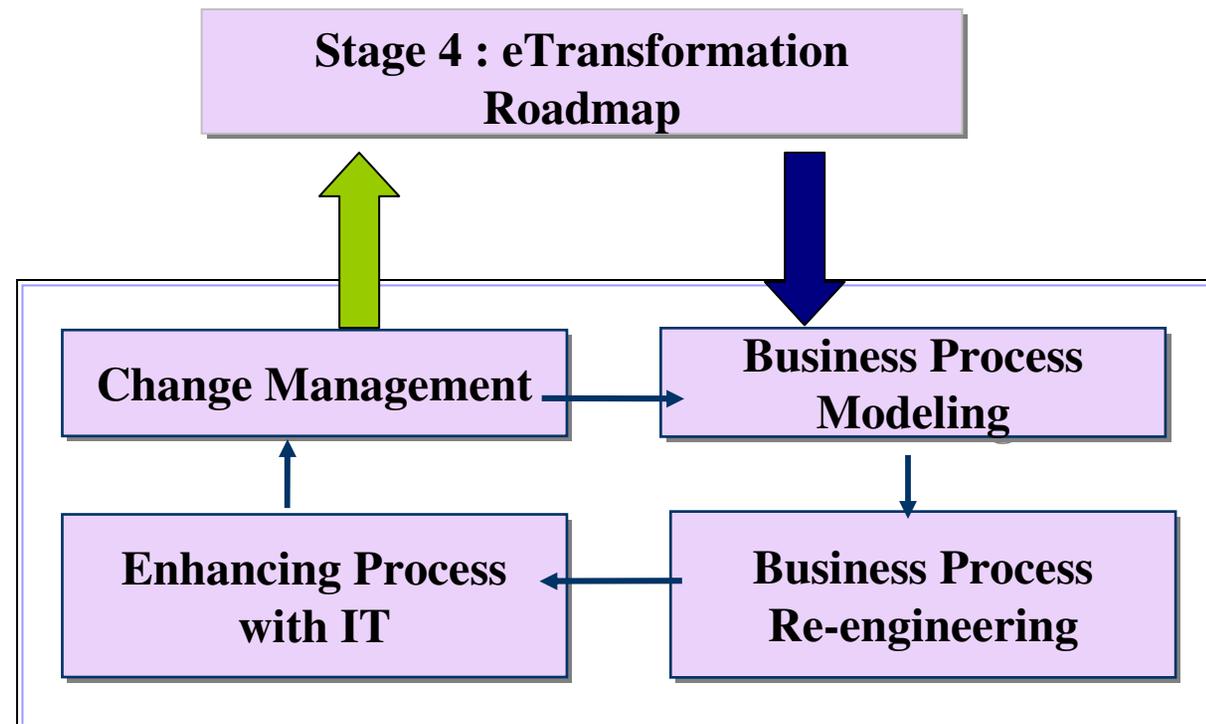
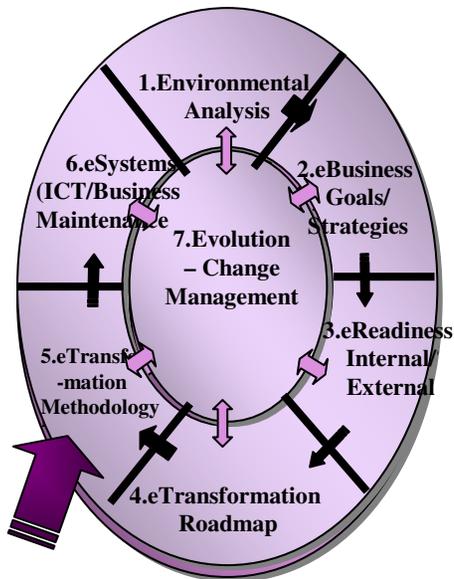
# The Company's Position and Path in the eTransformation Roadmap



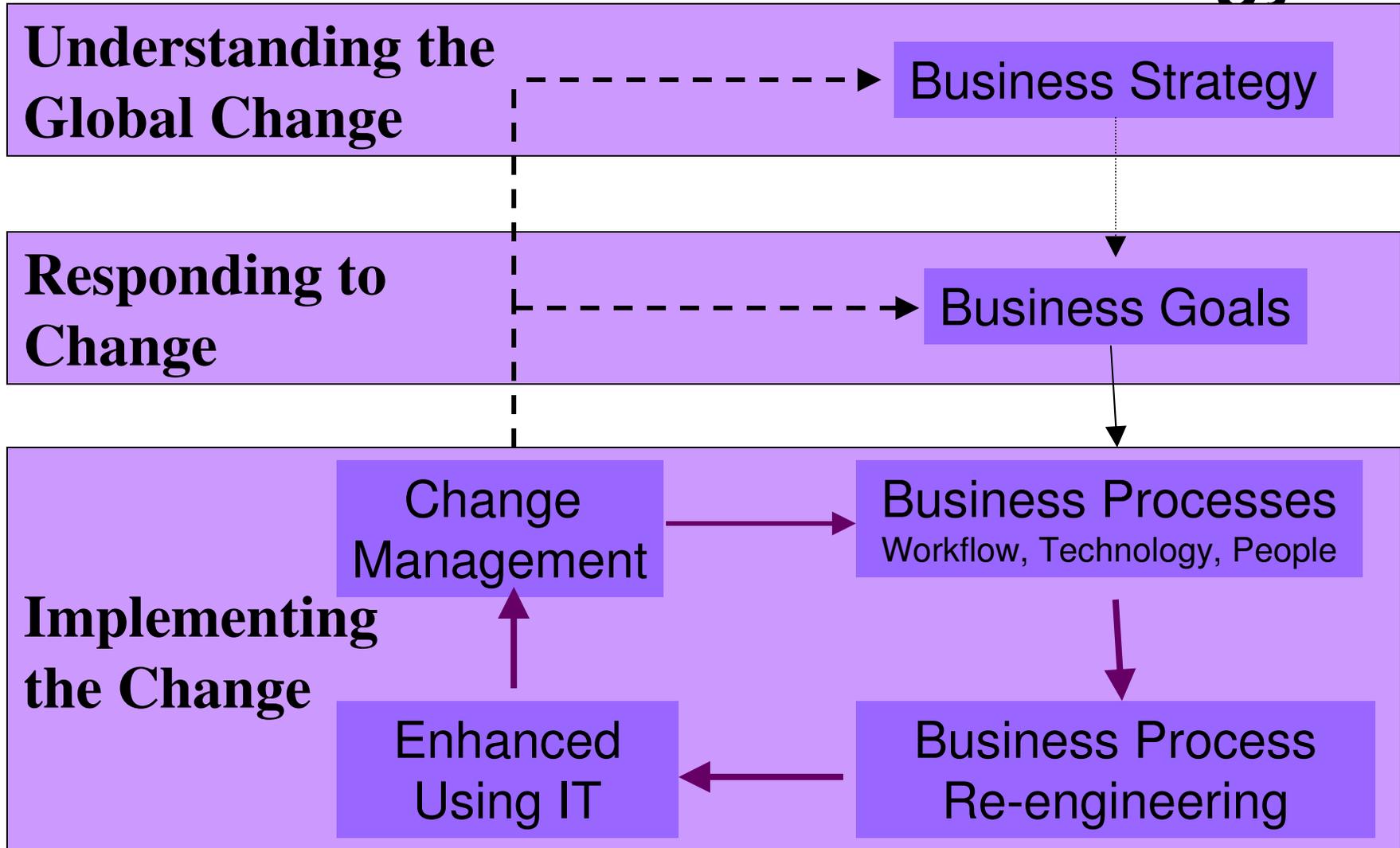
# Convergence



# Internal eTransformation Methodology



# E Transformation Methodology



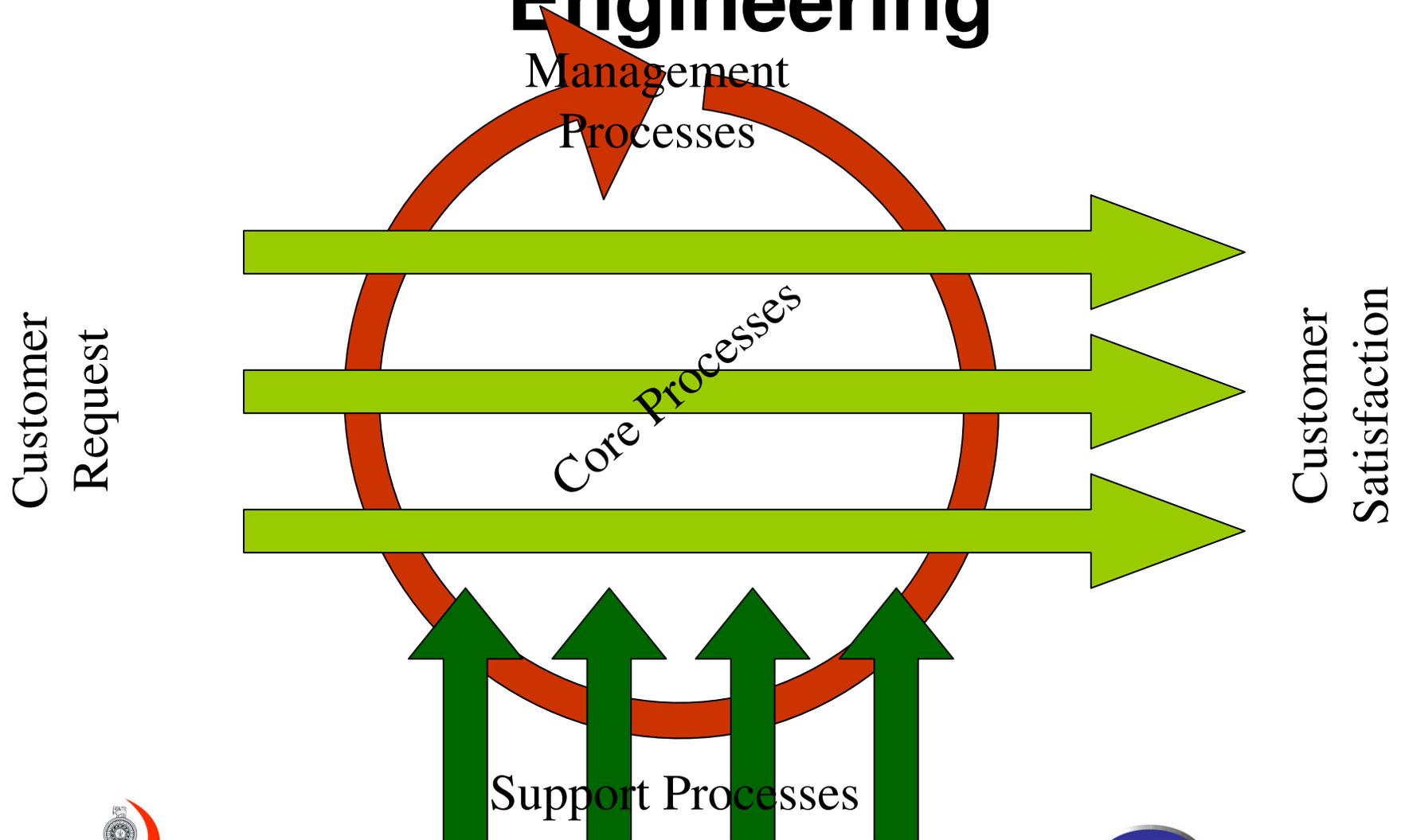
# Business Process Modelling

## Case Study – Garment Manufacturing Company

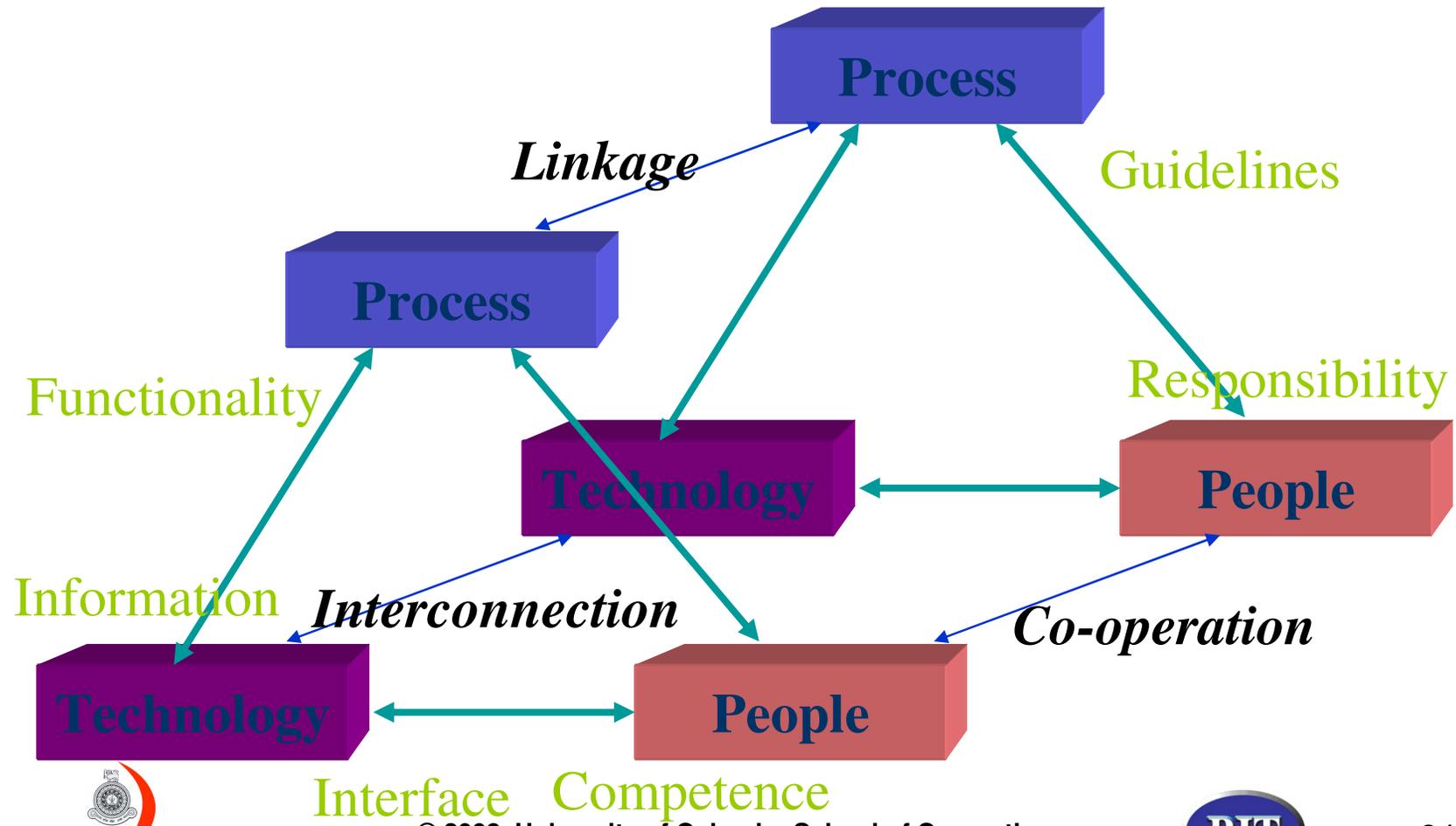
### Business Processes

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

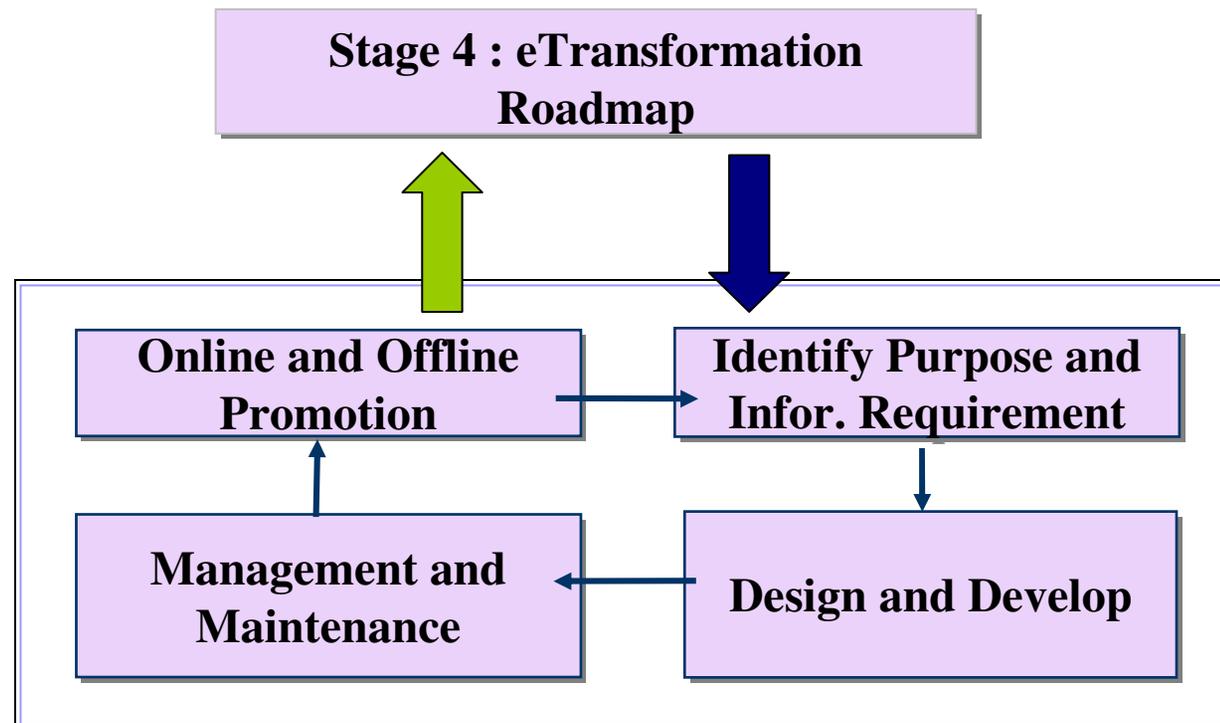
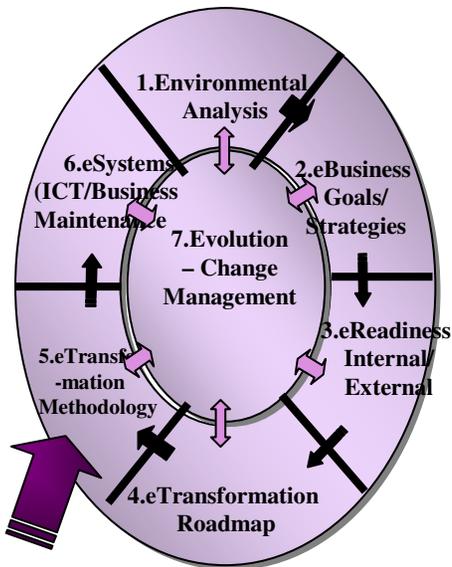
# Business Processes Re Engineering



# Understanding the Business Processes

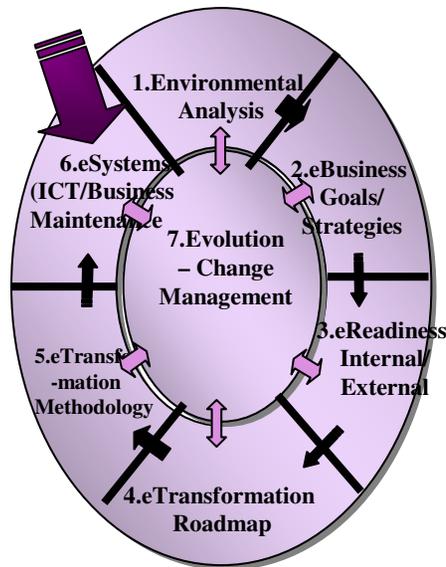


# External eTransformation Methodology



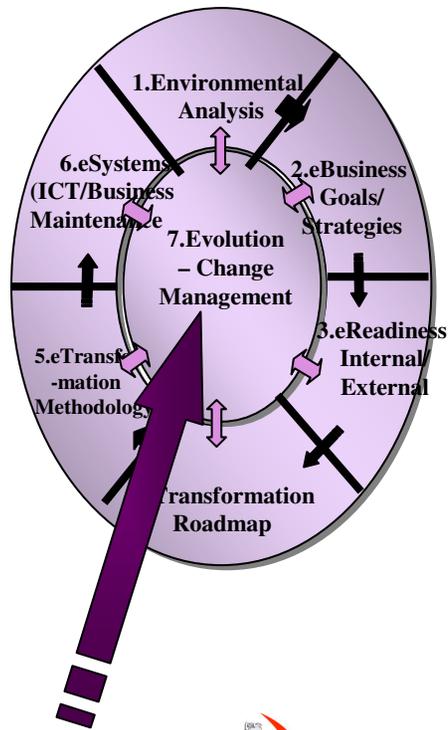


# eSystems (Policies, Support, Maintenance)



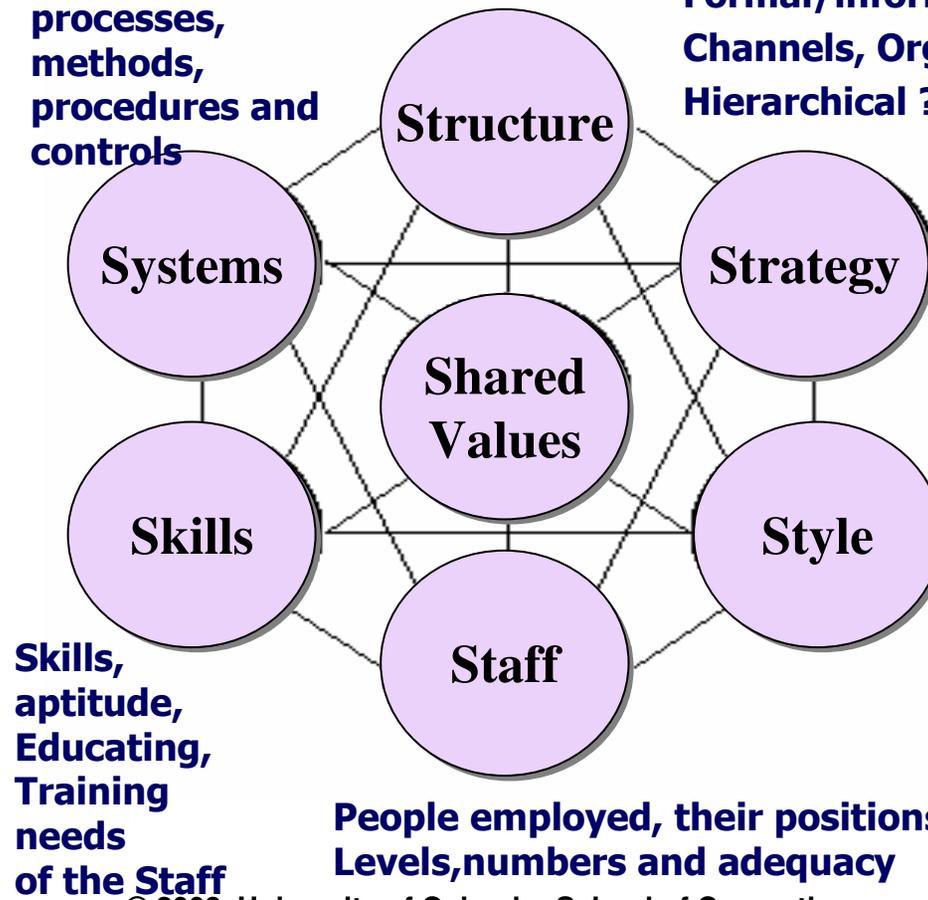
- **Management Controls** : Standards, guidelines to users, Procedures, Manuals
- **Security Measures** : To deal with common threats (sabotage, hacking, privacy, etc.) and contingency planning and disaster recovery
- **IT Maintenance and Support:** (Support for ICT infrastructure, upgrading, backing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

**Skills, aptitude, Educating, Training needs of the Staff**

**People employed, their positions, Levels,numbers and adequacy**

# 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.

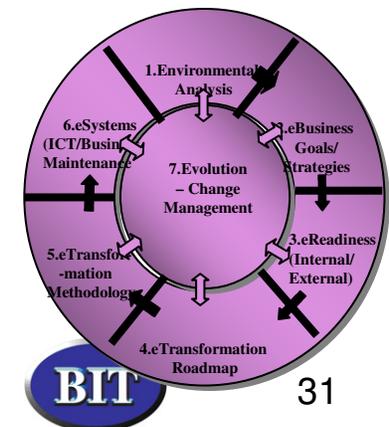
**6. Skills** - The skills and aptitude for developing customer relationships, service and sales For staff to develop appropriate new skills requires a learning environment.

**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

