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STRATEGIES FOR SUCCESS

DIGITAL TRANSFORMATION

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Digital Transformation

Dan Gantt, Consultant at TPG, dives into how you can align people, process and technology to build a framework for seamless digital transformation.

Why is the alignment Of People, Process, and Technology important in a digital transformation? What happens when one function is misaligned?

People, process, and technology are never mutually exclusive in a real-world digital transformation, contrary to how we often see the framework appear on paper. It is pivotal that individuals accountable for change within an organization understand that **simply adding new talent, new ways of working, or new tools in siloes and without cross-orchestration will not create a sustainable impact.** If, however, each of these dimensions is treated as critical ingredients in a holistic recipe for change that's unique to the client's business context, the results often speak for themselves.

In the context of an ERP implementation, for example, there is often an urge to jump to the technological solution without first establishing a deep understanding of how people are enabling that process. This leads many businesses to rush to pick a new platform solution with a built-in process or workflow, and later learn that it does not align with the core functionality of the organization. Teams are then forced to retrofit processes, breeding inefficiency. I**n other words, if the new technological solution does not support the fulfillment of that core business functionality, then it will likely fail.** This is a key consideration across any digital transformation exercise (not just ERP) for businesses to explore before implementing a new technology solution.

In the short-term, are there any quick wins companies can achieve in this space as they get started?

When an organization maps core current state business processes and defines accompanying roles and responsibilities as described below, it not only sets the groundwork for new technology but creates visibility into the entire organization. This visibility enables organizations to identify and eliminate waste and inefficiencies that may not have been discovered otherwise (i.e., too many hand-offs, redoing work, delays in decision making, manual work that could be automated etc.).

COMMON PITFALLS TO AVOID

It is important that an organization not assume that technology is a "fix-all" solution. They should work instead to understand what comes out of the box, what it can do to add value, and what it will take to operate it.

Additionally, **understanding and admitting the boundaries of what technology solutions can provide is an essential first step to setting realistic expectations.**

#EXPERTTIP

"New technology is not a magic wand that can fix any pre-existing organizational pain. Ineffective processes will remain ineffective even with the introduction of a shiny new technological solution."

CRITICAL CHANGE MANAGEMENT COMPONENTS OF IMPLEMENTING A DIGITAL TRANSFORMATION

➡ Communicate

It's essential to create transparency around the current state of the organization, where it wants to go, and how to get there.

That transparency mobilizes the workforce and ensures that alignment and accountability are present.

➡ Build the right leadership team to execute on strategy

Do not lose sight of people as they are the critical input— people ultimately enable process and technology. People not only need to be committed to the final solution and feel accountable for its success, but they need strong role models to guide them through that journey.

An organization must ensure that its leadership team is aligned on a unified vision and can communicate that downstream.

➡ Approach changes iteratively
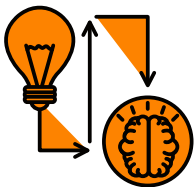
Break down the overarching task into manageable, realistic chunks, rather than trying to attack everything at once. By testing consistently and iteratively throughout the transformation, organizations remain agile and can respond quickly to system discrepancies or failures. Iterative changes also allow transformations to move at the pace of the organization rather than blindly following set timelines. It is pivotal that an o**rganization proceeds at a sustainable pace, one in which its resources can meet the demands** of the transformation.

How can organizations structure training to help their workforce adopt new digital technology effectively?

Effective change management, especially in the context of digital transformation, includes ensuring that the key users of this technology know how to use it. By training the trainer, an organization can ensure that its change leaders are 100% on board with the solution and will empower and align the rest of the team to the vision.

As a best practice, it is best to begin training before implementation. Providing demos and visuals of workflows can help to ground the user and create realistic expectations for the new system. Sometimes mass training may not be the ideal solution— depending on how different the new system is from the current one, it could be more valuable to cover those unique areas of greatest difference first.

How has prioritizing investments in digital innovations shifted over the last year? How can a company evaluate the benefits and keep pace with its competitors?

In the current COVID-19 context, customer-facing channels are not the only ones being digitized – most organizations are placing an even greater emphasis on the digitization of core business operations such as back-office, procurement, and production. Organizations looking to invest in the digitization process should take the **first step of mapping core current state business processes and defining corresponding roles and responsibilities**. Only once an organization has this comprehensive view can it effectively determine future state process, people, and system requirements for a digital transformation.

The beauty of digitization is that it can have exponential benefits. Have patience though! **Trust that benefits may be realized down the road, and, again, set realistic expectations— remember this process is more about long-term positioning than immediate benefits.** When an organization undergoes a digital transformation, this signals an investment in the future and a move towards being proactive, not reactive – setting the stage to become optimized in the long term.

ABOUT US

The Poirier Group (TPG) is a Toronto-based boutique management consulting firm focused on strategy execution, with specialty in process improvement, cost optimization and operational efficiency. We differentiate on being operational experts, meaning we don't just figure out what to do, but guide you through how to do it for the long term.

Learn about how you can unlock more value for your organization and get more change management tips **here.**

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