

Walk. Don't run.

How a slow, steady and informed approach wins the digital race.

The race to digitally transform is up and running.

Avoid falling at the first hurdle in the digital transformation marathon.

Everything in business is changing – technology, expectations, regulations, the way employees work and even the way your business can operate. Most companies want to embrace the change and move swiftly towards a more efficient digital future. But – and it's a big 'but' – with enormous tech investments in every sector, why is it that only 22 per cent of businesses make the most of their efforts?

We're going to break down the buzzwords, complexities and confusion that prevent effective change when we talk about updating business systems.

So Britain's businesses can better understand where they should be focussing their efforts. And be everything their customers want them to be.

**“ 78%
of businesses fail to
make the most out of
their tech investments ”**

Accenture, 2019

Busting the buzzwords

Understanding what you're trying to achieve when updating your business systems will go a long way to avoiding the mistakes that prevent a successful transition. And help move your business ahead of the competition.

Digital Transformation

Misunderstood as:

Modernising or moving to a cloud-based system.

What it really means:

Rethinking how you use technology, people and processes to improve business performance and meet the changing needs and expectations of customers.

Digitalisation

Misunderstood as:

Switching from analogue to digital.

What it really means:

Using technology to improve your business model and performance.

Automation

Misunderstood as:

Using machines to do jobs previously done by people.

What it really means:

Developing and implementing technology to control and monitor the production and/or delivery of goods and services.

Efficiency

Misunderstood as:

Digital systems doing everything faster and better than analogue methods.

What it really means:

Making the best possible use of your resources – which can lead to a better business performance, reduced costs and a competitive edge.

Business is changing fast

Last year, an estimated **40%**

of all technology spending went toward so-called digital transformations, with enterprises spending in excess of

\$2 trillion
(according to IDC).

With so much investment, why is it that so many companies get it wrong?

In short, it's because too many people only focus on the digital side of things, like buying fancy new tools and 'must-have' digital products. And not the transformation element. They don't think about how they can change the way business is done.

“You must adequately invest in those other things that actually drive the transformation... putting in the right culture and establishing the right processes to enable the organisation to digitally transform.”

Michael Sherman, Chief Strategy and Transformation Officer, BT.



Get off on the right foot

It seems like so many organisations are concerned with keeping up with trends or jumping on the innovation bandwagon, that they don't build strong foundations to begin with.

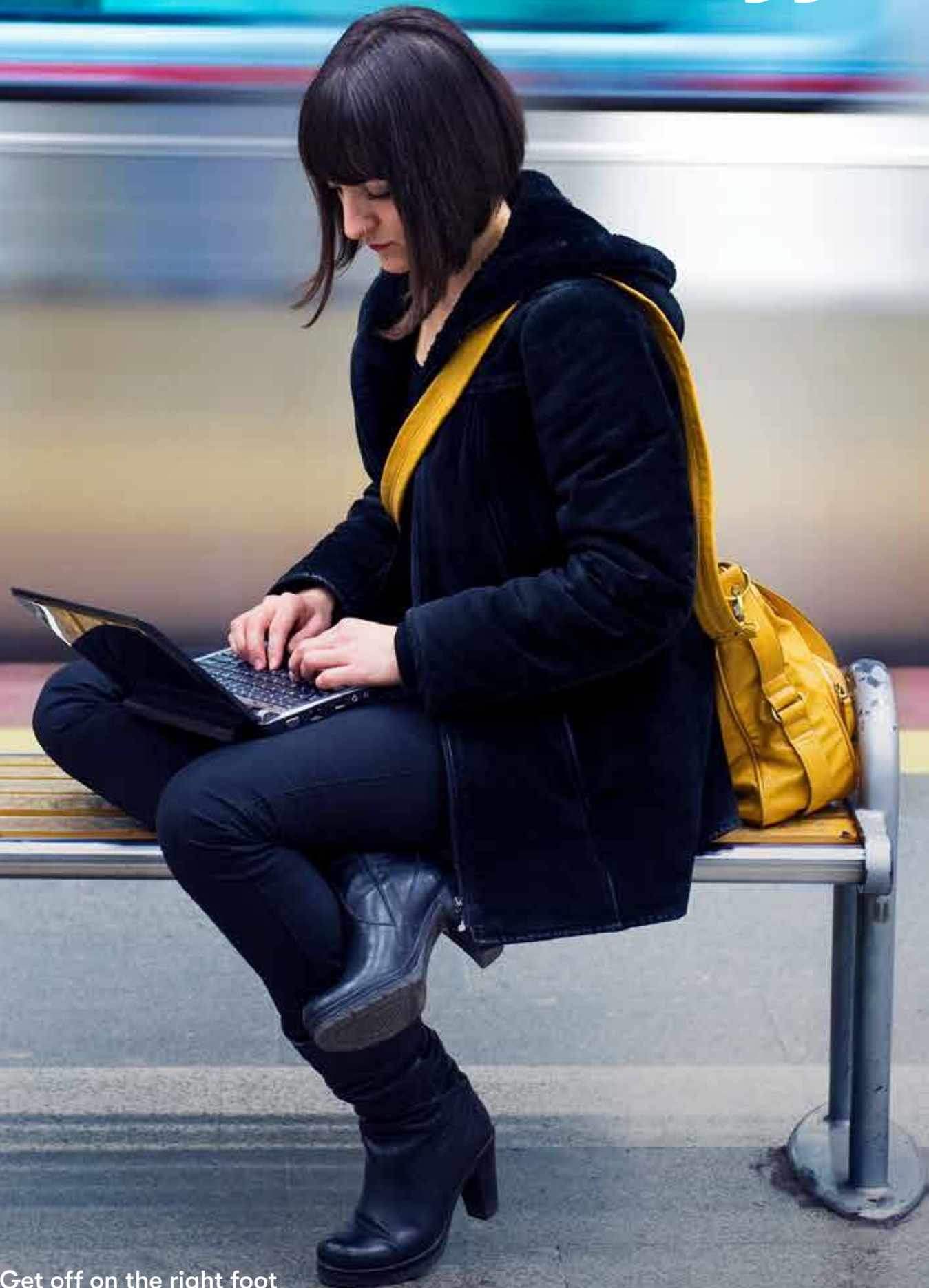
Almost like someone who wants to compete in a swimming race – they go out and buy all the best gear and dive straight into the deep end before realising they haven't even learnt the basics.

“Very often you see people focusing on additional efficiency changes and improvements to their company, rather than on understanding what type of new business models and business opportunities are possible in the ecosystem.”

Jürgen Meffert, a senior partner in McKinsey's Düsseldorf office states in 'How to make sure your digital transformation succeeds'.

Change is never easy or straightforward. But it's clear that too many companies are simply missing the mark and failing to unlock their own digital potential.

“One in five businesses in the UK have not managed to deliver digital transformation projects.”



“There are lots of reasons digital transformations are failing. The main culprits are a lack of understanding, a disconnect between departments, and leadership ill-equipped to drive effective change.”

Angelica Mari in ‘One in five digital transformation projects fail’ refers to some of the different reasons businesses put forward themselves.

These include:

- a lack of understanding of technologies available
- selecting a platform that was not appropriate for the purpose
- a lack of skills
- not enough budget
- worried about the large capital expenditure
- concerns around making the wrong technology choice
- worries brought on by Brexit.

(Reasons cited on Censuswide on behalf of IT firm Econocom)

Even though the issues contributing to failure are complex, one remains at the forefront of the problem – a lack of understanding.

Without it, companies find themselves throwing money at the issue and speeding through to an imagined end goal, before truly understanding their own individual needs. In the end, a lot of digital investments turn out to be highly inefficient.

Learning from mistakes

With all great revolutions comes great struggle – and that’s no different when it comes to digital transformation.

Let’s take a look at some projects that didn’t quite succeed in their plans to digitalise.



Mislaying the foundations

When a state-run service provider made a failed attempt to go paperless, costs spiralled to nearly £10bn.

The problem they faced was modernising their systems to improve the journey of their customers. But such a huge investment, without the foundations to match, was doomed from the beginning.

“This saga is one of the worst and most expensive contracting fiascos in the history of the public sector.”

Richard Bacon, who co-wrote a book on botched government projects puts the failure down to the original contract.

With pressure from stakeholders and customers, those running the service ended up reacting to immediate demands. They didn’t see the bigger picture. The result was on-going issues that had a negative effect on the effectiveness of the service, causing more problems than it solved.

In attempting to upgrade they had forgotten to take their existing systems and processes into account.

Learning from mistakes



Forgetting the basics

When a big corporation undertook a ‘desperately needed’ digital transformation, improving access to IT and video communication systems, adequate research for the project wasn’t given much thought.

This came to light after the £1.2 billion upgrade plan was disrupted by basic issues. Poor quality Wi-Fi made it difficult to send documents, and untrained staff couldn’t understand the new system. In short, they had a poor existing infrastructure.

Not only does the lack of investment into its existing infrastructure raise concerns with daily operations, it also shows an enormous lack of support to back the large-scale digital transformation.

In this case, it’s clear that although a huge digital transformation is necessary, repairing the current infrastructure (particularly basic aspects of video equipment and Wi-Fi) is a key part of the process.

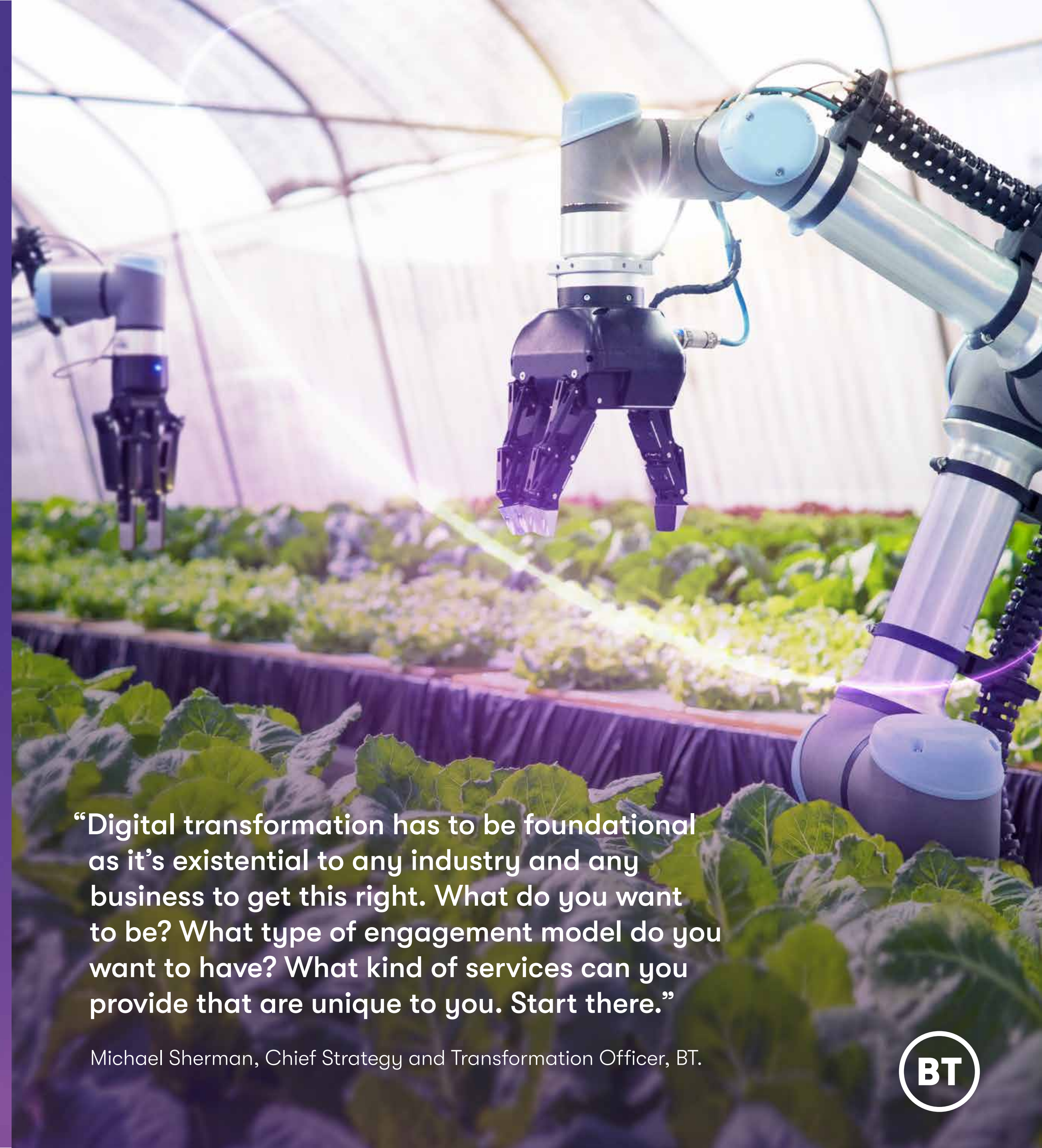


Start at the beginning,

In a time where improving efficiency in your systems feels like cracking the Enigma code, what can businesses do to get started on the front foot?

The first step should be carefully considered. Each business should seek consultation and commission in-depth research into their own needs, problems and opportunities. Transformation is not about skipping forward to the future, it's about sensible growth and planned development. Looking at the basics before embarking on a journey.

don't jump to the end.



“Digital transformation has to be foundational as it’s existential to any industry and any business to get this right. What do you want to be? What type of engagement model do you want to have? What kind of services can you provide that are unique to you. Start there.”

Michael Sherman, Chief Strategy and Transformation Officer, BT.

It's all about the network

While efficiency through digital transformation is a top priority for many businesses, the importance of a suitable network seems to be getting left behind.

Too often a network is forgotten in the transition period. When in fact, the network should be the enabler of transformation.

“Digital transformation should go hand in hand with network transformation”

Chris Barnard and Jan Hein Bakkers, SD-WAN:
A Cornerstone of Network Transformation

Basically, your network is the foundation for every update and change you need to do business more efficiently. So when it comes to the network, doing nothing is not an option. To successfully transform into a more efficient digital-native enterprise, organisations will need a network that fully supports the user with improved flexibility, manageability, scalability, cost-effectiveness, and security.

The journey to a positive transformation

The aim of this article was to help you understand how to make your business more efficient by avoiding the common mistakes and misunderstandings that others have made during a digital transformation. We've explained the buzzwords, outlined common errors and established that your network – or rather the strength of your network – is key to success.

For an expert view on managing the change, take a look at this interview with BT's Chief Strategy and Transformation Officer, Michael Sherman.

When looking to implement new digital practices the network should be your first point of call. It should be assessed to make sure it's strong and secure enough to handle the changes you want to make. By approaching things with a more rounded view - taking your connection, network, tech and business needs into account – you'll be setting yourself up for success.

And not only will a stronger network lead to a better transformation. It could also power your business to:

- grow
- boost profits
- expand consumer reach
- better customer acquisition and retention
- improved communication.

And help your business stay ahead of competitors by ensuring that the changes you make to your network always end in success. Getting your business in shape, without losing out.