



Enterprise Transformation Manifesto



The golden principles for improving enterprises while respecting society's fundamental values and interests

Motivation of the Manifesto

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Enterprise System

- By "Enterprise", we mean any type of organized and willful entity or action. Considering the Enterprise as a system helps to cope with its complexity.

Enterprise policy & the open society

- The Enterprise expresses its values, in accordance with society and its value system. Its actions should conform to its values.

Enterprise Architecture

- Enterprise Architecture is the discipline that analyzes the strategy and determines the main decisions for transforming the Enterprise System.

Quality of the Enterprise System

- The quality of the Enterprise System directly impacts the way the Enterprise behaves and evolves. It is of paramount importance to analyze and assess this quality.

Enterprise Transformation

- Mastering the transformation of the Enterprise requires the target and the trajectory to be made clear. The target defines an aspirational state of the future Enterprise System.

The human adventure

- Transforming the Enterprise and improving its contribution to society require specific skills and motivations. Bridging the Enterprise and the University is part of this adventure.

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A commented version of this document is available on the web site.

✓ 1. Motivation of the Manifesto

In the face of complexity, this manifesto articulates core principles and offers an escape from confusion, gloom and doom. It aims to reinforce our ability to act.

1.1. "Enterprise" here denotes any kind of human organization, grouped together, motivated and driven towards a common goal.

- 1.1.a) The term "Enterprise" covers the companies, groups, organizations, associations... be they public or private, for profit or not-for-profit.
- 1.1.b) The term "Enterprise" may also be used in its other meaning and refer to human endeavor, project, adventure, exploration...

1.2. This manifesto expresses the belief that an enterprise can be improved through different courses of action.

1.3. At its root, the manifesto springs from a feeling - shared by its signatories - that enterprises need to adopt a comprehensive and multidisciplinary approach to cope with their inner complexity and increasingly complex environments.

- 1.3.a) The enterprise methodology, Praxeme, provides such a comprehensive approach.
- 1.3.b) The Praxeme Institute is a not-for-profit association whose aim is to develop and promote Praxeme as an open method.

1.4. The Manifesto aims to summarize best practices and principles in order to share and diffuse them on a wide scale, among partners and through teaching.

- 1.4.a) These golden principles are generic and may apply to various methods in numerous contexts.
- 1.4.b) Signing the Manifesto means agreeing with the principles stated.
- 1.4.c) The signatories agree to encourage the initiative for an open method without necessarily adopting it themselves.

✓ 2. Enterprise System

The notion of Enterprise System belongs to the fundamental tenet of our philosophy.

It is our *petitio principii* that the Enterprise and its transformation will benefit from the rational approach and the attempt to adopt a scientific method.

By "Enterprise", we mean any type of organized and willful entity or action. Considering the Enterprise as a system helps to cope with its complexity.

2.1. The Enterprise is a complex object.

- 2.1.a) By "complexity", we mean that the object can be understood and its behavior can be predicted only by considering numerous inter-related elements.

2.1.b) Enterprise complexity stems from the many different planes of its key components, the great variety of its in-house expertise and knowledge and the autonomy of will and action of all its component parts – which are themselves complex systems.

2.1.c) When neglected, this complexity can lead to wrong decisions being made and alter the running and being of the Enterprise.

2.2. The Enterprise System is the Enterprise that perceives itself as a system.

2.2.a) Considering the Enterprise as a system emphasizes its nature as a complex object, made up of many interconnected parts working together.

2.3. The Enterprise System embeds many aspects.

2.3.a) It is not possible to understand and master the Enterprise without first untangling its many aspects.

2.3.b) Many different disciplines are required to understand the Enterprise System, in both its individual aspects and as a whole.

2.3.c) It is not enough to just summon all the required disciplines; the specialties need to be linked together, so that the unity of the Enterprise System is preserved and understood.

2.4. For a good and actionable description of the Enterprise System, the aspects have to be both separated and linked together.

2.4.a) Describing the aspects of the Enterprise System is a way to simplify the representation, assign responsibilities, clarify the decision making process and manage the competences.

2.4.b) What has been separated for the sake of analysis must be rearticulated, otherwise the complexity is ignored. The aspects must, therefore, be linked together by carefully analyzing their dependencies.

2.5. Before any design or transformation of the Enterprise System is undertaken, its reality and environment must be understood.

2.6. The business of the Enterprise manifests itself across three aspects: knowledge, organization and geography.

2.7. The Enterprise System encompasses aspects that relate to its internal equipment and the deployment of the means at its disposal.

3. Enterprise policy & the open society

Before we can even think of Enterprise transformation, we have to clarify the values and purpose of the Enterprise. To do this, we must consider the role of the Enterprise within society as a whole.

The Enterprise expresses its values, in accordance with society and its value system. Its actions should conform to its values.

3.1. The Enterprise policy states its core values and the way it intends to set them in action.

3.2. The Enterprise recognizes, adopts and supports general values shared by the open society, of which it is a part.

- 3.3. The Enterprise expresses its policy and communicates it to its stakeholders.**
- 3.4. The Enterprise is a place where various cognitive universes and value systems cohabit. The rational Enterprise admits and recognizes this diversity.**
- 3.5. Among other factors, ideology plays a role in the Enterprise as well as in society. Actors must be aware of this in order to better design and lead the transformation.**
- 3.5.a) "Ideology" refers to the set of pre-wired answers that the actors use in their day-to-day actions and decision making.
 - 3.5.b) An Enterprise ideology combines values, fixed representations and a theory of action.
 - 3.5.c) Applying the Enterprise ideology is justifiable and efficient, provided that it remains within clearly set limits, for ordinary and repeatable circumstances.
 - 3.5.d) Outside of these limits, there is a risk of misunderstanding a new situation and not responding accordingly. Ideology, used as an answer to everything, could be misleading.
 - 3.5.e) Openness remedies the drawbacks of ideology. It mitigates the risk of dogmatic behaviors by introducing exogenous elements of thought and knowledge.
- 3.6. It is only when looking at the Enterprise's ultimate aim that its true values are revealed.**
- 3.7. Once the Enterprise has articulated its policies, it can work on its transformation and design its strategy.**

4. Enterprise Architecture

As a phrase, "Enterprise Architecture" refers to the discipline that helps make decisions regarding the Enterprise System.

It can also designate the description of an individual Enterprise System. In this case, we write "Enterprise architecture", with a lower case 'a'.

Enterprise Architecture is the discipline that analyzes the strategy and determines the main decisions for transforming the Enterprise System.

- 4.1. Rational action applies this basic truth: we need to understand and build a valid representation of the Enterprise System before making decisions and taking actions.**
- 4.2. Enterprise Architecture is the discipline that is in charge of the overall design of the enterprise, in accordance with its strategy and values.**
- 4.3. The starting point of Enterprise Architecture lies with the Enterprise objectives and values, whether conscious or not.**
- 4.4. Under the term "scoping", Enterprise Architecture gathers all valuable information, decisions and knowledge, which are not necessarily expressed in a formal way.**
- 4.5. The architecture of the Enterprise System obeys precise rules.**

These rules lie at the core of Enterprise Architecture as a discipline.

4.6. As a discipline, Enterprise Architecture interacts with other disciplines that contribute to the transformation and monitoring of the Enterprise System.

4.7. Enterprise Architecture prepares the transformation of the Enterprise.

This is done by means of formal representations.

5. Quality of the Enterprise System

When analyzing the quality of an Enterprise System, we oppose complexity and complication.

When assessing or designing the Enterprise System, several fundamental properties must be considered. They include:

- agility,
- traceability,
- auditability,
- interoperability.

In each aspect of the Enterprise System, specialized disciplines provide deeper analysis of quality properties.

The quality of the Enterprise System directly impacts the way the Enterprise behaves and evolves. It is of paramount importance to analyze and assess this quality.

5.1. The complexity of the Enterprise System is both a strength and a risk.

5.1.a) Complexity is a risk insofar as it requires an increasing amount of resources or it leads to an unmanageable situation.

5.1.b) The irreducible complexity of the Enterprise System allows it to adapt to a changing environment and to respond to new situations. This can be a real advantage, provided that it is controlled.

5.2. Complication is unnecessary and artificial complexity, generated and accumulated through the Enterprise's history.

5.2.a) Every system suffers from a natural tendency to complicate matters unnecessarily - in other words creating complication without any added value.

5.2.b) This tendency affects the organization, its processes and its information system.

5.3. The Enterprise must constantly struggle against complication while preserving its irreducible complexity. The solution to this equation combines two principles: eliminating redundancy and establishing the right coupling.

5.4. The Enterprise System seeks out agility: its ability to adjust to a changing environment.

5.5. The content and documentation of the Enterprise System must ensure traceability so that it is easy to relate every property or event to their potential causes.

5.6. In order to ensure transparency and confidence in the quality of the Enterprise System, it must be built in a way that allows for auditability.

5.7. The Enterprise System may be made up of, or interact with, other systems, both now and in the future. Interoperability is, therefore, a critical characteristic of the Enterprise System and it plays a huge role in the value chain and the extended enterprise.

6. Enterprise Transformation

This chapter starts with the rationale of Enterprise Transformation and continues with its content and means.

Mastering the transformation of the Enterprise requires the target and the trajectory to be made clear. The target defines an aspirational state of the future Enterprise System.

- 6.1. The Enterprise must continually be aware of its environment and must adapt to its changes, threats and opportunities.**
- 6.2. The Enterprise must constantly take advantage of science and discovery in every field.**
- 6.3. The Enterprise must perceive itself as a permanently changing organism, so that it increases its chance of success by adapting to new conditions.**
- 6.4. In order for the Enterprise to be able to adjust rapidly, its Enterprise System must be built with agility in mind.**
- 6.5. The IT System inside the Enterprise System plays an important role, for better or for worse.**
- 6.6. Enterprise transformation manifests itself through two tools: target and trajectory.**
 - 6.6.a) A target is a to-be, hopefully aspirational, description of the future state of the Enterprise System.
 - 6.6.d) The trajectory explains how the Enterprise will drive investments to take the System from its current state to the targeted state.
- 6.7. Driving the Enterprise transformation demands complete dedication balanced with smooth negotiation, on every aspect of the Enterprise System.**

7. The human adventure

This chapter summarizes the core messages of the previous ones looking at them from a human resource perspective.

Transforming the Enterprise and improving its contribution to society require specific skills and motivations. Bridging the Enterprise and the University is part of this adventure.

- 7.1. The Enterprise provides individuals with a space where they can fulfil their potential, in accordance with their values and aspirations.**
- 7.2. The Enterprise transformation requires a large range of skills to cover every aspect of the Enterprise System.**

7.3. Identifying the competences and disciplines involved in the Enterprise transformation is a key factor for success.

- 7.3.a) For that, the enterprise and the education and training sectors need to share a common framework that defines the competences and disciplines.
- 7.3.b) The competences should be identified and positioned against the list of the Enterprise System aspects.
- 7.3.c) The definition and articulation of the Enterprise System aspects constitute the framework for mapping the competences and disciplines.
- 7.3.d) This competency map or methodological framework covers all aspects mentioned in this manifesto: culture (knowledge, values, languages), superstructure (strategy, objectives, ideology), structure (organization, processes), infrastructure (geography, equipment, means).
- 7.3.e) This framework is the theoretical foundation upon which the enterprise methodology is built.

7.4. Close and mutual relations between the Enterprise and the Academia ought to be encouraged and seen as a normal and regular activity for both universes.

7.5. The enterprise methodology acts as a vector, bringing academic research results into the Enterprise.

7.6. Taking into account psychological profiles and value systems results in better management.

7.7. The signatories of this manifesto believe that common vocabulary, framework and methodology will facilitate exchanges among partners and between enterprises and academics.

- 7.7.a) Sharing these references will help to optimize the training effort, preparing those competences necessary for Enterprise transformation.
- 7.7.b) Determining competences together will enable a coordinated education program to be put forward, linking private and public developments in this field and benefiting from advanced research.

Signing the Enterprise Transformation Manifesto

Details on the protocol for participating in this endeavour can be found below.

Who can sign?

Any organization – be it private or public, for-profit or not-for-profit – can sign this Enterprise Transformation Manifesto (ETM).

Individuals can show their support for the method on the web site.

What does it mean, signing the manifesto?

By signing, an organization expresses its commitment to the stated principles, irrespective of the way it chooses to enact them. The organization also agrees with the premise that the Open Method Praxeme is a way for the principles to be enacted.

What contribution is expected?

Content contribution

Signatories may wish to contribute:

- in their communication, by promoting the Manifesto;
- with content that can be submitted for publishing on the ETM web site.

Financial contribution

No mandatory financial contribution is expected from the signatories. However, those signatories who wish to back the initiative for an open method, by contributing to its funding, are welcome. The amount of the donation is at their discretion. The Praxeme Institute is responsible for the funds collected and allocates their use, in keeping with its goal and spirit as stated in its statutes¹.

What does the signatory gain in exchange?

Publishing

The logo of the signatory organization is published on the web site: <http://www.enterprisetransformationmanifesto.org>, with a link to its own web site.

The logos are positioned in accordance with the following criteria:

- first, the financial amount that has been contributed (in decreasing order);
- second, the chronological order (the oldest contributions first).

The cumulative amount is taken into consideration: in the case of multiple donations over time, the figure used is that of the total sum of all donations.

In addition to having their logo on the ETM web site, donors who have contributed more than 50,000 € (fifty thousand euros) will have a full page on the web site where they can outline their commitment to the principles of the Manifesto.

ETM Council

The ten signatories that contribute the most in terms of funding are represented in the ETM Council. They are consulted on questions relating to the endeavour, its promotion, the submitted contents, and any change to the text of the ETM and its web site. The secretary of the Praxeme Institute is a member of the ETM Council, and is responsible for the ETM web site. The ETM council is chaired by the president of the Praxeme Institute, with a specific focus on the consistency between the Manifesto and the Praxeme methodology.

¹ The statutes of the Praxeme Institute are available at www.praxeme.org.