Chapter 15
E-Business Planning in Morphing Organizations: Maturity Models of Business Transformation

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ABSTRACT

E-business has changed the external face of many organizations widening and extending access to products and services. This has required large scale changes to be made to business processes to accommodate new ways of working. Social media technologies have introduced a new wave of change through organizational trading networks. Further business transformation is needed to embrace the opportunities and challenges of social media technologies. This chapter presents a framework to help morphing organizations plan the business transformation needed to embed social media technologies within their e-business service provision. Business and technological maturity models are analysed and a set of maturity measures for e-business is proposed. The business transformation needed to embed e-business technology in organizational systems is discussed in two UK manufacturers. Dimensions of business transformation and critical success factors for adopting social media technologies are proposed from these cases.

INTRODUCTION

Organizations engaging in e-business have learnt that conducting business electronically requires more than the introduction of appropriate information technology (IT). The introduction of e-business technologies into organizations has been the initial trigger for a series of changes from which few areas of the business have escaped unchanged. The traditional barriers of trading hours, location and service delivery channels which previously constrained organizational activity have been broken down by IT. Beneath the surface level changes to systems providing the
interface between customer and partner organizations in the supply chain, a series of adjustments to business processes and working practices have been needed, changing the form of organizations. Social media technology provides organizations with opportunities for more direct engagement with customers and consumers, suppliers and trading partners. It has triggered further changes to organizations to take advantage of opportunities and to respond to new challenges. However, amid the seemingly constant waves of change, the organization must seek to preserve its identity within its morphing form. Morphing organizations need to learn from the transformations initiated by e-business engagement and develop plans to manage the further transformations needed to embrace continuing technological developments, in areas such as social media technologies. This chapter explores the problem of how to identify the business transformation needed to effectively incorporate social media technologies in organizations.

A number of models proposed to map the impact of introducing new IT into organizations are explored in this chapter to explore business transformation. Traditional maturity models such as Nolan’s stages of growth model (Nolan, 1973) are compared with more recent models which focus on the impact of e-business technology in organizations. The suitability of existing maturity models to represent the introduction of social network technology in organizations is then considered. From this examination of maturity models, a set of maturity measures is proposed to help organizations assess their current status of business transformation and plan the changes needed to further embed social media technologies into the business.

Previously, action research with a major UK manufacturer (Case A) led to the formulation of a framework to assist organizations in preparing and implementing an e-business strategy. Action research is a research approach which addresses a practical situation in a client organization, whilst simultaneously increasing knowledge in a theoretical domain. A cyclical process is applied in which action in the real-world and existing theoretical knowledge are reflected upon. The process seeks to understand and address practical problems in the organization through the application of existing theoretical knowledge and the generation of new knowledge in the domain. The framework for developing an e-business strategy, which evolved through action research, is analysed as to how far it supports the proposed set of maturity measures. A second case study is then outlined (Case B) in which the framework is applied with a different UK manufacturer operating in a similar supply chain. The aim of this case is to assess the effectiveness of the framework to assist in formulating strategies for business transformation to embed social media technologies in organizations. Dimensions of business transformation are defined which provide a structure within which to assess the degree of business process transformation needed to embrace social media technologies. The chapter concludes by presenting critical success factors, gained from experience in the two organizations, to inform the planning of social media technologies in morphing organizations, aligned with organizational strategies.

**BACKGROUND**

A morphing organisation is defined as one which continually changes its external face whilst retaining its own identity (Cox, 2013). The face of an organization provides the image that it wishes to convey to its external environment, reflecting its core values. It also provides the main means of communication between the organization and its environment. Beneath the face lies the network of interacting components which are continually adjusting in response to internal and external triggers in order to achieve the organization’s objectives. The morphing organization gradually changes its external image whilst retaining its