TECHNOLOGY-LED TRANSFORMATION

HOW YOUR BUSINESS’S APPROACH TO TECHNOLOGY CAN CONTRIBUTE TO ITS SUCCESS OR FAILURE.
Most experienced executives are inherently cautious around major technology transformations. In our transformation work, the Bevington Group has found that most executives appreciate the risks of cost blowouts, delayed delivery dates, software bugs, customer impacts, and decreased productivity (even if temporary) on deployment. Overall, the cost of managing these risks often affects the ability of the business to realise the expected benefits.

Yet, in spite of the risks, there are often very strong drivers to move to new core technology platforms. For example, you may be toiling with older systems which make your organisation unresponsive, expensive, and unable to support future growth plans, or your systems may be so fragmented that error rates mean you lose more customers than you keep.

So where and why do so many projects go wrong? In this article, I will describe what can be done to improve the chances of a business successfully delivering technology-led transformation. In particular, the business needs to communicate what is needed, receive what is expected, and be ready to use the system's new capabilities and reap the defined benefits. Imagine you are in an enterprise which has a core system infrastructure with multiple flaws: it is on old technology which will soon be unsupported; it is difficult to develop new functions or interface with it; it does not enable effective digital communication with customers; and it does not help manage quality or workflows within the organisation. All in all, it is inflexible relative to competitors, and it makes your services expensive and/or prone to errors.

Given this, you decide to replace your core systems. Immediately there are activities that can improve your chances of success, which most good programs will initiate. They include establishing governance structures, appointing program leadership, ensuring business →

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DEFINING YOUR NEEDS

You cannot be vague about the business outcomes of a system transformation. Mentioning terms such as ‘digital’, ‘integrated’, or ‘flexible’ do not give you sufficient clarity to decide between system options. Instead, you must clearly define how you want your business to work. Your business operating model (BOM) will incorporate process, structure, role design, capabilities, policies, metrics, business disciplines, and technology. Written in business language rather than technical language, the BOM description ensures the leadership team has a common understanding of where the organisation is going. To state the obvious, but often missed, if you do not know how your future business is going, it is unlikely that the new system will operate, it is not a last-minute activity; it is the key component of achieving the behavioural change needed to successfully transform.

The focus can then be on using the system’s existing functional specifications to define the processes and ways of working, and then validating this with the software provider. Changing functional specifications when you are buying an off-the-shelf system will increase complexity in deployment, defeating much of the purpose of an off-the-shelf package. After defining your BOM, you are often best choosing an off-the-shelf system that, while potentially imperfect, best meets those needs.

However, a custom-built solution is sometimes required, and there are different options to manage specification risks. One approach is to use agile methods to build software, including documentation-light and testing-heavy methods. This has significant advantages over waterfall methods, as it avoids getting lost in a mountain of specification paperwork. Unfortunately, it might be a stretch to use these approaches on large IT-led transformations.

Other approaches involve specification in software tools that enable you to see and prioritise requirements as you go. This latter approach is becoming increasingly common, but beware: in the wrong hands they increase befuddlement. The best approach is to have architects focus on describing core functionality, interfaces, workflows, and outputs in a way that supports the BOM.

IMPLEMENTING THE DESIGN

Let’s assume you have been a particularly perceptive leadership group, you know what you want your business to look like, you have avoided specification traps, and you may even have a system which is performing as expected in a test environment. The next question is: your business actually ready to receive it? This is a very vexing question. One has to consider processes, procedures, staff capabilities, role design, structures, support models, geographies, and metrics. Given the scope of work, business readiness is not a last-minute activity; it is the key component of achieving the behavioural change needed to successfully transform.

The complexity can be seen when looking briefly at process design, role design, and staff capabilities. Appropriate tools must be used to design roles and processes together providing an understanding of how work is done, and who does it. Following this, the process risk is assessed, the gap in staff capability understood, and plans to resolve are developed. The key message here is that you should be spending a substantial amount of your total time and budget getting the business ready for the technology transformation.

Now, let’s assume you have reached the stage where you are planning your deployment. In truth, technology risk is only a part of the challenge in good planning. As a business sponsor, you also need to be concerned that people know what is expected of them, understand how to use the system, know the new processes, and comprehend why this change is so important for them. All of this and more needs to be considered in your change-management plan, which becomes one of the cornerstones of your deployment plan.

If you design your BOM, select the system to best match, control the risks inherent in requirements, manage the change, and ensure all elements of a BOM are addressed, then you will avoid significant program flaws. Naturally, this is not a conclusive list of challenges, but they are challenges which are overlooked as we think about good governance, reporting, and project management. Being alert to challenges from the business perspective can save you a lot of time, money, and heartache, and allow for a successful transformation.

About Roger Perry

Roger Perry is Managing Director of the Bevington Group, which specialises in enhancing productivity. Roger has served on the boards of a range of Australian enterprises. Find more information at bevingtongroup.com.