Strategy Alignment & Deployment through Enterprise Change Capabilities

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LAI Consortium
... a venue for collaboration on Aerospace challenges

Avionics/Missiles
BAE SYSTEMS North America
Northrop Grumman Electronic Systems
Northrop Grumman Mission Systems
Raytheon Co.
Raytheon RMS, NCS, SAS
Rockwell Collins
Textron Systems
L3 Comm

Space
Lockheed Martin Space Systems Co.
Northrop Grumman Space Technology

EdNet
37 colleges and universities in the U.S., UK, and Mexico make up LAI's Educational Network

Airframe
Bell Helicopter Textron
Boeing Integrated Defense Systems
Boeing Commercial Airplanes
Lockheed Martin Aeronautics Company
Sikorsky Aircraft (UTC)

MIT
Engineering Systems Division
Aeronautics & Astronautics
Mechanical Engineering
Sloan School of Management

Other Participants
IAM
AIA
DAU
IDA

International Collaborations:
Linköping University
Warwick, Bath, Cranfield
Nottingham Universities

Propulsion/Systems
Rolls Royce (N.A.)
Pratt & Whitney (UTC)
Hamilton Sundstrand (UTC)
Curtiss-Wright Flight Systems
Harris Government Comm.

US Air Force
SAF/AQ
Aeronautical Systems Center
Air Force Research Laboratory
(Materials and Manufacturing Directorate)
Space and Missile Systems Center (SMC)
Electronic Systems Center
SPOs: F-22, C-17

Other Government
DCMA
NASA
NAVAIR
AMCOM
OUSD(AT&L)
NRO

http://lean.mit.edu
Enterprise Challenge

- Adapting to ever-changing external environments
- Managing increasing technological complexity
- Coordinating across multiple stakeholders and interfaces
- Working through collaborative networked enterprises

MOVING FROM THE PAST
(vertically integrated) organizations

TOWARDS THE FUTURE
(networked) enterprises

Strategy Alignment & Deployment ➔ Strategic Change Implementation
Understanding
Lean + Enterprise + Change

What data and experience do we draw upon?

• **Books/documented studies**
  - Toyota and “lean” – i.e. *The Machine that Changed the World*, *The Toyota Way*, *Remade in America*, *Collaborative Advantage*
  - Management/leadership – i.e. *Built to Last*, *Good to Great*, *Execution*, *The Leadership Engine*
  - Corporate/leadership – i.e. *Jack, Who Says Elephants Can’t Dance?*
  - Strategy/Change – i.e. *The Innovating Organization*, *Leading Change*, *Breaking the Code of Change*, *The Dance of Change*

• **Case studies that identify concepts – successful “lean” change**

• **Enterprise deployment projects that develop and test concepts**
Enterprise transformation & change
... evolving from lean initiatives

Raytheon
Warner Robins
Air Logistics Center
Rockwell Collins
Letterkenny Army Depot
• A portrayal of the relationships of the enterprise with its external environment and the general ordering and integration of high-level internal enterprise processes

Developed in MIT’s Lean Enterprise course and deployed at: Ogden ALC, Tinker ALC, Warner Robins ALC, Joint AFMC & SAF/AQ Future of Acquisition Team, Space and Missile Systems Center
Limitations of Planned Organizational Change

Multi-organization enterprise form:
  • New organizational forms correlate with high performance

• Enterprises are:
  • Poly-centric
  • Multiple relationships
  • Loosely coupled

http://lean.mit.edu
Challenges of Enterprise Change

- There are different assumptions about change and context
- We can not assume that we can bootstrap past knowledge
- We need a change theory developed in an enterprise context
A approach to Enterprise Change requires…

- **Identification** – recognition of the system and network
  - *you can not engage and improve what you do not identify*
- **Directiveness** – Providing direction, order, and alignment
  - *you can not “organize” a mess*
- **Crossing boundaries** – work across units and organizations
  - *Demonstrate gains to inspire action in others*
  - *Set and manage boundaries through standards and plans*
  - *Power and politics within organizations are learnings’ enemies*
- **Developing performance** – within and then across
  - *A potential worse-before-better dynamic requires*
  - *Intergenerational and strong distributed leadership to sustain*

Note: These enterprise change propositions are contrary to current organizational change practices of relaxing central control, encouraging countless initiatives, and focusing internally.
Capabilities for Enterprise Lean Change

Capabilities are:

• resources, talents, and abilities of an organization and its people
• that have the potential for development and use, and in their use,
• create expected outcomes while further developing themselves

The *system* of change
~ leads to a ~
lean enterprise *system*