



The business transformation management playbook:

Combining business and IT for successful transformation

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What is business transformation?

Change is natural for businesses. They open new offices. They hire new leaders. They introduce new policies and standard operating procedures. Sometimes, however, businesses decide to do more than change – they seek to transform.

Businesses transform themselves by adopting new technologies and business models, devising new ways of engaging customers, merging with and acquiring other companies, or entering new markets with new products and service offerings.

While business leaders initiate and drive these transformations, they tend to reverberate across the organization, impacting both how the organization operates (processes) and the tools it uses (technology/applications). At the same time, transformations introduce new people with new skills into the organization and involve re-training existing employees on new ways of doing business. Transformations also involve a significant amount of data migration from one state to another, so managing data quality in these migrations is essential. And depending on the nature of the transformation, there may be new types of data to track and integrate.



What does business transformation mean?

Business Transformation refers to company-wide changes that support new, innovative business strategies. Almost every aspect of the business is affected, including people, processes, data, and technology. Given the increasing dynamism of global markets and the emergence of technologies such as AI, the ability to transform has become a critical, differentiating business capability.

Across the organization, business transformation requires thoughtful change management and consistent communication. It also requires a reengineering of business processes and a renewed technical landscape supporting those processes.

People have written entire books on business transformation, generally from the business leadership perspective. In this white paper, while providing some high-level insight into the broader topic, we will look at both business process transformation and technology transformation through the lens of enterprise architecture and explore the critical role they play in successful business transformation.

Along the way, we will show how initiatives focused on process and technology influence other aspects of business transformation, especially communication, change management, and employee enablement. On this point specifically, we will highlight the power of using solutions that are purpose-built to support business transformation every step of the way.



The keys to business transformation success

While businesses transform for many reasons, the keys to successful transformation remain constant.



Alignment on strategic goals

Goals must be clearly formulated and consistently communicated to everyone impacted by the transformation. Everyone must be on the same page and understand how the transformation is relevant to them specifically. A clear vision sets the goals and the guardrails.

This is also true for the C-suite. For example, during a business transformation, what the CEO expects and envisions may be at odds with what the CIO knows is possible at execution. When aligning teams on goals and strategy, it is important to include upper management as well.



Alignment on outcomes and your target state

In addition to defining strategic goals, successful transformations require a clear definition of concrete outcomes.

For example, the strategic goal may be to make most customer interactions digital. This could involve revamping the website and mobile app to increase functionality as well as changing the in-store experience to “digital-first” through self-checkout.

Alignment on outcomes facilitates planning and provides clear milestones. These concrete outcomes represent the “to-be” or target state for your business. In order to successfully transform the business, you must define the target state down to the business process and technology level.

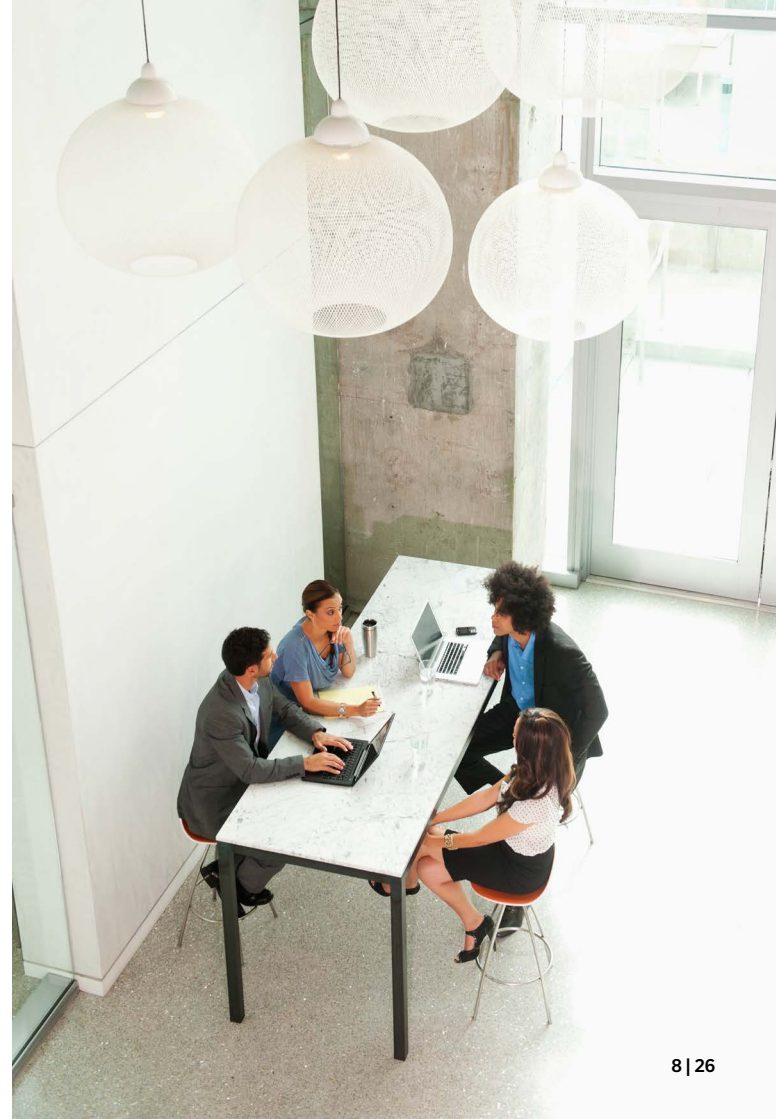


Communication, communication, communication

Transforming your business means transforming the way you do things. This means new processes and new technology, but it also means people working with new tools and doing things in new ways. Coordinating this process, getting people on board and motivated, addressing concerns, and negotiating conflicts call for ongoing communication.

Communication in transformation means conveying what the goals are, what the final state will look like, and what will happen along the way. It also means listening and providing opportunities for stakeholders to share their input.

Information is the key to communication. Giving people access to the information they need and ensuring the accuracy and reliability of that information provides the foundation for the communication efforts a successful transformation demands.



A scalable, repeatable approach to business transformation

As a first step, we advocate dividing the transformation process into five stages. We believe these stages capture the key activities that lead to a successful transformation, from strategy to execution. They offer a structured methodology that is iterative and data-driven. They are also holistic, addressing the people, process, data, and application dimensions of transformation.



In what follows, we will focus on applying this five-stage methodology to two specific layers of any business transformation: Processes and applications.



Discover: Capturing your as-is state

Before you can begin planning the journey to your future state, you need a clear understanding of where you are today. How does your business run? What business processes do you follow? Who does what in these processes? And, what technology do you require to run them effectively and efficiently?

While this may seem like a no-brainer, it is often shocking to realize how large the gaps can be between the way people think the business runs and the way it actually runs. The fact of the matter is, businesses often lack real visibility into their business processes and the way their technology supports those processes. For this reason, creating a comprehensive overview of the business process and IT landscapes as they currently exist can in itself serve as a valuable exercise and a critical starting point for transformation.

How SAP LeanIX and SAP Signavio help

You likely already have some understanding of the technology you own, and you may have documented your processes to some degree. When preparing for a business transformation, however, your understanding of these things should be deep and comprehensive.

SAP LeanIX includes automated landscape discovery to identify your existing SaaS and on-premises applications. Application data can also be smoothly imported from Excel. SAP LeanIX's built-in, automated surveys enable you to regularly engage with all application owners and continuously collect the critical information you need.

SAP LeanIX comes with an out-of-the-box integration with SAP Signavio solutions, a portfolio that helps you understand, improve, and transform business processes. These solutions are an essential part of the holistic business transformation approach from SAP. The SAP Signavio Process Transformation Suite's process mining and analytics capabilities can help you

understand, visualize, and assess the performance of the actual execution of processes within an organization based on data.

Process mining and analysis use existing data, digital traces, and event logs of your processes to visualize how each process actually works in comparison to how the process is supposed to work. Mining and analysis reveal how your processes are actually running, set the foundation for standardization and harmonization, and play a critical role in improving business operations and reducing risk.

SAP LeanIX and SAP Signavio together give you a centralized, up-to-date overview of your IT and business process landscape, an overview you can analyze within the solutions themselves. This overview can also serve as the basis for building an accurate business capability map linking your applications and processes to the business capabilities they enable.

Business capability mapping isn't an academic exercise. Rather, it's the first step towards value creation. Connecting your applications to the specific business processes they support helps you identify duplicate apps to be rationalized and gaps to be filled. It can also help uncover areas for improvement and automation within your business processes

After completing the Discover stage, you will have the necessary foundation to begin defining the strategic vision for your transformation.





Analyze: Defining how you will bring your vision to life

The Discover phase gives you full knowledge of the processes you currently follow and the applications you currently use. But this is only part of the picture.

In order to define your to-be state, you should understand how all of your processes and technology interact and, more importantly, what dependencies exist between them. Analyzing your processes and their enabling technologies is the key to understanding the scope of your transformation and knowing what will be easy to change and what will involve careful coordination.

Business processes often rely on a web of underlying dependencies, and business transformations can require periods of downtime or reduced system availability. When one component in the chain – such as an application – is removed, a business function could stop working. Who owns the application? What team is responsible for it? How will their jobs be impacted, and are they prepared to adapt as needed?

Before you take any action that could have a ripple effect throughout the organization, you need to map every

dependency between components and understand all interactions between applications, systems, and the teams that use them. With this information, you can define what things need to change, how they will change, what and whom the changes will impact, and how you should prioritize changes.

If the Discover stage is turning all of the puzzle pieces over, the Analyze stage is finding all the corners and side pieces so that you can start making sense of it all.

How SAP LeanIX and SAP Signavio help

With intuitive visualizations and pre-defined reports, SAP LeanIX provides comprehensive views of data flows and dependencies between applications, systems, interfaces, APIs, and technologies.

You can also classify applications and define the transformation scope according to established methodologies and standard best practices, including the Gartner Pace Layer model (Systems of Record, Systems of Differentiation, Systems of Innovation) and the AWS 6R framework (Replace, Re-architect, Re-platform, Rehost, Retain, and Retire). This will allow

for realistic prioritization of steps in your transformation journey as well as thoughtful resource planning.

By creating visual process maps that accurately reflect current operations, the mining and analysis capabilities of SAP Signavio enable stakeholders to gain a comprehensive understanding of process flows, inefficiencies, compliance risks, and bottlenecks. Having this visibility into your existing process landscape is critical for identifying areas that require attention and for communicating these needs across the organization.

SAP Signavio solutions also measure key performance indicators (KPIs) such as cycle times, costs, and compliance rates, allowing organizations to benchmark their performance against industry standards or historical data (all available within the solution itself). This helps prioritize actions based on the impact they will have on performance metrics crucial to the business's success. You can also identify gaps between current processes and desired operational or strategic outcomes so you can align processes more closely with strategic objectives.





Design: Creating your to-be state

In this phase, you will focus on the new, transformed business landscape you want to create.

Start with your business goals

Your business goals provide a lens through which to examine your current organization. What will need to change or improve in order for you to achieve these goals? And, more importantly, how will that change happen?

For example, if one of your goals is market expansion, you may need to implement a new geographic information system (GIS) or new business intelligence (BI) tools. You may also have to establish partnerships or alliances to gain access to new geographies or customer bases.

If your goal is to transform the customer experience, you may need to redesign the customer journey to be more intuitive and engaging, utilizing omnichannel strategies. You may also need to invest in new customer service training and technology.

As you drill down to determine what it will take to create your

transformed business, you can begin defining specific goals for your business processes. Following this line, you will be able to identify the people you need to execute these processes and the technology they will need to do it.

What will it look like when you have achieved your business goals?

You must be able to clearly state what it will look like when you have achieved your business goals. This is fundamental to providing direction, motivating stakeholders, measuring progress, communicating effectively, and allocating resources efficiently. It turns the abstract concept of change into a tangible and achievable vision.

“We will have introduced our **new product** across all **major markets globally**.”

“We will have created an **optimized** and **highly automated** customer journey.”

“We will have moved all manufacturing offshore **without any loss of quality**.”

What has to be in place for your plan to succeed?

What has to be in place for you to achieve your stated goals must be crystal clear. This clarity ensures all stakeholders understand the requirements and commitments necessary, from technological upgrades to skillset enhancements and process changes. Moreover, this clear articulation helps identify potential gaps or challenges early in the process, allowing for proactive solutions and adjustments.

"We will have established a dependable production and distribution system as well as customer support and partner relations that ensure [global availability](#) of our new product."

"We will have reengineered the buying process as well as all customer support functions, [enabling digital customer touchpoints](#) from first contact through sales to customer service and support."

"We will have implemented an integrated data analytics and BI system that enables [real-time insights](#) into market trends, customer behavior, and product performance."

What processes need to be in place, and how will they be supported?

To ensure the success of your transformation, it's essential to implement streamlined processes that support the achievement of your newly defined business goals. These processes will form the operational backbone of your transformed organization.

Ensuring global availability of a new product, for example, could involve implementing just-in-time inventory practices and optimizing logistics and distribution routes using advanced analytics. Transforming customer support processes might mean adopting CRM systems that offer a 360-degree view of the customer for personalized support. Adopting BI tools that enhance reporting and decision making will require new training and new protocols.

Having defined the business processes you wish to implement and the application landscape those processes will require, you can work on creating those processes and planning out your technology roadmap.

"We will have developed a [cross-functional process](#) that ensures seamless collaboration between R&D, marketing, sales, and customer support teams to [accelerate product development and market introduction](#)."

"We will have implemented a [continuous feedback loop process](#) that gathers insights from customer interactions across all digital touchpoints, [enabling swift adjustments to products and services](#) in response to customer needs and market demands."

"We will have established a [comprehensive data governance process](#) that ensures data quality, security, and compliance across all business operations, enabling [informed decision making](#) and fostering trust among stakeholders."

How SAP LeanIX and SAP Signavio help

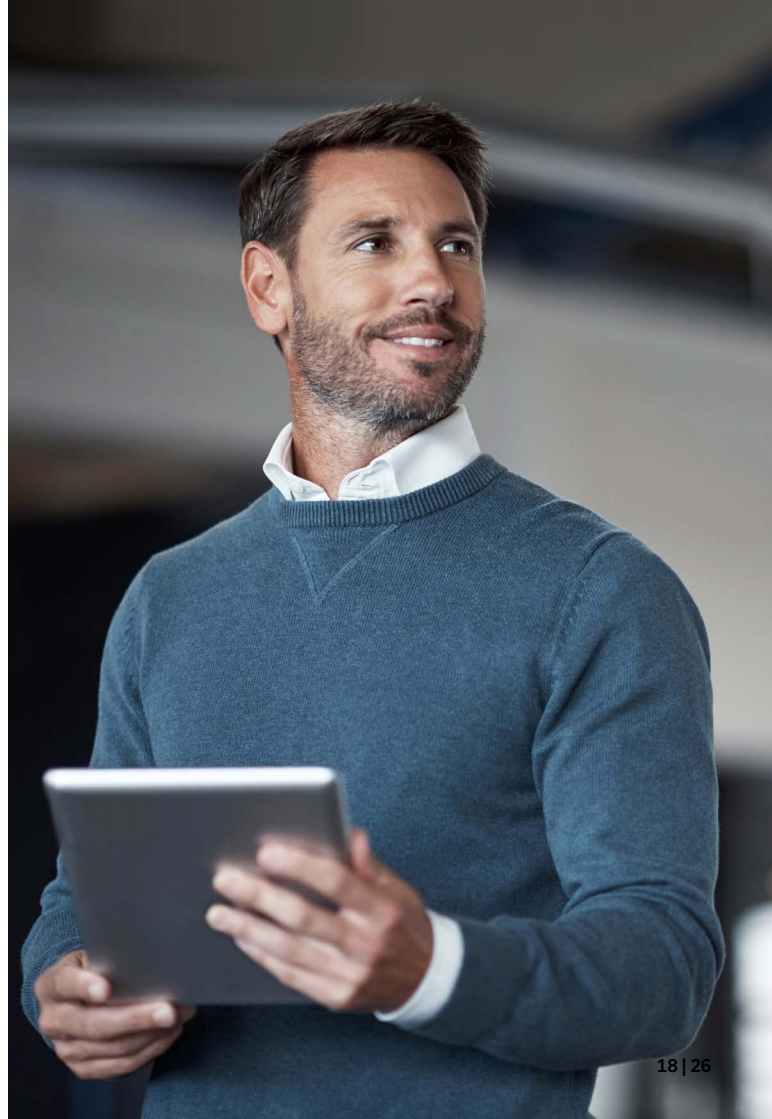
Now that you have the required view of all your applications, business processes, and interdependencies, as well as a single source of truth for communication and collaboration between stakeholders, you can begin designing your target architecture and creating the roadmap to achieve it.

Both SAP LeanIX and SAP Signavio solutions offer scenario planning and simulation capabilities, allowing you to create a digital twin of all of your business processes, model different transformation scenarios, and assess their impacts. This includes understanding how changes to applications, technologies, or processes will affect business capabilities, operations, and strategic goals. SAP Signavio solutions also allow you to design, model, simulate, and compare new processes so that you can validate your ideas and their potential outcomes in an instant.

Both solutions also facilitate collaboration among stakeholders by providing a shared platform for documenting, analyzing, and planning transformations. This collaborative

approach ensures that all perspectives are considered and that the impacts of transformations are fully understood and accepted across the organization.

With SAP LeanIX, IT landscapes can be visualized through a series of interactive timeline reports, so you can predict how IT and business environments will take shape at any stage during your transformation. This enables enterprise architects to understand which initiatives are sequentially dependent on others, so they can determine the optimal order of operations for transformation steps and build an actionable transformation roadmap. Meanwhile, SAP Signavio ensures that business process changes are reflected in IT systems and applications, facilitating a smooth transition and minimizing disruptions to operations.





Implement: Executing your plan

You are now ready to begin the actual transformation of your business by implementing your new processes and the changes you have planned for your IT landscape.

The communication and change management practices that are key to business transformation become especially important at this stage. As the process of change unfolds, you need to keep the organization informed so that everyone understands how things are going and what is going to happen next. You also need to document the steps you are taking, detailing how the new processes function and how the application landscape has changed.

Enablement is critical here. Whether we are talking about ensuring that people follow new processes or adopt new applications, employees need ongoing support, training, and guidance.

How SAP LeanIX and SAP Signavio help

Alignment between stakeholders is one of the most difficult business transformation challenges. Changes will be made to people's daily jobs and multiple processes the business requires to function.

With SAP LeanIX and SAP Signavio solutions, you can align tasks within the transformation, thus supporting collaboration and monitoring your progress. For example, the SAP Signavio Collaboration Hub enables stakeholders to provide inputs and comments in a centralized solution, ensuring stakeholders are informed about changes to relevant content, requested feedback, and individual mentions. Since the content can be curated for specific audiences, stakeholders can focus on the information that is relevant to them.

SAP LeanIX enables you to determine what the direct and indirect effects of shutting down or migrating applications will be. You can know what processes and capabilities will be affected and when. You can also know who owns which applications, whom to notify, and which teams have to adjust workflows accordingly.

SAP LeanIX enables documentation of all changes as your transformation project progresses. Documenting the execution of each step provides visibility into project progression through reports and dashboards, helping to maintain alignment and buy-in.

All stakeholders can access SAP LeanIX reports and dashboards, ensuring that the right people with the best data on the actual use of their respective applications can share their input. You can also add the most important reports at each stage of the journey to your dashboard so that other stakeholders are provided with instant visibility into what matters to them. This helps everyone stay informed about the progress and results of the transformation.

The powerful combination of SAP Signavio solutions and SAP LeanIX allows you to automatically sync your enterprise architecture data with your business process data, then analyze the integrated data to inform your decisions. This enables you to optimize business processes and IT infrastructure implementations.

The seamless integration between SAP Signavio solutions and SAP LeanIX also allows business process architects and enterprise architects to use their tools of choice while maintaining a shared view of the ongoing transformation. This ensures that stakeholders across the organization speak the same language and collaborate effectively.

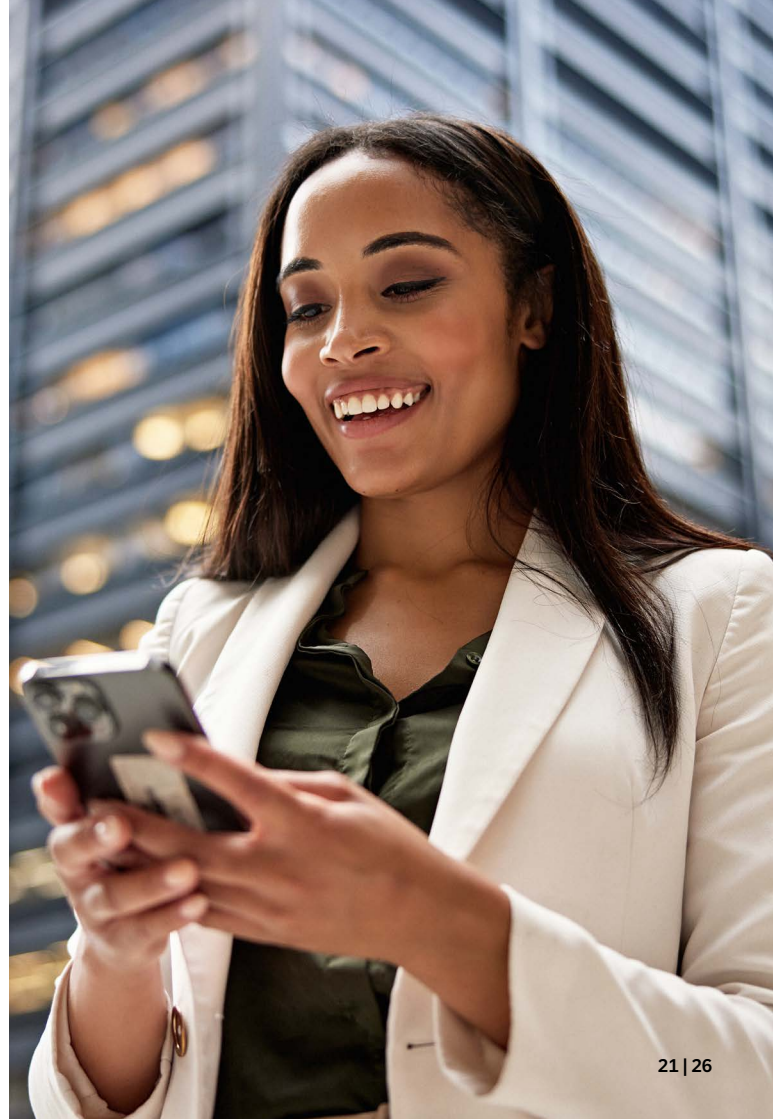
A shared point of reference is especially important for change management. By facilitating clear communication, training, and impact analysis, and providing KPIs and status updates, SAP Signavio solutions and SAP LeanIX ensure that all stakeholders are prepared for and supportive of the changes to come. Such support is critical for overcoming resistance, building consensus, and ensuring a smooth transition to the new process landscape.

The combined perspectives of SAP Signavio solutions and SAP LeanIX help you achieve business and IT collaboration, reduce uncertainty, make faster decisions with confidence, and ultimately streamline your business transformation.

Change management is one of the most important factors in a successful ERP transformation. Disruptions in workflows, complex dependencies, and new learning curves must be anticipated and overcome in a holistic, collaborative way.

Check out our [comprehensive whitepaper](#) on the five critical steps to change management in any ERP transformation project:

1. Identify and engage all stakeholders
2. Articulate the vision and bring everyone on board
3. Form cross-functional teams and keep everyone on the same page
4. Implement enablement programs
5. Communicate and celebrate milestones





Operate: Walking the walk

Ideally, at this stage, you are up and running with a new, agile way of doing business. But, as you will have learned, the journey is not only iterative, it is also continuous.

Business transformation is never a “one-and-done” exercise. Businesses transform because the business environment continually evolves and occasionally undergoes unpredictable disruptions. Staying agile and resilient in the face of this perpetual change calls for ongoing monitoring and assessment of your business, even after you have successfully transformed.

Continuous tracking and analysis will enable you to refine and evolve processes and optimize the application landscape. This allows you to continuously improve your business and adapt to new challenges as they arise. Your business will now be agile enough to take these common challenges in stride.

1. You missed something

When creating your transformation roadmap, you may discover a dependency you had not accounted for or realize you have made decisions based on incomplete data. Now, things aren't going according to plan.

Perhaps a new process can't be followed because a specific step is not supported. Or a new system can't be implemented because a legacy data source was not identified and updated. Whatever the case, your roadmap is incomplete and needs to be adjusted accordingly.

2. The business situation changes

The time it takes to successfully undergo a business transformation depends on the project. While a single-application cloud migration can be done opportunistically or in manageable stages, ERP transformations or adopting an entirely new business model will take longer.

During that time, a lot can happen. A new competitor may enter the market. A new technology might emerge that threatens your business model. A global pandemic or a regional conflict may disrupt supply chains or impact a critical customer group.

No matter what has changed, you will have to revisit and adapt your plans to account for it.

3. Scope creep

Scope creep in a business transformation refers to additional functionalities or modifications being introduced without proper consideration, impacting budgets and timelines. It typically occurs when changes in business requirements are not effectively communicated or when the project's goals are not clearly defined from the outset.

Again, you will need to update your timelines and project plan to reflect the new scope.

How SAP LeanIX and SAP Signavio help

No matter the challenge, SAP LeanIX and SAP Signavio

solutions enable you to dynamically adapt your roadmap and maintain organizational focus with continuous communication, while staying on schedule and on budget. This is true for challenges of all types, from small day-to-day operational challenges to major market and/or technological shifts. All stakeholders in the business will be equipped with accurate insights to proactively make better decisions.

With SAP LeanIX and SAP Signavio solutions, you can always explore the potential impact of different scenarios as challenges arise. Both portfolios allow you to preview and contextualize the outcomes of different initiatives before executing on them. As a result, you can evaluate and compare future states, analyze results, and make adjustments to your roadmap.

As we said before, SAP LeanIX and SAP Signavio solutions keep everyone on the same page, viewing the same information, and speaking the same language. With a single source of shared truth, accessible to and updated by all relevant team members, you can ensure that the right people continuously understand the current situation and future outlook.

Real transformation is continuous

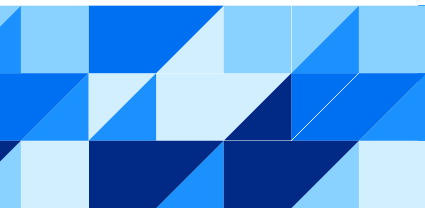
As the digital economy accelerates and market dynamics change, process and technology transformations will play an ever-increasing role in business success.

These complex transformations require a robust enterprise architecture practice and the right EA tools to ensure organizational alignment on strategic goals and outcomes. They also require continuous, seamless communication and collaboration across teams and the ability to swiftly adjust to changing circumstances and unforeseen roadblocks.


SAP LeanIX and SAP Signavio solutions offer a holistic approach to business transformation. They provide the data, tools, methodology, and collaboration capabilities you need to align all teams and make faster, more informed decisions,

keeping you on track and on budget. Bringing these solutions together significantly multiplies their respective value across both business and IT.

By aggregating information in a single source of truth, you can map and analyze your current state, design and simulate your target state, create an actionable transformation roadmap to get you there, and monitor the execution and value generation along the way. Throughout your transformation, SAP LeanIX and SAP Signavio solutions enable you to track progress and dynamically adapt your roadmap as challenges arise. What's more, by creating a single source of truth, they lay the foundation for your next transformation, whatever form that might take.



See how SAP LeanIX and SAP Signavio solutions can power your business transformation. Request an **enterprise architecture solution demo** or request a **process-centric transformation demo**.



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SAP LeanIX is a market leader for enterprise architecture management (EAM), driving the modernization of IT landscapes and continuous business transformation. Its software-as-a-service solutions empower organizations to create transparency, enabling them to visualize, assess and manage the transition towards their target IT architecture. By offering a data-driven and automated approach enhanced with AI, SAP LeanIX helps organizations make sound decisions and collaborate more effectively. SAP LeanIX serves over 1,000 companies globally across various industries, including more than 10% of the Fortune 500 and half of the German DAX 40. Headquartered in Bonn, Germany, SAP LeanIX has a strong international presence with offices in Boston (USA), London (UK), Paris (France), Amsterdam (Netherlands), and Ljubljana (Slovenia). Founded in 2012, the company was acquired by SAP in November 2023. For more information, visit www.leanix.net.

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