cora

How to Implement Best-Practice Digital Transformation Programs

The Power of Predictability

Executive Summary

This guidebook examines why 70% of digital transformation programs fail, including the six most common reasons for failure. It provides a detailed look at how you can get the right mix between people, processes and technology, identifying the five pillars of transformation.

Drawing on invaluable insights from the likes of Gartner, McKinsey and PwC, we look at different real world examples from manufacturing, local government, healthcare, and life sciences. To provide you with practical help that can be implemented across your organization today.

CHAPTER 1

Why do 70% of Transformation Programs Fail?

Back in 2019, the extensive research that McKinsey did into digital transformation programs led them to a startling conclusion. Namely, that 70% of them fail[1]. And they went on to discuss the various reasons that explain this. These include an inability to engage employees effectively; inadequate management support; poor or non-existent cross-functional collaboration; and, crucially, a lack of accountability.

They also found that, in order to sustain a transformation's impact, you need a major re-alignment of mindsets and behaviors across the organization. Which is something that few leaders genuinely know how to achieve.

On top of all of which, there are a number of other fundamentals that need to be taken into account. What's your organization's definition of failure? What if the goals were partially achieved – does that count as success or failure? Were the expectations too high? And did the end-client fully understand the transformation journey?

Benefits from transformation programs take time, sometimes years, to be realised. But organizations invariably demand immediate results. And often, there are structural problems with the way organizations are managed and organized. Instead of looking at change in terms of process, it's dealt with individually, across functional silos.

The majority of companies, probably as many as 90% of them, are organized in silos, based on business functions such as sales, marketing, finance, etc. They're rarely structured according to processes, so it's difficult for organizations to take a process view of change. Of adopting, for example, a lean or an agile approach to transformational change across the organization. The siloed structure, and its associated political model, creates significant political and personal battles between departments. Very often, this results in outsiders being hired to drive the transformation, which in turn brings its own challenges.

Assessing success or failure in transformation programs requires a deep dive into the end results, and into any new processes and business systems that have been implemented. Your organization needs a new and more measured focus around transformation, now the foundations for it have been put in place.

1. https://www.mckinsey.com/capabilities/transformation/our-insights/perspectives-on-transformation

6 Common Reasons for Failure

1. Lack of clarity and focus

Not fully understanding the problem and its causes, so not using the right mix of levers or stretching conventional thinking.

2. Poor decisions making

Allowing politics to interfere with decision-making, so decisions made on faulty or incomplete data.

3. Savings don't hit bottom line

Baseline not well understood and benefits not tied to profit and loss, so estimates not properly established or budgeted for.

4. Lack of urgency and momentum

Underestimating time, project complexity and/or stakeholder buy-in, so early benefit to business not visible.

5. Culture and mindset issues

Misalignment and mindset barriers at leadership level, so failure to engage with rest of organization.

6. Lack of adequate skills and capabilities

Inappropriate skills, resources and processes in place, so failure to address employee skill and capability gaps.

Did you know?

A relatively small portion of a knowledge worker's time – 39% according to a study by Forbes – is dedicated to their primary job duties. Too much of the workday is swallowed up by email, administrative tasks and meetings. Substantial time is lost in the frustrating "shadow work" of trying to navigate the seams within and across silos while doing cross-team work. The bulk of today's organizations are still analogue and siloed. Transformation success is dependent on employees working together to achieve the program's goals. The whole company, not just a few people on the same team, must unite to drive success. Unfortunately, in a siloed organization, functional areas and business units struggle to communicate, coordinate and collaborate in relation to transformation initiatives.

Why Digital Transformations Fail, Forbes Magazine

CHAPTER 2

People + Processes + Technology = Transformation

Let's Talk

As George Bernard Shaw once put it: "The single biggest problem in communication is the illusion that it has taken place."

This is probably the trickiest organizational challenge around transformation programs. Colleagues on a project need to communicate with each other, effectively. And it's vitally important that the broader business is kept up to speed during the course of the journey. As all too often, the task force running a change program forgets to bring the company with them.

We cannot emphasize enough the importance of dedicated communication by the team (or individual) in charge of major transformation programs. Technology can automate significant elements of this process, and support stakeholder management with team motivation and commitment.

"The single biggest problem in communication is the illusion that it has taken place."

George Bernard Shaw

Get the People Mix Right

When it comes to 'people', we need to think in terms of what happens when we bring two organizations, the client and the supplier, together to deliver a transformation program.

The people of course will be made up of different levels and skillsets. On the client side, you need to identify an able project manager and to enlist a reliable team from the business (for subject matter expertise) and technical units (e.g. for the systems integrations that might arise).

On the supplier side, you need to have a project team that is pulled together to deliver the implementation, including an experienced project manager and supporting business and technical consultants. As well as the client lead who will manage the relationship as it progresses.

Why Things Can Go Sour

There are a couple of aspects to consider when you bring people together on a change program.

One: you have to deliver the project from a technical perspective.

Two: you have to manage the relationship between the two companies – between client and supplier – which is fraught with challenges.

The supplier needs to be treated as a partner, and be fully integrated into the process. As the transformation is delivered by one team, but is made up of many different business units. Ideally, a consultancy organization should be engaged in an advisory capacity to help guide the program along its journey.

Relationships come under strain within the team, with key stakeholders and with the business units being impacted. This is very often as a result of finding 'unknowns', which negatively impact on the timelines.

Politics can also come into play. There may be senior execs on the transformation who are not actually supportive. There can be a clash of personalities. Governance on a project can creak. If there isn't a regular cadence or structure to meetings, things can fall apart.

Here at Cora Systems, for example, we typically put in governance every two weeks on a project, where we'll have the client lead and the project manager on the supplier side meet with the client's team, usually via a conference call.

At that meeting, everything is on the table. There will be a formal agenda and all the time you're building that relationship. Which you can do online or face to face – though obviously face to face is best.

It's getting that regular rhythm that keeps things honest. If a month goes by where people haven't met, what happens is that 'Mary' assumes 'Tom' was doing 'X', or the project manager thought a specific item was going to be done. Things fall between the cracks.

Obviously face to face is best. It's getting that regular rhythm that keeps things honest. If a month goes by where people haven't met, what happens is that 'Mary' assumes 'Tom' was doing 'X', or the project manager thought a specific item was going to be done. Things fall between the cracks.

It seems obvious but it doesn't always happen – that both sides are rigorous in keeping to their objectives. The cost of negligence is that you lose that structure and discipline. You have to work to a specific time frame to deliver a program. Losing momentum and focus can be fatal. It's a challenge.

It's important, too, that everyone understands the rationale for change. People need to feel that their voice is being heard throughout the process. Identify 'objectors', whether that's for business, political or simply circumstantial reasons. Perhaps a key staff member has left the program, and their replacement needs to be sold on the benefits.

The Project Sponsor

On the client side, the key personnel will hinge on the sponsorship so that there is a strategic leader within that organization to make the transformation program happen. This person has to be committed and he or she has to adhere to clear strategic goals for the business. The importance of the project sponsor's role can't be underestimated.

Sponsors can be driven by a combination of corporate and personal goals. Corporate goals are essentially the outcomes for the organization from the transformation. While the sponsor's personal goals are delivered by achieving success. Sponsors will have their own motivations when it comes to success for the change program.

They will be keen to achieve the organization's goals, saving X amount for the company. And they will also be chasing their own personal career goals, looking for a feather in the cap, or for something to help them jump a few rungs up the managerial ladder.

They will have a destination in mind – a strategic direction. Which could be to reduce costs by x%, or to streamline particular processes within the business. Or to transform the way they provide a particular service in, say, government.

In health service, for example, it could be cost improvement projects. It could be the implementation of new strategic schemes. Or it could be improving the quality of particular services, the implementation of new medical initiatives or new processes for emergency or acute health services.

It depends on the length or size of a project, but sponsors may believe they just have to come in at the start and then at the end. This is a grave mistake. They need to be part of the program and over all its details.

They need to drive the program with their belief and energy. They need to be invested in it. It's fascinating how human nature works. If people on the program that mightn't be 100% supportive see any sense of a lack of commitment or interest from the project sponsor, they will down tools immediately.

Snakes & Ladders

Sometimes things happen. It's out of your hands.

The project sponsor might retire, leave the organization, move into a different role or get replaced. This can be hugely challenging. The new sponsor has to be brought up to speed. New relationships have to be established and nurtured. You might have been working closely with the previous sponsor for 18 months. Now you're back to square one.

I call it "snakes & ladders". You have to go back down the snake. You just have to breath in and climb back up the ladder. It's business. All the time you have to address the position you're at. Make the decision. Keep moving. Keep your eye on the prize. Once the new sponsor comes in it can change the nature of the project. They might not be as strategically bought in on what's happening. It means there can be another selling cycle.

When you build a good relationship with a project sponsor, you have to be totally frank. You need to be able to say, "The project's not happening for the following reasons. This is why." Or, "We haven't made enough progress, because of X and Y." With that right sponsorship and support, you can change direction quickly. Or you can change the scope to manage the changing circumstances.

"The project sponsor might retire or get replaced mid-stream. The new sponsor has to be brought up to speed. New relationships have to be nurtured. It's like "snakes & ladders". You have to go back down the snake. You just have to breath in and climb back up the ladder. It's business. All the time you have to address the position you're at. Keep moving. Keep your eye on the prize."

The C-Suite

It's vital to understand the executive positioning of project management within the organization. We must remember project management is a relatively new discipline. To deliver major change to an organization, the chances of success increase when the change program is at the C-suite level – when the project sponsor is either on the board of directors or on the senior management team. Also, it's critical that the project sponsor owns the budget for it. If they don't, it makes life difficult.

If the project sponsor isn't senior enough, they will lack the authority to make decisions and to drive the change across the organization. Because they will struggle to get board-level approval on their activities. Without it, the aspired-to change will get bogged down halfway. Once a project sponsor fails a couple of times to make decisions, the program will hit the rocks. It might have to reduce its scope or its terms.

What I am seeing is that a lot more project sponsors own the budget. This means they can shape the change program. From all of the successful programs I have seen, the global sponsor spends a lot of time with us compared to what would have been the case five years ago.

Take for example a flagship client from one of my previous roles, I might have been on the phone to him every day one week on various aspects because of what's happening on the project. It's good to keep the wheels oiled. Once the relationship is solid, and the project sponsor believes in the supplier's system, they will act as an ambassador for the supplier. It's in their interest. When a change program is successful, everyone wins. It's about building a partnership approach between both sides.

When PwC asked if they felt their input added value to programs – 63% of Executive Teams felt they did, as opposed to only 45% of General Managers (this is quite astounding in that we have over a third of Executive Teams effectively saying that they do not add value!

4th PwC Global Portfolio and Programme Management Survey

Map Out Your Processes to Align With Your Strategic Goals

Mapping out the key business process for managing projects, programs and portfolio – because it goes up those steps of stairs – is absolutely key. Plan your journey over time and in distinct phases. Understand where Base Camp is – where Phase 1 will bring you – and what the subsequent phases should look like.

In our business, we're typically putting in a portfolio management lifecycle. We're taking documentation and information on projects that are spread across many disparate systems, in different formats. The info might be in MS Excel, MS Word or on other third-party management systems. All of those data points are brought together into a standard process within a PPM platform,such as Cora PPM.

We depend heavily on the subject matter expertise of each client on their particular implementation, but we're also bringing best- practices to the table ourselves because we understand all the major methodologies (e.g. PIMBOK, Prince2, Agile). We knit it all together into the one platform to give them give them the famous 'single view of the truth'.

Running Workshops

We end up running a series of workshops to hone the requirements. Which might take a few iterations, but it's an important phase. That ties in with the next stage, which is the technology aspect. Because integrating the processes might mean we're integrating with financial systems, or with document management systems, or other project management systems.

To do that we need to be able to map the information and understand where that data fits into the business processes as it comes in and out. You're talking about a couple of elements here. When do you bring the financial data in? Where does it go? What you're trying to do here all the time is to create one single workbench for the project manager and the portfolio manager to run the business.


HOME
Contact
Dashboard
Budget

Every Second Counts

Everything is updated in real time. This is vital. Every time a project team member updates their Cora PPM system, it's live for everyone. This is the essence of digitization. People might be offline elsewhere and if they add, say, a risk in MS Excel, nobody knows about it.

Real time reporting and analysis change the game in global organizations, where automated workflows and decisioning can be made based on business rules. This can save the organization millions of dollars. When reporting or analysis is done offline, it's easy for misunderstandings to creep in. People can be working off different dates or reports, so the financial or schedule status ends up being misinterpreted.

We see it all the time. It's the problem of working offline. Not to mention the wasted time people spend doing status updates. Working in real time requires change management, as business processes change or are at least impacted. When clients move to Cora PPM and they add a risk, it gets flagged in real time. It might be a serious risk; a supplier might not be able to deliver on time or a project is running behind. It could be an early warning around budget. If warranted, two levels of management could then be notified by email, immediately, as a result.

"It's the essence of digitization. The big benefit is that you're able to make decisions quicker. In a realtime system, you have access to info early. It's visible straightaway. If you can intervene early, you can make decisions faster and save money. If you delay a decision by two or three weeks – which often happens when things happen offline – it can be detrimental."

A life sciences client, for example, might be running R&D projects, quality projects or production projects, which all have particular kinds of risks associated with them. In an analogue world, they'll only be reported on weekly or monthly. But once they move to a digital platform, and they decide they need to elevate that to a program risk, that can then be flagged to the senior directors in that area of the business. Which will have a hugely positive impact in terms of time saved managing that risk. And will help avoid further downstream issues, which could have cost the organization millions of dollars.

The big benefit is that you're able to make decisions quicker. In a real time system, there's a lot more information going around and you have access to that info much quicker. It's immediately visible. And if you can intervene early, you can make decisions faster and save money. We have seen clients not knowing project status for six weeks and more in the offline world. And by then, it's too late to make any meaningful changes. As ever, time is money!

Get the Right Technology and Achieve Your Goals

As your technology partner, we take the pain away in any implementation by providing a Cloud solution.

We've built that solution using the latest, leading-edge technology. So that it can be seamlessly integrated with other systems, and in a safe and secure manner. Because it's vital to build a system that's future-proofed. You need to be thinking 7+ years out when evaluating a solution. You need to have a roadmap front and center.

CHAPTER 3

The 5 Pillars of Transformation

1. Strategic Alignment: Will our Project Help us Achieve our Strategic Goals?

It's important to make sure that the projects you're doing contribute to your overall business strategy. Often, organizations discover they've green lit a number of maverick projects which don't necessarily contribute to the strategic objectives of the business. A maverick project gets initiated because the originator wants to do it. And technology, unfortunately, is often an offender in this regard. Enabling projects that might be exciting to do, but shouldn't have been prioritized

To get transformation right, you must get a handle on the portfolio of projects that are currently underway within the company. Make sure they're all in sync with the strategic objectives. Which might be for growth, or to increase exports. But there's no point targeting exports if most of your business is done in the one country. Similarly, if you're in manufacturing and you're looking to reduce costs, why don't you have more projects driving Lean or cost reduction?

One of the first things, then, that you need to do is to make sure that your projects are aligned with your strategic objectives. One of our local government clients, for example, has three strategic pillars. And it can now identify which project relates to which one of its strategic goals at the flick of a switch. It's something that immediately brings rigor and focus.

Similarly, one of the first things that the project sponsor at one of our big healthcare clients did, was to create a number of strategic goals on his Cora dashboard. So that he could immediately see the different objectives under "Acute Service Improvement", "Disability Service Improvement", "Mental Health Service Improvement", etc. Whenever a project was set up, it had to be tagged to a strategic objective before being approved. It has to have a purpose that aligns with the greater organizational goal.

2. Project Prioritization: Does the Organization Have the Agility to Take on the Correct Projects?

Can your organization actually do the projects that are planned? We still find that more than 50% of the companies we deal with cannot do the projects that are planned. It's extraordinary when you think about it. Companies typically go through Annual Operation Planning, or AOP, and they'll identify, say, the 20 major projects that they want to do.

There's a section underneath that often gets left behind. It's the rigor to ask: Can we actually do these projects with the people we have and the resources that we have right now? Very often you'll see major gaps in that thinking – and execution. Companies need to become better at prioritizing. It's non-negotiable. Strategic capacity management allows them to do that. Then you can map out the outcomes.

"More than 60% of the responses stressed the importance of defining and clarifying the expected outcome of an implementation upfront — before committing significant resources to it. Have a solid understanding of what you want before you start, including requirements, goals, processes and reports."

Gartner recommendation

3. Benefits Management: Can We Map the Outcomes We Want to Achieve?

When it comes to benefits management in, say, our manufacturing department, the aim might be to reduce costs by 20%. We're going to put in a new quality system, or new processes for manufacturing. What you're trying to do is tag the benefits, to identify what's achievable.

One of our medical device clients, for instance, operates a global cost improvement program across 18 countries. Their Global Operations team identify the costs at the start of a year on their various project portfolios (of 300+ projects), and they continue to pursue them rigorously over the next 12 months.

They will say, for example, we're going to reduce costs in quality assurance in our Switzerland plant by 25%. And very month, they'll run reports monitoring the progress. It might mean consolidating management: They might have to drop three executives, from a pool of 20, in one particular plant. But they pursue this strategy doggedly from their headquarters in another country. And it's enabled them to identify projects that have the potential to fail, and to intervene early on.

"A medical device client will say, for example, we're going to reduce costs in quality assurance in our Switzerland plant by 25%. Every month, they'll run reports. 'How are we doing on that project?' It might mean consolidating management:

'We have to drop three executives – from a pool of 20 – in this plant.' They pursue that strategy out of their headquarters in another country."

4. Governance: Do We Have the Infrastructure and Processes to Meet our Compliance Requirements?

With governance it's about asking yourselves: Do we have the infrastructure processes in place by which compliance will be assured? Do we have the journey mapped correctly so we can deliver the transformation we've promised and achieve the benefits?

The roadmap is fine in theory, but it's often difficult to stick to it. You'll hit the hedge on occasion. You'll hit potholes. But you'll deal with those issues along the way if you have the right processes and the right infrastructure in place. Have we the project plan in place? Have we the resources allocated and tied down? Have we the senior executive commitment to it?

This is where you need sponsorship to drive it – to ensure you've secured the right amount of resources up front. You need a forceful project manager on site to make sure you get them. Is there a budget for the project? Very often in large companies you just run out of budget.

5. Portfolio Insight: Are We Focusing on the Future and Not on the Past?

A lot of companies get bogged down. Occasionally, they look up to draw breath and ask: Where are we with our portfolio?

You have very little time to concentrate on what's happening out in the market or where you should be going. But once you have the Cora PPM solution, you'll have the structure in place to be able to take stock of your projects, and how they relate to your portfolio objectives.

This immediately brings great peace of mind and control. You can't put a price on that. You're not all the time looking out through the rear-view mirror asking, "What went wrong?" Your projects and programs are up and running – and running well. You're able to look out and say, "What else should we be doing?"

This is not a pipe dream. It's perfectly possible to deliver a program environment where everything is well governed. We work with clients where projects are correctly structured, their resources are aligned and their budgets are integrated and in place.

Where previously you might have had to wade through 15 different systems, with Cora, everything is seamlessly integrated into the one system. Giving you that clear, single, centralized view of the whole transformation program.

We might not like to admit it, but some people secretly enjoy chaos. It gives them the excuse to take over, and move people willy-nilly this way and that. Which is one of the things you need to take charge of. Because managing change isn't just about systems and processes. It's also about behaviors. The sweet spot is where those three things meet: People + Processes + Technology = Transformation.

BEFORE...

Fire fighting

"I spend my time trying to solve problems we didn't foresee."

Backward-looking reporting

"The data we review can be weeks old. How am I supposed to make effective decisions if I don't know what is going on now?"

Too much data, no information

"I have information and data from all angles, often one system conflicts with what another says, I spend my time trying to figure out what is actually going on."

The blame game

"No one takes any ownership, and when things go wrong they point at someone else. There is no accountability, no drive to do things right first time."

Operational silos

"No-one seems to talk to each other. They don't know when they are dependent on each other until things are late."

AFTER...

Proactive management

"Early warning indicators quickly bring my attention to problem areas before they derail the program."

Forward-focussed reviews

"I understand current status, historical performance and have a clear view of predicted future output if things stay as they are – this allows me to take action to change the program early."

Insights and factual information

"Having one indisputable source of truth allows me to see what is going on daily and allows me to make effective decisions based on factual information."

High-performing team culture

"There are clear lines of accountability and people are proud to deliver on time and budget. People know how their work contributes to the overall program."

Multi-function delivery teams

"Communications are much improved, we all understand our interdependencies and work together to resolve issues before they impact delivery."

CHAPTER 4

How Cora Systems Powers Enterprise PPM & Transformation

Your world of enterprise project and portfolio management

Radically reduce costs and significantly increase revenue

Guaranteeing successful project delivery

Based on hundreds of implementations, Cora enables organizations to plan and manage long-term projects within high-value supply chains, ensuring their successful delivery.

What we do

We make sure that everything you do and make is delivered on time and on budget, thanks to our seamless integration of your schedules, forecasting, resources and financial controls.

How do we do it?

By streamlining and centralizing all your data, to give you immediate and effortless visibility into every project and across your portfolio.

What does that mean for you?

Those gaps between planned and actual costs and delivery are eliminated, so your costs and waste go down and your margins and revenue soar.

Select the right projects

Consistently recognized by Gartner™ in its Magic Quadrant for Strategic Portfolio Management, Cora combines strategic functionality with execution functionality so you make the right investment decisions.

Standardize processes

Integrate your business processes into a single, streamlined system, so all your data and documents are always up to date.

Sync your supply chain

Track and monitor all the data that your parts, materials and assets generate as they move through your supply chain.

Centralize your project data

Get immediate visibility into everything, wherever you are. It's all there on your dashboard.

Reduce deviation

Minimize those gaps between planned and actual costs and delivery, so you can be confident of continually maximizing your margins.

Configured for and by you

Highly flexible due to its no/low code configurability, easily adapting to your business needs.

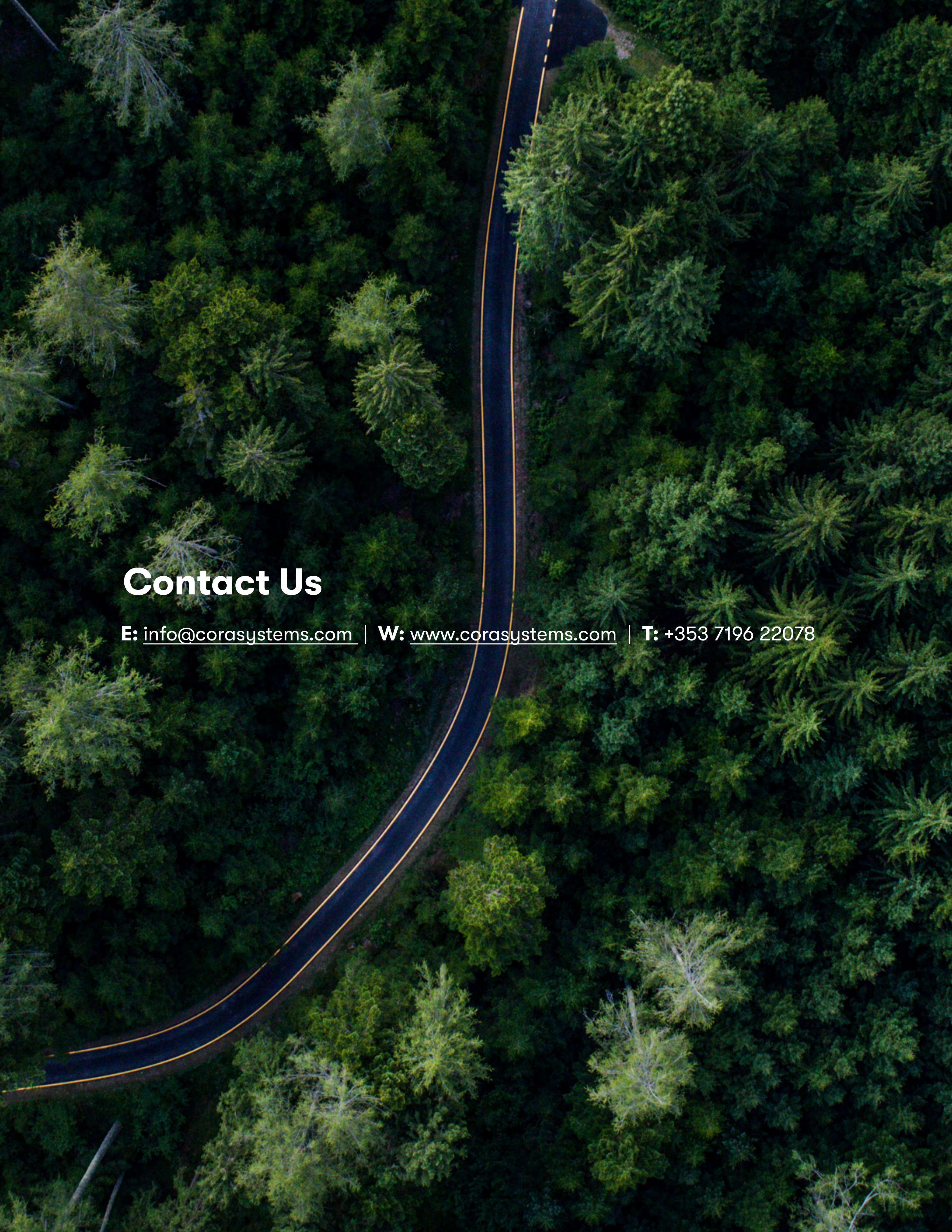
We make you the ‘control tower’

Where all your data and documents are collected and organized. Everything is constantly updated and immediately accessible. So you get to effortlessly orchestrate each and every one of your projects.

Author Bio

James Deane has had a number of senior roles as part of the Client Engagement team at Cora for over ten years, working in Pre Sales, as an Account Manager, a Sales Lead and as the PwC Solution Lead. And he's now working as the Principal at the head of the Business Value (BV) team.

During all of which, he's provided extensive support for the digital transformation program and portfolio processes for a wide range of clients working in every area of industry. Before which, he'd gained a wide range of experience in different roles helping to implement digital transformation programs throughout the IT services sector.



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