



Digital transformation – a modern day fairy-tale



Once upon a time in a land not far from here was an employee who dreamed of a better future. He dreamed of a shiny new tool where he could access all the organisation's data, to investigate and show the status of their many projects. The employee toiled day and night building his dream.

Finally, the shiny new tool was finished and it was perfect; he called it 'The Dashboard' and the employee was heralded as a hero! But when the organisation connected the dashboard to their data sets there were cries of confusion – "the figures are wrong", "the financials aren't right", "there's gaps and blanks". The other employees were angry that their projects were being misrepresented. The dashboard was quickly turned off and the employee was never heard of again.

Sadly fairy-tales like this are all too common in our organisations. The desire to understand and visualise what is happening inside our organisation is valid, some would argue critical to effective transformation. But the dashboard project failed because it was imbalanced - the employee focussed solely on the technology and gave little thought to the people, processes, and culture in which it was embedded. The other employees weren't updating the source data – some didn't know how, some saw no point, and many were too busy doing other work. So while the dashboard was technically perfect, it was feeding from imperfect data and being managed by people who didn't understand or care about the project.

A recent Forbes article cites significant failure rates in large-scale technology-driven projects - 75% of ERP and CRM projects fail and an alarming 90% of big technology projects fail to deliver any measurable ROI¹ Forbes attributes these failures less to technology selection or poor project management and more to a failure to address the intangible issues around people and culture. Successful transformation is a factor of people, culture, and technology.

In my experience there are some critical non-technical drivers behind successful transformation projects:

1. There is broad buy-in and executive support.

Successful transformation projects require engagement across domains and divisions. They cannot be seen as an isolated 'IT project' or a 'marketing project' but a cross-domain initiative tied to strategy and investment cycles. A four-year study of major analytic initiatives in large companies reported that 'business adoption' was the most significant challenge to success². The technical solution was implemented, but without adoption by the business, it had no measurable impact on practice or outcomes. Successful projects require greater levels of business engagement than a cursory requirement gathering process at project kick-off. Without genuine and sustained engagement across the organisation, the excitement of a new project is quickly replaced by the next shiny new object.

2. There is a clear business outcome.

When a project focuses solely on the technology and not a business outcome you are heading for trouble. The act of installing a new technology is not an outcome. Realising business benefits, mitigating risks, creating savings, insights, or efficiencies are all worthy outcomes. Outcomes can only be achieved when we are clear about the business problems we are trying to solve; when we understand the contexts, barriers, and realities within the environment; when we consider the people who will use and benefit from the outcome; and when we use technology as an enabler.

3. The transformation is designed for people.

One school of thought suggests you should prepare people for technology changes, through communications, training, and change management practices. This thinking is not wrong. But the opposing school of thought suggests you prepare the technology for the people. You build technical solutions with the users at the centre; you build it 'for' users and 'with' users. The technology adapts to the user, not the other

way around. This user-centric approach ensures we build the 'right' products and experiences and helps speed business and user adoption.

Tied to this is the completely false perception that user-centred design is a gimmick, just the fluff around the edges of a project. Recently I heard a colleague say that building great user experiences was about "making things pretty". Nothing could be further from the truth. Great user experiences are more than surface aesthetics; they run deeply through organisations streamlining experiences, predicting user needs, and simplifying the journey from task to completion. Yes, a great user experience is often a beautiful one, but it is so much more.

4. The transformation is incremental.

True transformation changes your ways of working, your operating environments, your processes, and the types of people you need inside your business. These are not small endeavours, and we should not expect organisations to simply transform overnight. Sustainable change is incremental, determined by the appetite and tolerance of your people for change. Remember, just because you build it, does not mean the people will come.

Similarly, the 'big bang' waterfall approaches of the past don't work for large-scale transformation. We cannot plan and predict everything. Small changes in organisations can have surprising ripple effects, impacting practice in ways we may or may not have predicted. A more agile approach, able to flex and adapt to the changing environment, is a critical element of successful transformation.

I am not saying that the technology is not important, just that it is not the only factor in a successful transformation. Technology exists within a business context, driven by people, and impacted by organisational culture. We can all achieve a fairy-tale ending if our approach is balanced - business-led, user-centric, and technology-enabled.

References

¹ <https://www.forbes.com/sites/steveandriole/2021/03/25/3-main-reasons-why-big-technology-projects-fail---why-many-companies-should-just-never-do-them/?sh=509002e5257c>

² Chris McShea, Dan Oakley and Chris Mazzei, 2016, "The Reason So Many Analytics Efforts Fall Short," Harvard Business Review, Aug. 29 (<https://hbr.org/2016/08/the-reason-so-many-analytics-efforts-fall-short>).