Why ESAT?

The ESAT methodology is an integrated, analytical framework for diagnosing and improving overall enterprise performance

- **Emphasis of ESAT:**
  - Understanding the enterprise value streams
  - Value flow between key stakeholders and the enterprise, and
  - Interactions both within and across the enterprise
  - Allows the identification of enterprise wastes and opportunities

- **Qualitative and quantitative data points the way for creating:**
  - A future state vision
  - An actionable transformation plan and
  - Governance structure to...

- **Drive enterprise transformation**
Enterprise Strategic Analysis for Transformation

• What distinguishes ESAT from other approaches to transformation?

• A focus on the total enterprise
  • Emphasis on enterprise-wide processes, rather than individual functions, programs or tasks
  • Emphasis on value flows between the enterprise and its stakeholders

• ESAT built upon well-tested, well-understood methods
Enterpris Strategic Analysis for Transformation

1. Define the Enterprise
   - Team Charter
   - Enterprise Description: Boundaries, Stakeholders, Processes

2. Collect Data
   - Prioritized Stakeholder Values
   - LESAT Scores
   - Enterprise Resource Allocation
   - Processes Data
   - Current Metric Values

3. Construct Current State Perspectives
   - Stakeholder Value Analysis
   - Current State Process Map
   - Process Interactions

4. Identify Enterprise Opportunities
   - Alignment of Goals, Values, Processes, Metrics
   - List of Wastes
   - List of Opportunities

5. Describe Future State Vision
   - 3 - 5yr Goal
   - Transformation Focus Areas
   - Waypoint Goals

6. Create Transformation Plans
   - Strategic Transformation Plan
   - Governance Model
   - Revised System of Metrics
   - Communication Plan

7. Create Actionable Project Descriptions
   - Project Portfolios
   - Detailed Descriptions
   - Recommended Metrics
   - Resources Required by Project
   - Project Benefits

8. Create Deployment Plans
   - Integrated Transformation Plan

http://lean.mit.edu
Enterprise Strategic Analysis for Transformation

**Pre-Planning**
- Enterprise Commitment
- ESAT Team
- Current Enterprise Goals

**Workshop 1**
1. Define the Enterprise
   - Team Charter
   - Enterprise Description: Boundaries, Stakeholders, Processes

**Collect Data**
2. Collect Data
   - Prioritized Stakeholder Values
   - LESAT Scores
   - Enterprise Resource Allocation
   - Processes Data
   - Current Metric Values

**Workshop 2**
3. Construct Current State Perspectives
4. Identify Enterprise Opportunities
   - Stakeholder Value Analysis
   - Current State Process Map
   - Process Interactions

**Workshop 3**
5. Describe Future State Vision
   - Alignment of Goals, Values, Processes, Metrics
   - List of Wastes
   - List of Opportunities

6. Create Transformation Plans
   - Strategic Transformation Plan
   - Governance Model
   - Revised System of Metrics
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7. Create Actionable Project Descriptions
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   - Integrated Transformation Plan
Goals and Expected Outcomes

• Create a vision of a lean enterprise three to five years in the future which optimizes enterprise value creation & delivery

• Provide enterprise executives with a balanced decision aid to:
  • Identify barriers to the creation/delivery of value to each stakeholder
  • Specify a vision of their future lean enterprise
  • Determine significant gaps between current and future states
  • Prioritize opportunities for eliminating waste and increasing value delivery for the maximum benefit of the total enterprise
Benefits of ESAT

- Focuses at total enterprise level
- Provides a cohesive method for diagnosing an enterprise in order to expose sources of waste and to identify barriers to value delivery
- Gives consideration to the needs/values of all stakeholders
- Focuses on enterprise-wide processes
- Identifies process interfaces, disconnects and delays
- Establishes an enterprise vision for the future
- Identifies improvement opportunities that will benefit the entire enterprise
## ESAT Generic Event Timeline

<table>
<thead>
<tr>
<th>Event</th>
<th>Step 0</th>
<th>Prep</th>
<th>Workshop #1</th>
<th>Data Gathering</th>
<th>Workshop #2</th>
<th>Project Refinement</th>
<th>Workshop #3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duration</td>
<td>1 day</td>
<td>About 1 week, organization specific</td>
<td>2 days</td>
<td>3-4 weeks</td>
<td>1 week</td>
<td>At least one week</td>
<td>3-5 days</td>
</tr>
</tbody>
</table>

**Approximate Total Duration**

2 to 2 ½ months

Note: Times shown are average times and may be adjusted for each enterprise context.
Typical Resources Required

• From organization doing ESAT event:
  • Enterprise leader as champion or sponsor
  • Team lead & members are enterprise leader’s direct reports
  • Enterprise process owners on an ad hoc basis as needed to provide information

• Provided by LAI for assistance with event:
  • Leader, with background in lean and ESAT method
  • Additional facilitators to assist with the methodology

• Time to complete the ESAT methodology - minimum of 2 to 2 ½ months of execution time
Summary

The ESAT methodology provides:

- **Enterprise Perspective**
  - Enables a clear definition of the enterprise as a whole
  - Fosters enterprise thinking and system-wide improvement

- **Stakeholder Centricity**
  - Process focuses on maximizing value delivery to all key enterprise stakeholders
  - Emphasizes enterprise effectiveness over efficiency

- **Data Driven**
  - Qualitative data through stakeholder interviews
  - Quantitative data from performance against key processes and strategic goals