

Helping you navigate
what's in your way, so you
can lead the way



TRANSFORMATION
PURSUING A RADICAL AND DARING CHANGE IN
APPROACH TO EXPLOIT A CHANGING WORLD

CAPABILITY STATEMENT TRANSFORMATION

Transformation is much more than soft, safe incremental change – it is a marked (and sometimes radical) change in form, nature, or appearance. A dynamic and changing world presents opportunities and a requirement for organisations to embrace and embed change. On occasions it is necessary not just to change but to transform the way an organisation looks at its market, serves its customers and outplays its competitors.

Transformation Programs ('TPs') emerge when it is recognised that new ways, not minor improvements to existing practices, are necessary to exploit an opportunity or address a threat. Well-conceived, the TPs are often departmental or organisational wide and can include:

- Reframing and reworking the way an organisation views its market, products and services;
- Aligning planning, performance measurement and resources to achieve new strategic objectives;
- Assessing the cost benefits of changes in business processes or deployment of technological systems; and
- Streamlining of business units or assets.

This paper describes how RSM can assist in planning, assessment, development, implementing and reviewing a full transformation program.

HOW CAN WE HELP

RSM consultants and advisors are skilled and experienced in helping clients successfully achieve their TP objectives and targets. We bring to the table unique leadership and project management experience to help guide the process, manage the risks and ensure successful delivery.

With complete independence we can assist in a variety of ways, including:

- A full assessment of current state practices, against best practice and emerging trends;
- Consideration of new environmental factors such as changes in legislation and standards;
- Preparing and developing a menu of transformation options;

- Providing factual assessments and cost benefit analyses for each of the options, plotting cost benefits against risk;
- Plotting a transformation roadmap, including work programs, key milestones and critical success factors; and
- Project managing the TP, guiding the deployment of resources, performance to target and reporting to all relevant stakeholders on progress and outcomes.

BENEFITS OF TRANSFORMATION

Transformation programs are hard work and if well executed can deliver many benefits to an organisation. Benefits should be measured in tangible ways with clear verification of the outcomes achieved. Measures of success could include:

- Reduction or elimination of high-risk or inefficient activities;
- Clear quantification of prospective future-state models and enabling a cost benefit analysis of available options;
- Successful deployment of new practices to enhance products and services, boosting market share and overall financial performance; and
- A tangible shift in culture and lived behaviours to support and embrace change to ensure organisational readiness for future challenges.

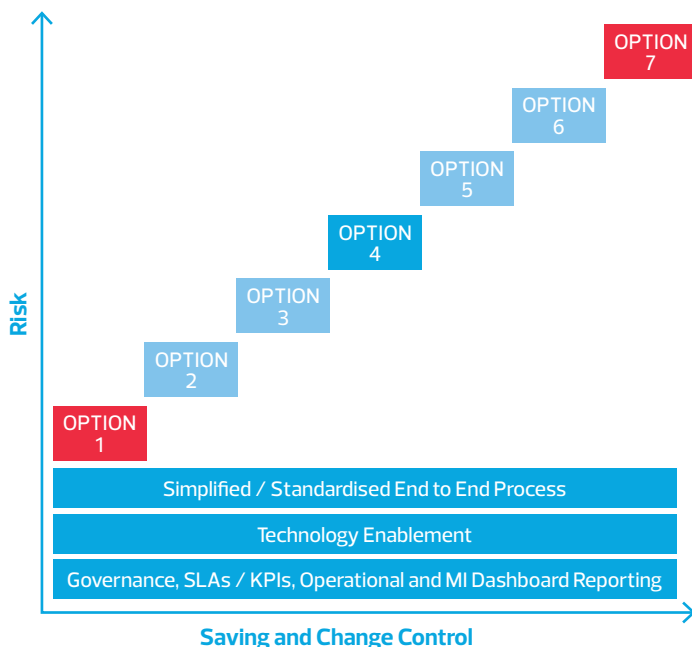
TRANSFORMATION METHODOLOGY

Our methodology to assist in identifying, and assessing, options within an organisation is built around four core pillars and workflows:

- **Service Delivery and Alignment** – Performance of the services, for example time to process a transaction, consistency of advice and equality of access to specialist services.
- **Innovation, Risk and Quality** – This refers to the quality of the services as perceived by service users (stakeholders) and the value that is added by alternative operating models.
- **Value and Cost** – Covering benefits which reduce the cost of service in terms of productivity savings, efficiency savings, cash releasing, cost avoidance or releasing productive time.

- **Capability and People** – This covers an assessment of whether the shared service unit has the right people and processes to support shared service users.

In considering these four areas we present a menu of transformation options which are aligned to risk, cost saving and change control. Such as the diagram below:



OUR APPROACH

To assist in transformation, we research the current state of the organisation and understand the reasons why a decision / change is being explored. The journey is then aligned to our five-phased approach:



To assess the current culture and preparedness for a TP, we start at the top with a Board and senior management interviews. This approach enables an understanding of the issues and potential future state solutions. Following this, recommendations are typically made which map the steps and key benefits of transformation. This can include:

- Obtaining a detailed and shared understanding of the existing services, strategic direction and key activities of each entity (including details of the recipients of the services);
- Inviting feedback on current performance from a broad number of service recipients;
- Engaging directly with key stakeholders and service recipients to ensure their existing and emerging needs are considered and that ultimately, each understand and support changes that may emerge;

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

rsm.com.au

Liability limited by a scheme approved under professional standards legislation

- Assessing current state service delivery having regard to value add, current capability, alignment with needs of stakeholders, organisational and business risks as well as the focus on innovation;
- Suggesting future model(s) for the delivery of each of the services currently provided which addresses risk, improves efficiency and meets the needs and requirements of the stakeholders; and
- Outlining the key steps required in any potential transition that might be recommended.

ABOUT RSM

The RSM global network is represented in 120 countries, enabling us to access best practice insights and local expertise in both the public and private sector to assist you, no matter where in the world you are operating.

It is our strong, collaborative approach that differentiates us. RSM Australia works with our US and European firms to ensure our local clients leverage not only our local expertise, but that of our network. We strive to truly understand your business, your strategies and your aspirations and endeavour to be considered the adviser of choice. With 29 offices across Australia, our clients benefit from our geographic diversity by effectively utilising our shared expertise, ideas, technology and experience.



- 6th largest global audit, tax and consulting network
- Firms in 120 countries and are in each of the top 40 major worldwide business centres
- Over 38,00 in 760 offices
- Clients from growth-focused entrepreneurial business through to leading multi-national, cross border organisations

To find out more about us please visit
rsm.com.au

