

# DIGITAL TRANSFORMATION DEMYSTIFIED

PUTTING YOUR BUSINESS AHEAD BY DELIVERING DIGITAL FIRST



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## Digital Transformation Demystified

**W**e have witnessed unprecedented changes in the technology landscape over the last two decades. While organizations are trying to keep up with the changes, most of them are struggling to transform themselves at the same speed. In fact, as per industry statistics, more than 4/5 digital transformation programs failed to deliver.

So what's causing these failures?

While there is variation amongst the reasons of failure, a large number of them seem to have similar reasons. And many of them are not necessarily linked to the technology.

This roundtable discussion featured two transformation journeys and a roundtable discussion on the topic of tricks and techniques of digital transformation.

### Enabling technology adoption

Cloud services are increasing the speed of technology change at a rate unthinkable in the days of on-premises deployment. The nature of

work is being transformed with new work patterns such as the gig economy and flatter organization models, while artificial intelligence (AI) is poised to transform how work is done. SaaS applications are accelerating technology change for almost the entire workforce.

Most organizations have embarked on digitalization in some shape or form in terms of utilizing Robotics (RPA), Analytics, IoT, Machine Learning, Artificial Intelligence, Big Data, Blockchain.

Most of the organizations that the participants of the roundtable represented, had more experience with RPA and Analytics adoption but only had limited familiarity with Blockchain, Machine Learning, AI and Big Data in terms of the relevance to their operational roles.

### Level of impact on daily operations

Participants were asked to poll on the level of impact that digital transformation has on the daily activities and priorities in their own organizations.

Most of the participants expressed that digital

transformations that their organizations had embarked on have deeply impacted their daily operations. 38% of the attendees felt very high impact and another 38% felt high levels of impact due to digital transformation.

### **Myth or Reality of Digital Transformation**

Every business seems to be getting on to the band wagon of some form of technology adoption and calling it digital transformation. But, it is no more than dabbling in a new technology without necessarily transforming the way the core of their business necessarily. And the results have been disastrous. In fact as per Forbes in 2018 about \$1.3 trillion were spent on digital transformation globally and yet about \$ 900 billion worth of projects failed to deliver on their stated goals.

The participants mentioned about changes in the way executive leadership conducted themselves and the decision-making process. The organization culture and management however was more difficult to change. In addition, organizations have not fully synchronized themselves with the new needs being created as a result of specialized skill sets required by new technology. As a result, most of the companies were still short of having a sophisticated talent management.

A big area of concern remained in regard to the ownership of digital transmission programs as well as cross functional applications.

### **Pro-active Management**

Adoption of the new technology cannot be driven just by a top-down approach. Each layer of management needs to be empowered and enabled to facilitate the propagation of new technology usage. Mid-level and front-line management need to create their own offshoot programs based on the strategic need and become proactive to implement.

On being polled on the level of proactiveness required by the management team to adopt new technologies, the attendees felt strongly in favor of the need. 80%+ attendees said the management was proactive in their technology adoption with about half of them felt the leadership was very pro-active.

The focus on innovation and proactive management will need to be embedded in company plans for digital transformation. They are essential ingredients for a successful transition to a new

business model.

### **Challenges of Digital Transformation**

The definition of digital transformation is as varied as the number of the people in the room. Moreover, your industries, current situation of your business and your strategic directions are also quite diverse. And yet some of the challenges that you are likely to encounter on your digital transformation journey is likely to be similar.

### **Future of Workplace**

The wave of new age technology adoption will significantly impact the workplace. Certain roles and activities will become redundant. On the other side new types of roles and activities needs to be added. That would translate into need for jobs to be deconstructed. In addition, enabling technologies like artificial intelligence and predictive analytics will bring about both efficiency in decision-making as well as new ways of conducting business.

When asked what are the biggest factors that they are likely to witness in their workplace over next 5 to 10 years, 44% of the participants felt that new technologies are definitely going to make decision making process of their organizations better. The rest of the options were more uniformly divided. While 25% of the attendees felt the construction of jobs would have a significant impact in their organizations, 19% felt gig economy was going to be the biggest change in the near future and 30% felt that there is going to be significant development in the skills marketplace.

### **Summary**

In general, there was a consensus amongst participants that digital transformation are definitely impacting organizations like never before. Most of the participants felt that their leadership team was quite proactive in terms of digital adoption. The divergence was felt more with how the future is going to unfold with respect to digital transformation initiatives. Overall, the attendees felt that these new digital transformations was the right thing for their organizations to embark on to create significant efficiency and more sophisticated decision making.