What's slowing down your digital transformation?

8 questions to ask

From the editors of
The Enterprisers Project

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Digital transformation requires significant, continuous, and coordinated effort across teams. It's certainly not easy, and cautionary tales about stalled initiatives, frustrated employees, and abandoned plans often get more attention than success stories. But despite the challenges of implementing transformative practices, leaders remain invested in the business value of digital transformation.

According to a Harvard Business Review Analytic Services survey on digital transformation, 95% of executives say digital transformation has grown in importance in their industry over the past year, and 76% say that it has become significantly more important to business success.[1] Unsurprisingly, many leaders are seeking best practices to adopt such transformation in their organizations. It's important to note, however, that there's no single approach to accelerating change.

The pandemic expedited long-term digital transformation plans in many industries. For some organizations, unprecedented business disruptions demanded a reprioritization of existing goals, while for others, the circumstances compelled them to seriously consider digital transformation for the first time.

Regardless of where your organization is in its digital transformation journey, you're likely evaluating your strategy and asking some critical questions to determine your path forward.

Understanding the challenges and barriers that organizations commonly face when adopting digital transformation—and how others have overcome them—will help you identify what is slowing down your organization now and how to avoid stagnating in the future.

Read on for perspectives on digital transformation from technology leaders—and eight strategic questions to inform your organization's approach.

1. Why is our digital transformation not already delivering big results?

"One of the most common mistakes organizations make is starting digital transformation from the wrong direction. Stop looking at digital transformation through a technology lens–it's not a technology problem. Yes, technology is a crucial piece of it, but you shouldn't start with it, you should end with it.

"In many ways, technology is the easy part. It's people who are hard. Culture is very sticky."

Gordon Haff
Technology Evangelist, Red Hat

> It's critical to realize that when it comes to digital transformation, culture trumps process, and process trumps technology.
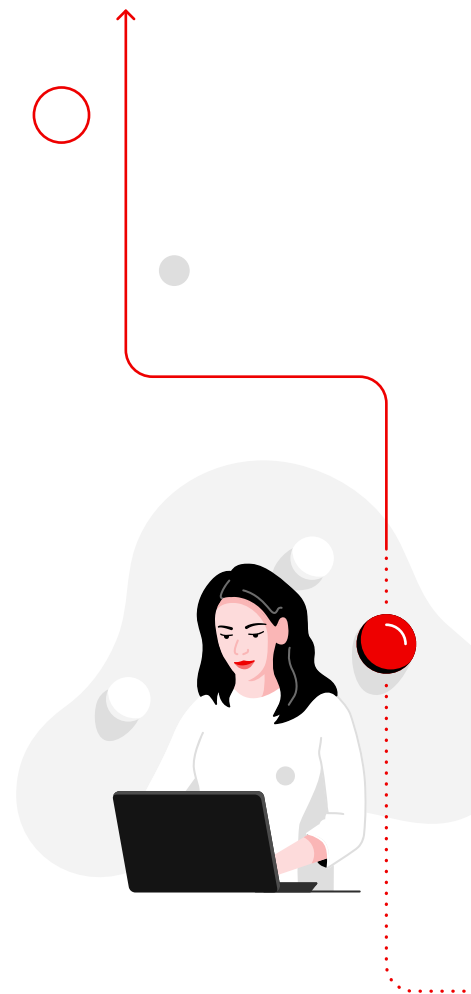
2. If culture needs to come first, where do I begin?

"Culture is about being connected to your team. We use lean coffees and an engagement squad to unpack what's really on the minds of team members. This has gone a long way in creating a connected culture of problem solving as a team, rather than only looking to a select person or team to solve an issue.

"We have also focused a lot on brain science and creating a challenger culture –one where there is no obstacle or request that is too big. We have built upon our challenger mindset with a growth mindset to help us think about how we, as a team, can be better and take on even more. We want to act as one team, that is mighty and moving the business forward."

Brook Colangelo
CIO, Waters Corporation

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Change inherently comes with resistance. If your people–your culture–aren't bought in, you're not going to succeed.

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"Your first step is identifying and sharing your 'why?' What is the purpose of the digital transformation, and how does it connect to your company's overall objective? This is a critical step, because change inherently comes with resistance. If your people–your culture–aren't bought in, you're not going to succeed.

"Culture is more than the office layout, fancy buzzwords and dress-codes. Culture contains within its folds a complex mix of visible and invisible aspects. These may range from values, principles, mindsets, behavioral patterns or norms, customs, practices, beliefs, to ways of doing business, internal and external reporting, hiring practices and exit policies, governance, decision-making, and more.

"A company's culture impacts the organization's performance and success including its bottom line. This is reflected in how organizations innovate, how they attract top talent, engage employees to perform optimally, through customer satisfaction, brand perception in the market, organizational credibility, and more. When you are conceptualizing digital transformation, put people and culture strategy on top of the list.

"Transformation is not an overnight process, but it is an ongoing process that organizations need to undertake to stay relevant in the market. Depending on the need and scope of transformation, create a strong guiding coalition of the willing for inclusive strategizing and meritocratic decision-making. You may consider running pilot projects or creating Communities of Practice (CoPs) or Centers of Excellence (CoE) to tap into the best ideas, expertise, capabilities, and knowledge; and don't down-play the impact of providing consistent leadership."
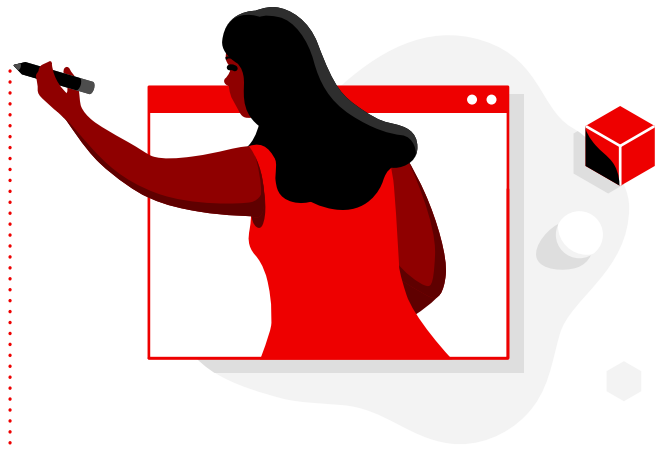
Shabnoor Shah
Open Leadership Global Lead and Executive Coach, Open Innovation Labs, Red Hat

Digital transformation, the open source way

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3. Why is it so hard for employees to buy into my vision of digital transformation?

" Employees often think that digital transformation is something that's being done to them, not for them, and so it's natural that they're going to resist change. **"**

"The fact is, humans are prone to inertia, and if the "what's in it for me?" factor isn't there, they're less likely to get on board.

"Often, leaders communicate digital transformation through an economic lens, when they should frame it at the employee or job level and really outline how it will help them do their work more effectively.

"Think about COVID-19. Prior to the pandemic, organizations often struggled with the adoption of collaboration tools. The pandemic forced everyone to adopt them–quickly–and the need for them to be a part of an employee's work life became stunningly clear. When you have to do it, you do it.

"Digital transformation offers a reset to every job in an organization–not just a handful. By communicating that and creating the opportunity of ownership for that change, it suddenly becomes more than the leader's journey–it's everyone's journey."

Melissa Swift
US Transformation Leader, Mercer

Learn about the stages of digital transformation in the e-book *Teaching an elephant to dance*: *Executive summary*.

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4. What behaviors are most likely to stand in the way of a successful digital transformation?

"Silos of teams who cannot and will not work together are the downfall of a digital transformation. A lack of context, collaboration, empowerment, outside-in thinking, and agile working methods can all lead to delays, conflicts and bottle-necks. Additionally, slowness, gridlock, a difference in goals, and internal battles can all result in a roadblock to progress.

" In many ways, the pandemic helped accelerate digital transformation because it imposed a new way of working together on us. **"**

"Companies found that they digitized many activities 20 to 25 times faster during the pandemic than before COVID-19.[2] Why? Because they had to.

"Take, for example, this Colorado ski resort, which 'took a multiyear process and did it in five months.' Its CIO now sees that as the new normal. This is an excellent example of what a crisis can do."

Eveline Oehrlich
Chief Research Director, DevOps Institute
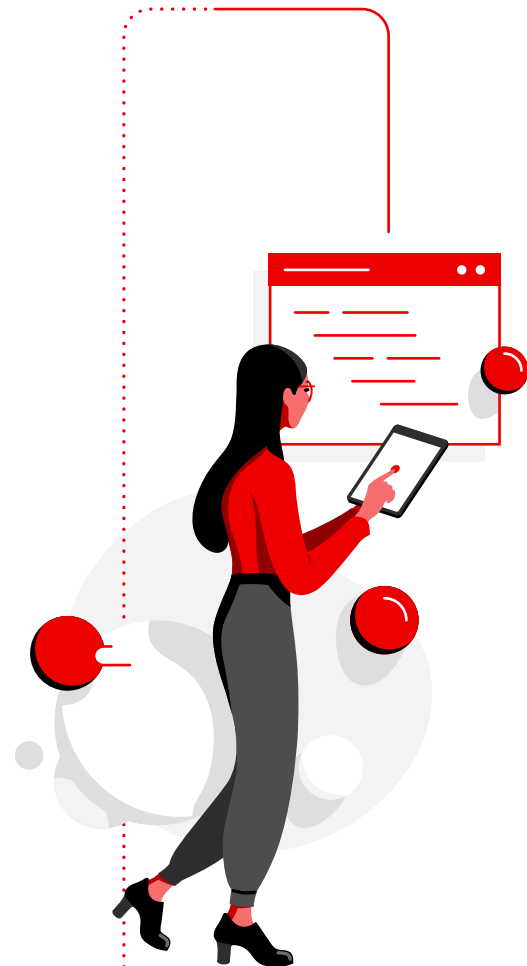
[2] McKinsey & Company. "How COVID-19 has pushed companies over the technology tipping point–and transformed business forever," October 5, 2020.

"I believe that folks have a desire to do the best thing, but from their project or team level, they might not always see the bigger effort of the company.

> Being a C-level leader, I need to look out for both the enterprise and the 360-degree view of the customer.

"We have used prototyping of products and experience and visualization to show how, if we keep on the same path, we will deliver a fragmented customer experience. My job is to bring the entire customer experience through and connect the work of the various teams."

Brook Colangelo
CIO, Waters Corporation

5. What do successful leaders do differently when it comes to digital transformation?

"Successful leaders apply modern concepts such as design thinking and agile [methodology], and are empowering multidisciplinary teams consisting of business and technology individuals who collaborate within a center of product development. This team is responsible for customer priorities and crucial needs and values.

"The conventional working methods in use for traditional products often do not have a user-centered approach, which is very much the focus of design thinking, and we see this increasingly being used during development of digital solutions.

From our upskilling research at the DevOps Institute we know that Design Thinking adoption has grown and was at 27 percent at the end of 2020.[3] It allows for experts from different disciplines to obtain a common starting point that focuses on user hurdles, problems, wishes and goals at every point in the development process.

"In addition to design thinking, agile project management and agile development are important. In order to achieve the benefits of digital transformation, you need a strategy based on facts, experience, and expertise. In the case of human-machine interactions, a creative and structured approach is particularly required. Agile methods support this.

"Agile is also gaining new importance due to digitalization and volatile markets, because agility is characterized by adaptability, speed, customer-centricity, and attitude. Agile systems can adapt quickly and iteratively to new conditions, which means that customer needs are considered to a greater extent."

Eveline Oehrlich
Chief Research Director, DevOps Institute

> Leaders who can bring an agile mindset are leading their teams with an openness to new ideas which sets the baseline for an interdisciplinary exchange.

Download the Harvard Business Review Analytic Services pulse survey report, "Accelerating Transformation for a Post-COVID-19 world."

Download the report

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[3] DevOps Institute. "Upskilling: Enterprise DevOps Skills Report, 2021," April 21, 2021.

6. How can I improve my ability to lead my organization through a digital transformation?

"Understand that a digital transformation cannot solely rest on one person's shoulders—a team needs to mandate the transformation. It's a large-scale change management effort which includes identifying the right technology, establishing appropriate processes, and managing a sustainable organizational culture that supports the transformation.

"As a leader, you need to be adaptable and focused on collaboration. It's important to remember that culture is not the responsibility of any support function like HR or one individual. Organization leaders assume and own the responsibility of curating a favorable organizational culture that supports transformation. You have to be a sponsor of your company's culture. Adapting the five open organization characteristics of transparency, inclusivity, collaboration, community, and adaptability could positively impact the success of your organization's digital transformation.

"Adapting open technologies, open processes, and open practices to develop open ways of working is more likely to improve the chances of your digital transformation success than conventional or waterfall ways. Identifying and creating a guiding coalition of evangelists, change agents, and influencers in the organization early on could be most beneficial to mobilize and drive change.

"As leadership is largely about creating a vision and getting people inspired to realize that vision, your ability to effectively communicate, inspire, and influence people will play a crucial role. Develop strong trust-based interpersonal relationships at all levels and maintain an impeccable personal leadership brand image at all times. Don't hesitate to create a practice of regular 360 degree feedback for personal leadership development and engage a good executive coach to support you. Remember to encourage your employees to do the same. All of this will help to ensure the success of your digital transformation.

> While you might want to start a revolution, for true mindset and behavior changes to occur, you need more of an evolution by ensuring systemic and structural support to create a learning organization.

"Organizations and leaders should remain open to the idea of hiring and engaging external digital transformation and change consultants when they are forming the guiding coalition of professionals to drive transformation efforts."

Shabnoor Shah
Open Leadership Global Lead and Executive Coach, Open Innovation Labs, Red Hat

7. How do I make my vision of digital transformation unified, meaningful, and actionable?

"First, don't assume that something isn't achievable or actionable because it's hard. In terms of a vision being meaningful and unified, that needs to happen at the cultural level.

"Some of the most successful digital transformation initiatives I've seen have been in organizations that adopt a 'disagree and commit' approach. Arguments can be hashed out and fought through, but once a decision is made, the conflict stops, and everyone moves forward together. Of course, the decision can be revisited if needed, but everyone understands that conflict ends once a path is chosen.
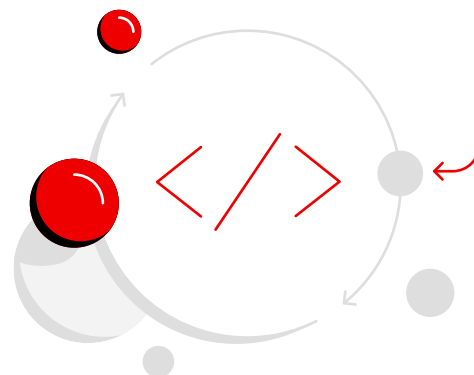
> **This works best in an open environment where people feel free to tell their CIO that they may be wrong.**

Gordon Haff
Technology Evangelist, Red Hat

8. How do I know when I've achieved a successful digital transformation?

"Digital transformation is a success when it becomes an unconscious competence and the technology you've implemented enables both the employee and the customer experience, but neither group feels it.

> **"It's also important to remember that a transformation is not a process that definitively completes. It hits points of maturity, and then the bar moves out further.**

"That's a tough part for organizations to contend with because they want to declare a victory that will never happen. What they need to realize is that this cycle is a part of the muscle-building of a successful digital transformation. This makes it so critically important to have an enabling ecosystem where behaviors are enforced from leadership down."

Melissa Swift
US Transformation Leader, Mercer

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