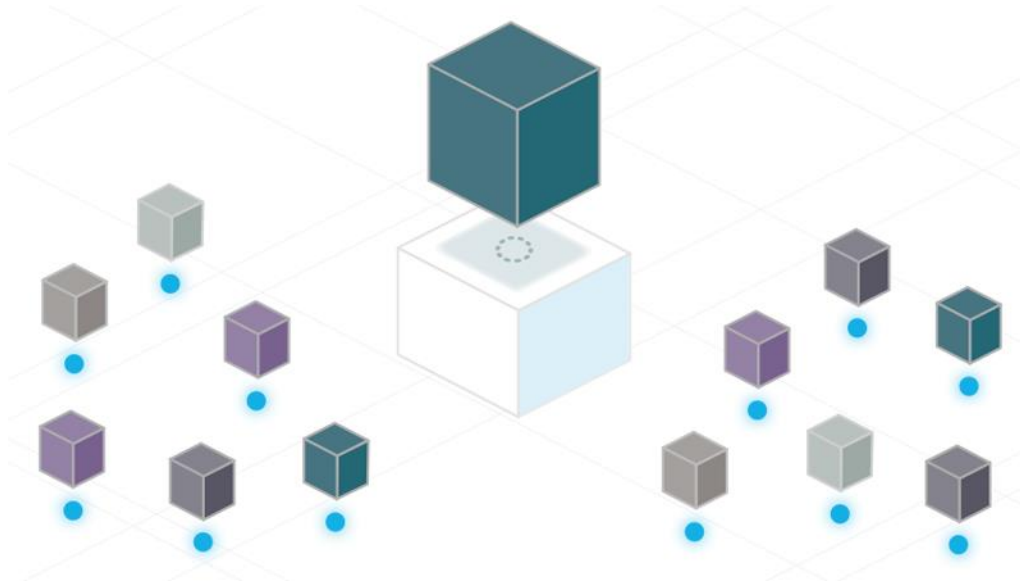# A Story of a Market Leader Left Behind: Right Solution, Wrong Problem

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The executive team had counted on the new enterprise software's ability to share information across silos creating the collaborative culture necessary for design teams to co-create with clients. Shared information was certainly a necessary foundational step, but the ERP, alone, could not create a collaborative culture.

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The ERP implementation had been time consuming and disruptive but proceeded as expected. The project managers crisply led the implementation but as was common with Devcn's other

projects, the executive team failed to address the major strategic issues. Believing The new software would create the collaborative culture they wanted led them to ignore the need to address how the collaborative model should work. Instead, the executive team left it to the project managers to make the politically difficult decisions.

The executive team assumed the design teams would all share information, work with the sales teams to understand specific client needs, and thus begin building customized products. They knew the enterprise software system would provide the necessary access to information for all the teams. They expected the sales staff, who knew their customers well, would use the shared information to work with the customers.

They reorganized the company into four market segment groups, each group consisting of sales and service staff who specialized in Devcn's four major markets. The engineering teams were left intact. Sales and service would provide engineering teams with information on customer needs and the details needed for customer co-created design and development.

> *"The internal conflict was disastrous. As a result, the reorganization and enterprise software system failed to achieve the intended outcome."*

Unfortunately, the reorganization created more confusion. The old competitive rivalries were still alive, with everyone worried about how the reorganization was impacting them. Seemingly, the sales and services functions were now in charge, displacing all the engineering departments which formerly held the power. Furthermore, the new market groups retained the old pattern of intense competition for internal supremacy, while fighting over allocation of resources and sales targets.

This internal conflict was disastrous. As a result, the reorganization and enterprise software system failed to achieve the intended outcome of a customer-focused design process. Instead, decision-making slowed, development pace wandered, and sales and service versus engineering rivalries continued. The company was more divided and operating less effectively than before the enterprise software installation.

The ERP system addressed the symptoms of their inability to adapt to the changed market. Failure to address the root causes resulted in Devcn's failure to achieve needed change. United in their frustration, the executive team wondered how to proceed.

The Story of a Market Leader Left Behind continues next month: Discovering Reality.