

# Digital Transformation:

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The Why is Easy;  
The How is Difficult

Cora Systems White Paper

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# Abstract

This white paper unpicks some of the myths about digital transformation. It defines the strategy clearly, suggests how a project management approach is essential for delivering measurable benefits, and what are the risks of failing to adopt digital transformation. It looks in depth at why 70% of digital transformation programs fail, provides keys to successful implementation, analyses suitable project management methodologies, including the pros and cons of Agile, the role of technology and why your organization might need to transform from being a digital resister to being a digital champion.





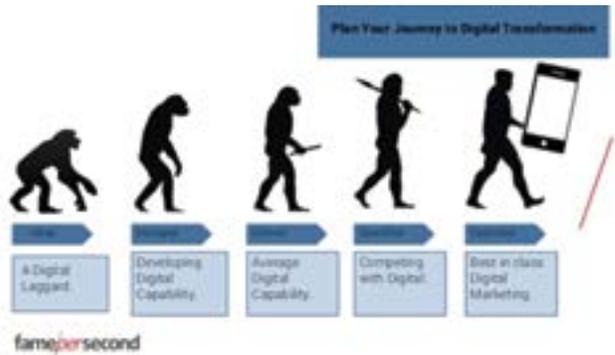
## Introduction



**Technology (social, mobile, cloud and data analytics) is interwoven into every aspect of our personal lives but organizations have largely failed to integrate digital into their analog operating model. Data analytics, which is just one cog in the digital wheel that has been at the fingertips of organizations for over a decade but organizations are still struggling to understand or integrate data into their business model.**

All organizations know they must act but the possibilities of digital are so vast it is often hard to know what to focus on or even where to begin. This has created a growing sense of urgency spreading across industries and sectors as many organizations are unsure how to embrace the Promised Land pledged by digital transformation.

The unspoken truth is there is a great deal of exaggeration and misunderstanding about digital transformation initiatives. The term digital has many inconsistent definitions. It can mean anything from 'the paperless office' to 'the application of digital technology in all aspects of social, economic, and political life'.





**What are the risks with (not adopting) digital transformation?**

Many organizations bang the digital drum loudly sharing how they are embracing the digital world but the reality is that there are twice as many organizations who have yet to develop a clearly defined digital strategy. Organizations are trapped in a digital fog where they struggle to understand how best to incorporate digital into core business operations. The first step in moving from monologue to dialogue is to assess the risks of digital, but more importantly the risks of failing to embrace the digital opportunity.

The essence of any problem is to accept where you are not where you would like to be. Digital initiatives will be more successful if organizations are honest and share their confusion and struggles on how best to incorporate cloud, mobile, social, and big data, the pillars of digital transformation into core business operations.

For many organizations the digital journey initially presents more risks than opportunities. The body of research indicates that only 30% of digital business transformation efforts are successful. It is unlikely that any traditional organization will accept that seven out of ten digital initiatives will be a failure, but a similar failure rate is common across all technology projects.





What are the keys to successful implementation?

**Digital transformation is a source of competitive advantage and risk-taking must become a cultural norm if transformation is to take place. The chances of success increase dramatically when organizations merge technology with strategy. This requires a clearly defined digital strategy not focusing on individual technologies and recognizing that technology on its own is not a source of competitive advantage.**

Even Senior leadership teams must recognize digital as a driver of business innovation and cultivate a culture that embraces digital and closes the gap between what a digital society expects and what the organization actually delivers. This will require the creation of new capabilities that didn't exist before. Organizations that are successful in embracing digital know spending money on technology and hiring digitally-savvy graduates is not a silver bullet and recognize success comes from an enterprise approach to ecosystem integration.

A more strategic approach is to adopt sound project management principles where digital initiatives are prioritized on the basis of strategic alignment, benefits realization, risk and continued business justification as the project evolves.

This could be further supported by an Agile or adaptable project management methodology and a resource-driven schedule indicating key milestones and indicators of project success.

Digital initiatives should be treated as projects where promised benefits are tested against strategic alignment with a focus on greater visibility and monitoring with a rigorous governance structure that is empowered to cancel or realign the project to the organization's operating model as required. Organizations that have transformed are consistent in understanding that there can be no distinction between business strategy and digital strategy. There is only one strategy: developing and maintaining a sustained competitive advantage and the efficient and effective engagement with customers or service users. Digital is simply a tool to assist. It is easy to get distracted with the ever changing and evolving hype of digital but the focus should always be on the enhancement and extension of your core services. In many ways, it is not about becoming digital but more so about incorporating and integrating digital into your ecosystem and operating model.



Why an ad hoc approach won't work

**An ad-hoc approach focusing on a list of individual initiatives is not enough. Transformation does not happen in the edges or in a silo. If you want real digital transformation the focus must be on digital integration and strategic alignment with the enhancement of existing services with clearly identified and resource-driven project plans associated with each deliverable.**

You will have individual business leaders proposing technology toys and pet projects. Organizations need to filter and minimize these white elephants on the digital journey. A robust project selection approach objectively analyzing how the initiative will serve service users, citizens, staff and the organization will assist in addressing this issue.

Transformation is challenging and your people need absolute clarity as to the benefits for them as individuals, not just the organization. Enhanced service and less staff may not motivate all stakeholders equally. You should start on the assumption that the individual assumes the initiative will make their role redundant. Leadership teams must develop trust by honest and open communication and acknowledge the initial resistor to change will be the fear of how the initiative will impact on headcount and current roles and responsibilities.

Responsibility for creating a culture conducive to digital transformation is the job of your top people. There are security concerns around cloud solutions. We also must ensure we don't substitute the personal human empathy of services with digital, sterile and automated responses.



**Why you need to transform from digital resisters  
to digital champions**

The real transition is to transform from digital resistors to digital champions. If we are to unlock the value, there must be incentive structures and assurances for all stakeholders. If they are not crystal clear, you will not develop trust. And without trust there is no change, let alone transformation.

The key to success lies in the implementation and this is where most organizations fail. There is no silver bullet or one-size-fits-all solution.

Adopting a project-based approach where proposed initiatives consider cost, risk, resources, benefits realization and strategic alignment – and by what date will the project initiative be delivered – is the most tangible way to drive successful project execution. Remember it is very easy to start a digital initiative or project but there is no value until it is finished and providing a service.



The role technology plays in digital transformation

Digital transformation is about technology but it is more about how we use technology as a means to an end. Digital transformation does not work when it's technology-led. Success lies in the integration of technology with people and the development of integrated holistic solutions. We don't need business leaders to master the technologies, but we do need them to define the value of digital technologies and articulate the vision and roadmap. Organizations may also need to accept that their current operating model is no longer fit for purpose.

A significant element of a digital transformation is changing the way we think about and embrace a broad range of issues ranging from risk management to service level agreements and the execution of corporate strategy. Organizations are in a state of digital flux. Nobody has it all figured out, but there is a fundamental need for all organizations both big and small to address the digital challenge. Digital transformation requires a mind-set and a skill-set change. Organizations cannot play it safe. Digital transformation favors the bold and the brave. Failure on a small scale

is part of the process before organizations get it right on a large scale. Management teams need to communicate the digital vision and ensure the right people are on the bus, empowered and engaged to drive real transformational change.

All stakeholders need to agree on the future digital vision. All contribute to success or failure and unless all are pulling on their oar in harmony, there will be no transformation. Projects are fundamentally the vehicle of change, innovation and execution of strategy and have the ability to change the direction of the organization - and a robust project approach will yield more positive results.

There is no silver bullet or one-size-fits-all solution to digital transformation. Digital transformation will look different for every organization. Successful transformation is about remaining competitive and relevant and requires a culture that embraces change and develops organizational agility to meet societal demands in the fast-moving digital future. There is no transformation – digital or otherwise – without organizational change. Change is never easy and the natural reaction to change initiatives is resistance.



About Cora Systems

Cora Systems is a worldwide leader in providing enterprise PPM solutions to global organizations and government agencies, such as Honeywell, Allergan, PwC, City of London and the UK's National Health Service. Cora is a proven foundation for the delivery of projects, digital transformation and strategic objectives. Fully digitizing program and project lifecycles, providing total transparency, empowering decision-making, and streamlining governance and reporting. Every day, across more than 50 countries, over \$20 billion worth of projects are managed on the Cora platform. Headquartered in Ireland and with regional offices in Dublin, Bedford and Boston, Cora's client base includes Allergan Pharmaceuticals, Boston Scientific, City of London, Honeywell Building Solutions and the UK's National Health Service. For more information, visit: [\*\*www.corasystems.com\*\*](http://www.corasystems.com).



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