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Setting Limits

I remember leaning against the chain link fence just watching the older children play. The fence was short-- probably only four feet tall. It wouldn't have prevented an adult from climbing over. That wasn't its purpose. There was a larger chain link fence for that purpose, which stretched the border of the schoolyard and ran along the path of the sidewalks around the school.

This fence had one purpose. It prevented the kindergarteners from mixing with the other children at Mulberry Elementary School. It was a safety zone within a safety zone. We couldn't escape or wander into the playground of the larger kids. We were confined to a small area where our teachers could keep tabs on us. We were not at risk of enduring the large kids' roughhousing or their pranks. We were not at risk of inadvertently being knocked down or lost in the shuffle of many running children. We were safe and secure.

The older children at school were protected by the small fence as well. They didn't have to worry about stepping on us. They didn't worry about getting in trouble for their carelessness. They were free to frolic on the playground and expend their excess energy.

The short fence set a limit for all of us. The limit was appropriate and necessary.

Businesses often view the world with today's glasses. They think in terms of today's issues and struggle to inch their thinking forward. They ask their customers what they want to do and end up automating today's problem. They end up attempting to automate the cow paths.

New communications mechanisms lend themselves to rethinking. I love the story attributed to Alexander Graham Bell that he initially envisioned one telephone in every city. After all, wasn't the communication mechanism the telephone would largely displace the telegraph? And didn't people go to the telegraph office to communicate. So, why wouldn't our thinking about the telephone initially go down the same path? Far too often in B2B our thinking is based in the present.

Think of how different the world would have been if Bell had executed his grand vision of one telephone per city. We might have millions of phones instead of a billion. If his implementation had gotten only that far along, it may have prevented the ubiquitous device we enjoy today. We run a real danger when our B2B solutions don't go far enough.

And when our thinking isn't in the present, it is typically too far off into the future. We try to go from unautomated to over automated! We move from "little or nothing" to unrealistically big—there generally is no middle ground.

I love to watch business units attempt to put together their eBusiness plans. It follows a similar path each time. Inevitably, they lay out a scope of functionality that could choke a horse. They come to the party with a rosy picture in mind of everything they want to do. Money's no object. They've read all the magazines, watched the television commercials, and seen all the sales brochures. It all looks so simple-- on paper and on the tube.

I recently ran into it again in our procurement area: "We'll just tell the suppliers what they have to do," was coming out of their mouths. Interesting. In an area where we should have so much leverage and control, we still haven't gotten beyond twenty-five percent penetration in twenty-years of trying with our suppliers. Why? Because it is like raising children. Each time you are thinking, "We'll just tell them what they have to do," you are about to get a new lesson in parenting! We attempt to leap to a solution that is far beyond what we could accomplish.

B2B lends itself to two types of change: incremental change, where we make many small steps toward a final vision, and substantial, reengineered change, where we make quantum leaps toward that vision.

But mostly businesses try to do three other types of change:

- 1) Window dressing changes. Move to the web “to modernize.” “Get with it” mentality. Pave the cow path. No substantive change to the business process. No questioning value, function or necessity. “Were just moving it to the web to give greater access.”
- 2) Massive change, without reengineering. “Boil the ocean” mentality. Out with the old and in with the new. Change everything! Everything we have done before is bad. While the behaviors say “but don’t really change anything, because we really like it the way it is, so don’t ruffle any feathers. Don’t do anything to make anyone uncomfortable.”
- 3) Politics is king. No single person is given the reins. Everyone has veto power. Nobody really has a say, because everybody has a say. In the end, when all is said and done, not much is done.

The earmarks of the two that can be successful: vision. The earmarks of the three that cannot be successful: lack of vision at the outset.

The best eBusiness projects I have seen have incorporated Business Process Reengineering (BPR). But my experience has been that BPR works best when desperation has set in. When your back is to the wall, you take it seriously. I think the same may be true with both business strategies and eBusiness strategies; you get it right when you have to get it right. Other times you just play. Oh, you might luck out every once in a while, but not consistently.

I have been involved in two reengineered B2B processes. Both have been wildly successful. I have been involved in dozens of B2B projects that didn’t reengineer the business process. The results have been a “mixed bag.” Does that mean to insure success of your B2B implementation you have to reengineer? No. It may not be appropriate, but it is worthy of serious consideration.

Much as we try, you can’t “boil the ocean.” It is only natural for us to seek to go beyond what can realistically be achieved. Humans are by nature “dreamers.” We can see a better world before us. It is so real in our dreams we can taste it. “If only we can align part a with section b,” we think to ourselves.

Sometimes we try to do too much. We try to “boil the ocean.” No amount of human effort could ever pull that off.

There is goodness in dreaming and planning for a better B2B future. It is really how all progress is made and how all new things come into being. Without a dream of high levels of defense security, the Internet never would have been born. Without a dream of universal connectivity, the web wouldn't have been created.

The dream of "cyberspace" came long before its reality. William Gibson coined the term "cyberspace" in his 1984 science fiction novel Neuromancer. John Perry Barlow became the first person to apply the term to the online world, while participating in an online discussion on The Well in 1990.

But the dream didn't merely spring into reality. Step-by-step, sometimes planned and sometimes by accident, the pieces came together. Each small step, building upon the base of the previous steps, was to become a new foundation for the next small step. This is how you need to think and plan for your B2B projects. This is how real progress comes about.

We have to set limits to each new step. They should be small, definable, achievable steps along the long path to success. Confined to what can be achieved, we establish an interim goal.

Many of the factors that will determine your chance for success are in your control, but not all of them. Factors initially outside your control may include trading partner concerns and resistance, technology, and security conditions. You work through each problem one at a time.

We don't need to be able to see each step. But we do have to have a reasonable probability that they can be conquered. Here are two examples. My project may be "road blocked" by trading partner resistance. After hearing the concerns, I may conclude that we can work through the issues without making systemic changes to the proposed solution. My next step is to alleviate the concern. I set a limit on simultaneous or subsequent steps, because they may give my trading partners a contradictory signal. They may be telling the trading partner that I am not concerned with his feelings and concerns and will "bull forward" with my solution. So I intentionally hold off doing some steps, until I am confident I have laid the right foundation.

The second example is a project that we had where we had concerns with security in some Microsoft products. I didn't have any control over how Microsoft would

deal with the issues, whether they would deal with them at all, or in what timeframe they would deal with the problem. I had to limit my choices to 1) wait or 2) look for another solution. But it certainly was prudent for me to establish some limits so that I didn't box myself into a corner.

Don't develop features beyond "your interest." My company is risk adverse. It seems we will never be leading edge at anything (other than possibly some areas of product development). We have to see that the business tools are ready. We have to assess, assess, assess before we will act. It is just our nature.

Sometimes I think that we will never get to where we need to go. Frustrating as that may be for me personally, it is our reality. I have to live within those confines. Those are the limits of my company, based on our operational model and our heritage.

I can, and do, continually push against this risk adversity. Sometimes I succeed in "pushing out the fence." But I also know it is a confine with which I will probably always have to contend. I also recognize there is some goodness in this seeming limitation. It establishes the ground rules under which I develop our B2B activities. It is the fence that limits my arena of work and protects me from wandering too far "a field" from what will be accepted.

We are currently working on a pilot for Collaborative Planning, Forecasting and Replenishment* (CPFR). This is not a new methodology, nor are the software offerings for doing CPFR particularly new or risky. People have been doing CPFR for quite a while already, more of it as pilots than robust business applications. We have heard modest interest in CPFR "come and go" from our customers, but nobody has really demanded that we implement.

What we have failed to consider, as a company, is that CPFR may have benefited us more than our customers. There could be a strategic advantage to link the supply chain from customer through to supplier. This may have been an opportunity staring us in the face.

Realistically, CPFR is probably not our number one priority. Until recently, we as a company haven't been ready for such a dramatic change in our supply chain operating model. CPFR had to season and mature to a certain point. We had to achieve a certain level of confidence before our management was ready to move forward.

I could have spent the last five years making myself hoarse, continually singing the praises of CPFR. Or I could have worked on higher priority initiatives, while periodically raising the interest in CPFR and reassessing our business readiness.

Setting the limit allowed us to give our first priority efforts the attention they needed, while allowing the secondary priorities time to mature. Once they become the top priority interests, they can be given our full attention.

We need to reestablish our priorities and identify our trade-offs frequently.

We only have to be able to see down to the next bend in the road. We really don't have to lay out the five-year plan in intricate detail. It doesn't do much good to try. There are only two types of estimates of the unforeseen B2B future: wrong and lucky.

That next bend in the road may be the next budget cycle or planning horizon. It is better to do something of less scope extremely well than to do something very broad, which is also poorly done.

You don't have to have all the answers before you start. You rarely have answers to many of the questions. You generally only need to know which direction you are going.

If eBusiness is going to be a way of life for you and your company, then why rush to get everything up and running? Do a few things well. Let a couple of projects "sell" your program to your customers and yourself.

There is nothing wrong with working with your customers to determine the path of implementation. You probably want to narrow it down to only the next two quarters, however. Both of you may see a need to go off in a totally different directions. And you probably don't want to be very specific.

But you need to do enough work so that you understand what each other values. Enough so you can evaluate business benefits for your trading partners and yourselves. You want to bundle developments together and time sequence them in an agreeable fashion. Invoices with payments. Orders and advance shipment notice.

If you say you want to do electronic order entry, for example, that's easy. Maybe too easy. It is when you say you want to have a browser based order entry process that operates in real time to the back office application, accurately giving price and delivery date in less than one second per line item. Now that's hard. But it is probably the level

of functionality you want to develop. Not too small and not too large, but stretching your abilities.

Laying out your plans too far in advance is like going to a restaurant and ordering your salad, soup, entrée, vegetables, after dinner coffee, dessert for your next six meals all at the same time. It doesn't work very well. After I have eaten my main course, based on my mood and disposition, I want to decide on coffee and dessert...and for this meal only.

It doesn't matter that you have twenty projects on your "to do list"; you can only do one or two at a time well. You risk a "conflicting" design—one function handled one way and another in a contrary way. So limit yourself to a few things.

The limits you set need to include a lower limit and an upper limit. When you approach the upper limit, you need to step back and determine if a fundamental change is needed. If so, suspend your activities and reengineer the business process.

It is when we fence in our projects that we bound out failure. We bound out additional complexity and risk. We keep our attention focused on what will make us successful.

"You can never plan the future by the past." -Edmund Burke

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