

*Two thirds
of all design
or redesign
efforts fail.*

But...



QUANTUM
CONSULTING GROUP, INC.

**Those that
succeed
can be
worth
millions
and the
future
of your
business.**

This year, hundreds of executives will announce ambitious projects to transform their businesses.

Next year, most will scratch their heads, cut their losses, and move on to the next fad. A select, wiser few will end the year with a clear vision of a bright future: a certain knowledge of where the company is headed, how it will get there and who will make it happen. They even have taken the first steps to getting to that future.

You can beat two-to-one odds and make your redesign, design or reengineering project succeed.

Such projects often fail for one or more of three reasons:

1 The project was poorly defined from the start, precluding alignment of the project's scope, sponsorship, participation and its ultimate impact on the customer. *For help with this problem, read this brochure.*

2 The project never addressed the human dimensions of design. Even the best process or project can and will unravel when those who must deliver are never included and they continue to resist. *For help with this problem, see "The Human Dimension".*

3 The organization never effectively defines transition (how to get from today to design) nor effectively manages the implementation of the design. *For help with this problem, see "Quantum's Design Methodology".*

Business Reinvention

Example: In the sixties, the entire watch industry was revolutionized when the Japanese produced the quartz watch. Existing processes became instantly obsolete. The same phenomenon is occurring today across many industries with the internet and the introduction of e-commerce.

Business reinvention creates a new basis for conducting business. It completely recalibrates the competitive yardstick in the industry and sometimes across industries.

This massive change creates wide-scale displacement in the workforce. It eliminates the need for people involved in obsolete core processes and may require different skills and competencies to perform the new processes. Because it leads to replacing or redefining every process, business reinvention eventually demands total participation from the entire organization.

The radical nature of business reinvention usually requires a mandate from the chief executive with board support.

Business Invention

Example: a gas pipeline company successfully entered the fiberoptics field by running cables through its existing pipelines. Today there are countless new examples where internet companies are providing unique services and products that did not exist five years ago.

Business invention is the holy grail in the technology and service fields. The most radical form of design, it requires creativity, foresight, and often large amounts of capital. It's most likely to be appropriate either for mature organizations or brand new ones.

Business invention, especially around unique products and services, demands new infrastructure of processes, technology, management systems, policies and practices (especially in the human dimension). This infrastructure allows the organization to handle the explosive growth that can occur in these situations. Risk is great; rewards are commensurate with success.

Lessons From the Pyramid

Use the design pyramid to ask the right questions. The answers will help you gauge the dimensions of the project. What is the impact on your customers? Is the mandate for change sufficient? Is the sponsorship at the right level? Are the right people involved? What is my business purpose?

Knowing the answers to these questions will help properly define your project, help you align components and dramatically increase your chances of success.

Quantum Consulting Group, Inc. can help you define and deliver your project effectively.

Some help with problem 1

The Anatomy of Failure

People indiscriminately, and sometimes interchangeably, apply the terms “reengineering”, “redesign or design”, “transformation” and the like to describe activities ranging from simple cost reduction and automation programs to complete, broad based transformations of corporate culture and business strategies.

This lack of precision reflects the fact that companies often conduct projects without ever really thinking about their business purpose. This in turn creates a mismatch between business purpose and project scope resulting in misalignment of critical project components.

The results: failure to gain the appropriate sponsorship, failure to involve the right people, and failure to project realistic costs, benefits and timelines. Consequently, these projects miss goals, gobble resources and yield little but disappointment. Worse yet, employee productivity and commitment to change is undermined.

The Design Pyramid

Quantum uses a pyramid as the conceptual model for thinking about business purpose, project definition and the alignment of key project components. Each side of the pyramid represents one of the four critical project components: customer impact, project scope, employee impact (participation) and management sponsorship (mandate).

Looking at the pyramid, its five different layers represent the ever increasing complexity and scope related to the purpose of a project. “Process Redesign” occupies the smallest portion of the pyramid because it is narrowest in its scope and impact, just as the pyramid is narrowest at its point. Conversely, “Business Invention” is the broadest activity in terms of its purpose, scope and impact so it covers the entire pyramid.

Using this model and its accompanying definitions should help you pinpoint the type of project being undertaken. Project requirements and alignment among the critical project components can then be addressed effectively increasing its chance of success.

Let’s look inside each level of the pyramid

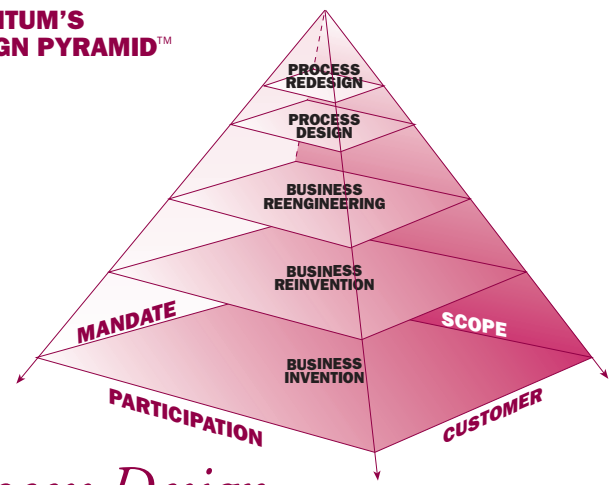
Process Redesign

Example: Implementation of just-in-time inventory yielded dramatic savings, but with little visibility to the external customer.

Process redesign involves streamlining an existing process, typically to serve internal customers and to lower costs. Its effect on external customers is minimal and indirect.

Participation is limited. Only a relatively few people in the organization will work on or be affected by the project. The source of the mandate is local in that the manager responsible for the unit or organization performing the process has the authority to sponsor the project (e.g. head of Purchasing would sponsor a purchasing process redesign project).

QUANTUM'S DESIGN PYRAMID™



Process Design

Example: Introduction of the ATM dramatically affected the core banking processes of depositing and withdrawing money and making account inquiries.

Process Design begins with a blank slate. It sets out with a clear objective of growth, cost savings, or service enhancements or multiple objectives. It challenges the best practices of competitors in those core processes vital to the business by creating new best practices. Changes to core business processes will affect service quality for external customers, but the primary focus often is the cost of the processes themselves in addition to service.

Participation in the project will likely be more extensive, as anyone responsible for processes related to these core processes - including customers - becomes involved. Core process design crosses functional and organizational lines. With more units affected by the project, approval must come from a larger number of managers, and sponsorship from a higher level of management.

Business Reengineering or Transformation

Example: An insurance company reengineered its personal auto and homeowners business delivery system. The change introduced multiple customer service access points and redefined its relationships with policyholders, agents and employees, while significantly reducing expenses.

Business Reengineering or Transformation is based on a clear business strategy with a constant focus on external customers. It often has multiple objectives relative to price, service, cost and products as well as relationships to the various stakeholders. The goal is to set a new standard for competition.

The total delivery system is redesigned or designed to produce the best services, products and practices. The core processes vital to the business change radically. All of the inter-related technical, managerial and human dimensions are designed and integrated simultaneously.

The best chances for success come when participation is extensive with all of the units affected by the change represented, either by taking part in the design portion of the project or helping to plan and implement the changes.

Typically, the systemic changes that result from business transformation require the guidance, leadership and approval of the business head.

About Quantum Consulting Group, Inc.

Led by Carol J. Rady, one of the practitioners filmed by Dr. Michael Hammer for his video on successful reengineering, Quantum Consulting Group, Inc. has a reputation for guiding major redesign, design and reengineering projects that succeed in the eyes of the client.

Quantum acts as a “general contractor”, providing the expertise to guide your project. Its consultants contribute the flexible methodology, leadership and practical experience to supplement your organization’s own resources.

Each of Quantum’s associates can provide such expertise and knowledge since each has worked on major projects on the corporate side. They have all “been there and done that”. As former executives who managed consultants, their approach to consulting relationships is refreshing and non-traditional. See the “*You Need A Consulting Firm That Lives By A Different Code*” brochure for more details on Quantum’s code of conduct and services.

Quantum’s experience covers varying company sizes and crosses industry boundaries from managed care to property & casualty insurance to life insurance and financial services to travel and foreign exchange and retail.

In our clients’ words

from the head of a \$2 billion division

“Your guidance during the early stages of our reengineering project brought it to life, gave it structure and provided a road map for the entire effort.”

from the head of two new lines of business with explosive growth

“I am exceptionally impressed with Quantum Consulting’s work product and management style and I highly recommend them to any organization that needs fast solutions.”

“Carol’s outstanding leadership kept our relatively inexperienced team on track, organized and focused at all times. This was a high visibility project with extremely tight deadlines and she hit every due date and came in on budget, every step of the way.”

from the chairman of a mid-sized, multiple line company

“Your fine technical skills and outstanding leadership abilities helped successfully complete the design phase of the project. We are confident of improved performance after implementing the recommendations.”



QUANTUM
CONSULTING GROUP, INC.

Quantum Consulting Group Inc.

282 Hebron Road Bolton CT 06043

Phone (860) 643-4445 Fax (860) 643-5299

E-mail: cjrady@quantumcnsltgrp.com

www.quantumcnsltgrp.com