



The Key Elements to implementing a Digital Transformation in your company?

We have had the opportunity to lead business transformation from within our own companies, when we worked in OEM organizations, as well as, consulting our customers through a businesses transformation for their companies. In doing so, we've learned that there are three key aspects to every successful transformation. These are; **Process, Technology** and **People**. When we advise companies on their transformation efforts we focus on the need to ensure that all three areas are incorporated into their business transformation initiative. We believe that this is the difference between success and failure in the initiative.

In many organizations, technology is treated as the “silver bullet. However, technology alone is only one aspect of what’s needed to enable and embed transformational change. Some companies go about transforming themselves with a series of “pilots”. Only to start and stop because of the lack of depth of understanding of what it will take to embed these changes within the company. Business transformations encompass a series of steps, that follow a well thought out roadmap, that are all building blocks to the long term success of the company. Building blocks that create the future foundation and capabilities that rely on one another for continued growth, support and transformative methods.

Process

The first step to transformation is to take a look at your existing processes. Take a look at these processes, functionally, as well as, cross-functionally, from an end to end perspective. Most companies try to skip this step and implement the current processes with new technology. Don't get me wrong, technology is a great lever to success, however, this only occurs if you take the time and effort to understand the “To Be” processes you need to have in place in the future. If you don't do this step, you are only modernizing your current way you work and miss out on the opportunity to utilize technology as best as you can to differentiate how work could be accomplished.

Technology

Technology is the pillar that gets most of the attention these days. Companies typically think of technology like a widget — something that they can plug in to fix a problem. This kind of thinking leads to having huge portfolios of technologies that are very difficult to manage. Technology also doesn't always do what we expect it to. Departments within a company, sometimes don't share a common language, so they end up coming to separate conclusions based on different sets of data. More data means more confusion, which means less control over your product and process. These issues are only made worse by the information silos that technology can perpetuate. Make sure you rationalize the technology portfolio and define the data and technical architecture that fits your organization's method of work best.

People

People are the core asset of every business, but tragically, few business transformation initiatives take the time to understand how employees' work will be impacted by the business transformation initiative. People are typically the knowledge centers of how work really gets done in a company. Neglecting the “People” side of the initiative can have unintended consequences. People are also the driving force when it comes to Adoption or Resistance. Make them a key part of any business transformation initiative to drive reception and embedment.

When your business is going to go through a major change, you need to encompass all three aspects; the Process, the Technology, and the People. To make sure you are, answer a couple of key questions. Do you completely understand the ways in which your company will work differently going forward? Second, what is the impact of the change to your employees? If you'd like to talk about our experience in this, please give us a call!

Next Month: Potential ways to monetize your company's Connected Product