

# BUSINESS TRANSFORMATION

03

## CHANGE THE SCENE AS A DARING INNOVATOR

A master class in how to transform your business successfully

06

## GRASPING THE NETTLE AVOIDS BEING STUNG

Organisations that stand still eventually fail, overtaken by ever-faster change

10

## DON'T MAKE THE SAME MISTAKES AS OTHERS

Five major pitfalls to watch out for when transforming your business...



**p2**  
consulting

TRUST • PLAN • VISION • TRANSFORM • DELIVER • SUCCESS

THE WORLD'S LEADING PROJECT & PROGRAMME MANAGEMENT COMPANY

+44 (0) 20 3823 2180 [www.p2consulting.com](http://www.p2consulting.com)



# Digital transformation



"Bluefin showed us that SAP HANA®  
could be a game-changer."

Group BI Systems Manager, FTSE 250 company.

Think big.  
Start small.  
Act now.

Google 'Bluefin HANA' to start your journey.

**bluefin**  
a Mindtree company



RACONTEUR	
PUBLISHING MANAGER <b>Sophie Kavanagh</b>	HEAD OF PRODUCTION <b>Natalia Rosek</b>
PRODUCTION EDITOR <b>Benjamin Chiou</b>	DIGITAL CONTENT MANAGER <b>Jessica McGreal</b>
MANAGING EDITOR <b>Peter Archer</b>	DESIGN <b>Samuele Motta Grant Chapman Kellie Jerrard</b>

CONTRIBUTORS	
<b>DAVID BENADY</b> Specialist writer on marketing, advertising and media, he contributes to national newspapers and business publications.	<b>MARK FRARY</b> Business, technology and science writer with eight published books, he speaks regularly on technology and futurology at conferences.
<b>JOANNA GOODMAN</b> Freelance journalist and author, she specialises in business and technology, and writes for <i>The Guardian</i> and <i>The Law Society Gazette</i> .	<b>DAN MATTHEWS</b> Journalist and author of <i>The New Rules of Business</i> , he writes for newspapers, magazines and websites on a range of issues.
<b>GIDEON SPANIER</b> Head of media at <i>Campaign</i> magazine, he writes columns for the <i>London Evening Standard</i> and is on the executive committee of the <i>Broadcasting Press Guild</i> .	

Although this publication is funded through advertising and sponsorship, all editorial is without bias and sponsored features are clearly labelled. For an upcoming schedule, partnership inquiries or feedback, please call +44 (0)20 3877 3800 or e-mail [info@raconteur.net](mailto:info@raconteur.net)

Raconteur is a leading publisher of special-interest content and research. Its publications and articles cover a wide range of topics, including business, finance, sustainability, healthcare, lifestyle and technology. Raconteur special reports are published exclusively in The Times and The Sunday Times as well as online at [raconteur.net](http://raconteur.net)

The information contained in this publication has been obtained from sources the Proprietors believe to be correct. However, no legal liability can be accepted for any errors. No part of this publication may be reproduced without the prior consent of the Publisher. © Raconteur Media

OVERVIEW

# Change the scene as a daring innovator

In a fast-changing digital world, entertainment giant Netflix is a role model in how to transform your business and stay ahead of the curve

DAN MATTHEWS

Blockbuster’s decision not to buy Netflix in 2000 has ascended to the realm of business folklore. hindsight is beautiful thing, but this passed-up opportunity ranks alongside some of the biggest corporate misjudgments of all time, such as Comcast lowballing Disney in a 2004 hostile takeover attempt, and Yahoo! failing to see the value of adolescent upstarts Google and Facebook.

But then, as a transformative business, Netflix has a track record of spying an opportunity before anyone else. Founded in 1997, its very name was a shout-out to the future. Online streaming wasn’t even a thing yet; you and I might have called it DVDflix.

It took a decade for broadband internet to catch up with the founder’s vision and while the company still operates a DVD rental niche, the overwhelming focus is on digital streaming of TV shows and movies.

Bravo. But the firsts don’t stop there. Netflix’s decision to switch to original content and divert budgets away from licensing film releases was another famously big bet, and this first gave rise to lots of smaller ones.

Yann Lafargue, Netflix’s manager of corporate communications for Europe, the Middle East and Africa, explains: “*House of Cards* was one of the first series to be commissioned for two entire seasons without any pilot, which went against the normal rules of commissioning a show. We were the first to release all the episodes at once, but also we released it everywhere in the world where Netflix was available, at the same time.

“It was really significant for people outside of the US who didn’t feel like second-rate viewers. People all over the world can read updates on Facebook and Twitter. Before people in the UK would hear about something going on in the US, but they had to wait to watch it.”

Not only was this a great play for viewers outside America, it was a boom for the business too. Restricting the release of a show gives fraudsters a field day. Taking the Nordic region as a case study, Mr Lafargue says the arrival of Netflix and releasing *House of Cards* everywhere at once reduced piracy by a third, according to independent studies.



The award-winning Netflix Original drama *Stranger Things* received much critical acclaim and has been renewed for a second season

There are more positive side effects to this strategy. One is that the people who make shows aren’t dictated to by ad breaks and weekly instalments, giving them a free hand to create the best format they can manage.

“Content creators have a new canvas,” adds Jai Dattani, Netflix manager of consumer public relations for Europe, the Middle East and Africa. “They are not interrupted every 15 minutes for adverts and they don’t have to create a mini cliff hanger to ensure viewers come back. Nor do they have to take up the first few minutes of an episode reminding you what happened last week.

“It’s an opportunity to get viewers totally immersed into what they are watching. It changes the narrative arc. Netflix episodes can vary in length depending on the time it takes to tell the story. The old way meant you had to force it into 25 minutes or 45 minutes. It’s a bit like saying all books have to be 200 pages long.”

If the numbers are anything to go by, this bold step has worked out well. Netflix now has more than 93 million household subscriptions across dozens of territories. In 2017, it will release more than 1,000 hours of original programming, dividing into more than one new title a day for the year.



93m

households are subscribed to Netflix worldwide



1k hours

of original programming will be released on Netflix this year



\$1bn

will be spent by Netflix this year on technology

Money talks too. The company will spend \$1 billion this year in technology, upgrading its platform and many billions more on creative work. Its latest big release, historical drama *The Crown*, cost a reported £100 million to produce the first series. This translated into multiple awards for top actors like Claire Foy, who plays Queen Elizabeth, and John Lithgow as an ageing Winston Churchill.

Tellingly, one of *The Crown*’s major rivals for silverware this year is *Stranger Things*, also a Netflix production. “We’re becoming the biggest studio in Hollywood,” says Mr Lafargue.

But although the Netflix team is happy with the outcome of its transformations, there is no great sense of relief. According to the team, these weren’t shots in the dark, but calculated manoeuvres that minimised the downside.

“Moving to original content was a huge strategic bet, but an informed one. This is because we aren’t competing with TV and linear channels. The titles are there for the lifetime of the content. New customers can enjoy older shows, so there is less need to attract a big crowd at launch,” says Mr Lafargue.

But Netflix must keep improving to steal a march on its rivals, notably Amazon Prime, Hulu and Now TV. One way to do this is to seize upon good ideas whenever, wherever and however they arise.

On its children’s platform interface, for instance, the animations are signposted not with a title or brand but with the show’s main character. This comes directly from an employee who, watching TV with his child, noticed they always said characters’ names when asking to watch something.

The company is also working to spoon-feed content to customers based on their viewing trends. It considers variables such as the time of day – lunchtime is maybe not prime zombie flick viewing – and the device being used.

Tablets are for people on the go, so Netflix prioritises snappier content, while a TV in a lounge is a lean-back experience, perfect for something feature length.

Like many other innovative companies, then, Netflix is not driven by pressure to do things first, but by delivering good experiences for the customer. The opportunities to do this evolve with technology, making it a never-ending process of testing, implementation and testing again. ●

EXECUTIVE ROLES

# Finance tech puts CFO in driving seat

As corporate finance is transformed by new technologies, chief financial officers could increasingly take responsibility for company IT



DAVID BENADY

Finance departments are undergoing waves of disruption as new technologies transform their operations. From cloud computing and analytics to artificial intelligence, blockchain ledgers and robotic process automation, finance directors are wrestling with new ways of reporting on business performance and keeping tabs on spending.

The automation of finance raises questions about the role of the chief financial officer – will the CFO ultimately become the technology chief of the organisation? In this scenario, finance heads will be skilled and knowledgeable at implementing software that takes care of the all the complex financial functions they once studied so hard to master.

Abigail Draper, group finance director at environmental consultancy RSK International, believes the role of chief technology officer (CTO) sits comfortably alongside that of CFO, though much would depend on the skillset of the person undertaking both jobs and the demands of the two roles.

“If the business involved is very progressive in terms of IT and very demanding in finance capability, for example very acquisitive and growing rapidly, then you may need two officers with strong individual skillsets and capacity to deal with the workload. If the business is slower paced, then the roles could easily be filled by the same person,” says Ms Draper.

The greatest disruption to the work of the CFO comes when technology needs upgrading. “You are forced to take time out to deal with an upgrade and ensure it doesn’t

disrupt the smooth running of the rest of the business,” she adds.

In some companies, the CFO already takes charge of the IT department. Stuart Marshall, group finance director of house developer Story Homes, has overall responsibility for IT, and works closely with the IT team and head of the department. “In a lot of businesses, finance and IT are natural fellows – both are closely involved with reporting on performance, and data collection and analysis. There are a lot of synergies between the two departments,” says Mr Marshall.

Ross Lacey, a partner at consultancy EY, says finance directors are excited about the potential for technology to transform the discipline. However, he adds: “People are still struggling with fundamental problems.” These include having archaic systems with data in silos and structures that make it unintelligible to them.

There is a proliferation of vendors entering the finance space offering smart, tactical solutions that plug into the existing technology, from payment applications to ways of run the fixed asset register.

“Increasingly, some of them really crack age-old industry issues that finance directors and CFOs struggle with. They just need to have the willingness to have multiple vendors plugging into their technology stack and providing some of this for them. It takes quite a level of sophistication for CFOs to manage that extended supply chain,” says Mr Lacey.

Many large, well-resourced organisations are making the most of these applications while small startups are also using the plug-in-and-play accounting and finance software.

But he believes many mid-sized companies with established systems struggle to use these applications as

“In a lot of businesses, finance and IT are natural fellows – both are closely involved with reporting on performance, and data collection and analysis

the companies have clunky enterprise resource planning software and lack the expertise in-house to be able to handle the new software.

There is little doubt that in the long term, finance directors will need to become evermore tech savvy as their role will get ever-closer to that of the chief technology officer. ●

CASE STUDY  
STORY HOMES



Stuart Marshall, group finance director at house developer Story Homes, has recently implemented new cloud-based finance systems across the business.

“For a house builder, everything starts from site.

We are allowing our site teams to use technology to look at the goods received notes and matching those to purchase orders, which means the processing stays online. They can use app technology to receipt things, which goes right back to the finance office. It means processing becomes leaner, stays online and there is less pushing of paper,” he says.

This beats the traditional system where paper delivery notes arrive on site, are signed, posted back into the office, sorted, go to finance, and then have to be manually matched to invoices and

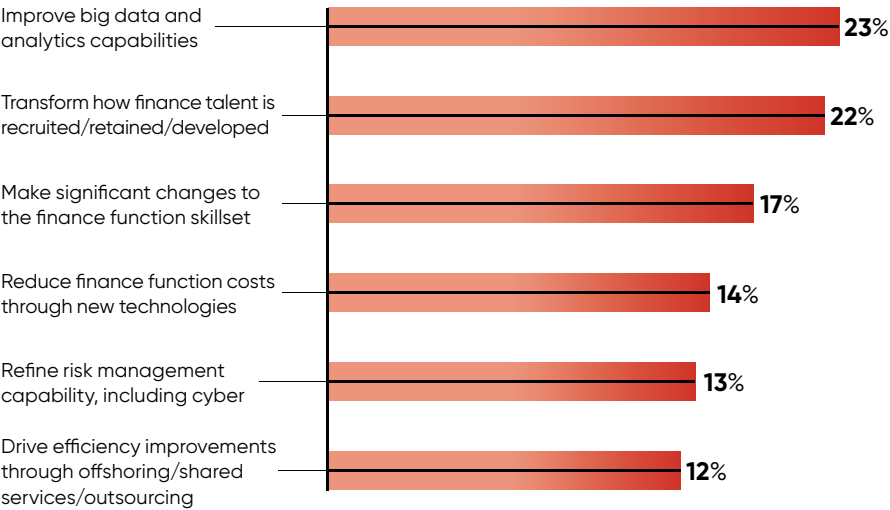
purchase orders. “There is more time and you can have leaner finance teams,” says Mr Marshall.

Implementing cloud-based systems has improved the functioning of the finance process, he says: “The outcomes have been really positive in the sense that we are becoming leaner with the technologies we are implementing.

“We are expanding so quickly and we can rent space in the cloud as we grow, rather than having to invest in heavy IT system architecture. You let the cloud do the lifting for you.”

PRIORITIES FOR THE FUTURE FINANCE FUNCTION

PERCENTAGE OF GLOBAL FINANCE LEADERS WHO CHOSE THIS PRIORITY AS NUMBER ONE





# Increased M&A activity and the ERP revolution

Strong M&A activity and a new wave of enterprise application innovation with SAP's rollout of S/4HANA means many companies are struggling with IT integration and data migration. But now it's possible to ensure seamless transition and the retention of valuable data



It's a question facing a growing number of companies: following a merger, acquisition or divestment, how do you ensure your IT integration works smoothly and your valuable historical data is migrated effectively?

This question has increased urgency and importance as over the next few years SAP rolls out its S/4HANA platform with its simpler front end, making for a better user experience. The in-memory HANA database provides faster access to data to give real-time analytics. The platform's flexibility allows users to take advantage of major advances in IT such as the internet of things, mobile and big data analytics.

"This is very much a business rather than an IT issue," says Ben McGrail, managing director and, with Mitch Collinson, co-founder of Harlex Consulting, a specialist SAP partner. "Many companies assume they need to start from scratch when introducing the new S/4HANA technology or when they're managing a merger, acquisition or divestment. Implementation can be time consuming, expensive and disruptive, especially for data migration, and so these days business leaders and their chief information

officers [CIOs] need to think about transformation instead."

Dr Andreas Schneider-Neureither, chief executive of SNP, a global IT transformation business based in Germany that has recently acquired Harlex Consulting, gives an example. He says: "A company is running five legal entities and the CEO decides to merge them into one. The question is how do you retain the historical data and where does it sit? Do you need to transition data to a new structure? Do you need a hard break between the old system and the new one?"

"The danger is that companies will lose their historic data, which is so valuable. After all, a successful corporation such as Tesla has huge market capitalisation because of the data it has amassed from customers driving its cars."

According to Dr Schneider-Neureither, companies don't need to reinvent the wheel when managing their data following a merger or acquisition or the introduction of S/4HANA: "Rather than having to implement an entirely new system, we have the technology to allow companies to transform their old data into new databases with near-zero downtime."



## 66

**There are huge opportunities for companies here to upgrade their ERP technology and to benefit from S/4HANA in a way that is fast, seamless and cost effective – and protects their valuable historical data**

This approach differs from that of the big, generalist consultancies that take a reinvent-the-wheel approach, he explains, with budgets that are often huge and timescales so long the benefits are frequently years off, if they materialise at all.

"The idea of having to implement an entirely new system and spending a fortune doing so means that some CIOs and their boards will be tempted to put this off for years," says Mr McGrail. "But the point is that even if you're not yet moving to the cloud or transitioning to in-memory computing to benefit from analytics of your sales data, for instance, then your competitors are."

Companies that are determined to benefit from this new generation ERP like the fact that SNP's technology means transferring valuable historic data into a new system requires almost no downtime. Instead of spending huge amounts of time and money on a "big bang" change and having to work with an "old world" system containing the data and the "new world" of the latest technology, the two become one.

Mr McGrail points out that SNP Transformation Backbone provides

this seamless interconnection because it's the only transformation software which has SAP's data model fully integrated into it. He says: "There's no other consulting practice in the UK that's able to deliver that. And it's not just S/4HANA. We can provide full integration and data transfer for almost any system."

Dr Schneider-Neureither says: "The big S/4HANA wave will come over the next six or seven years, but already forward-thinking companies are planning ahead." He estimates that more than 60,000 companies around the world will introduce this

new technology and some 12,000 have already committed to taking a transformational approach rather than reimplementing.

"This is why we wanted to acquire Harlex Consulting and to expand into the UK," he says. "There are huge opportunities for companies here to upgrade their ERP technology and to benefit from S/4HANA in a way that is fast, seamless and cost effective – and protects their valuable historical data."

**For more information please visit [www.harlexconsulting.com](http://www.harlexconsulting.com)**

## 'ON A HUMAN LEVEL, THE BRITISH AND GERMANS MAKE THE BEST BUSINESS PARTNERS'

Brexit might have strained the UK's relations with its European neighbours, but Ben McGrail, co-founder of London-based Harlex Consulting, and Andreas Schneider-Neureither, founder of SNP, a software company based in Heidelberg, Germany, hit it off as soon as they met.

"I'd had a meeting in London and I was on my way to Brussels and so I arranged to meet Ben at the St Pancras Hotel, just by the Eurostar terminal. Within ten minutes we realised that the companies we'd each founded would be a great fit. The businesses clearly worked well together and so did the chemistry, the people factor," says Dr Schneider-Neureither.

According to Mr McGrail: "We realised very soon – after a few gin and tonics – that we took the same approach to helping clients. We could both see

the direction of travel with regard to continuing buoyant M&A activity and S/4HANA, and we wanted to take advantage of the large and growing UK SAP market, so the acquisition of Harlex by SNP was obvious. There was great chemistry between us and we took the decision very quickly."

The acquisition of Harlex by SNP will help companies throughout the UK and around the world to overcome the challenges of managing IT system integration and data migration following mergers, acquisitions, divestments and the rollout of S/4HANA.

**Learn more about the challenges and opportunities raised by S/4HANA at this year's Transformation Day event in London on March 29 <http://www.transformation-days.de/en/london/>**



**BEN MCGRAIL**  
MANAGING DIRECTOR  
HARLEX CONSULTING – AN SNP COMPANY



**ANDREAS SCHNEIDER-NEUREITHER**  
GLOBAL CHIEF EXECUTIVE  
SNP

PAC S/4HANA



# Don't Change. Adapt.

Muller Beukes Edvardsen (MBE) is a specialist consultancy with a reputation for insight and innovation. We excel at successfully delivering projects in operational excellence, unlocking value by streamlining processes.

Passionate about adding value to your business

Muller  
Beukes  
Edvardsen

[www.mbe-intl.com](http://www.mbe-intl.com)

## CONSTANT REINVENTION



# Grasping the nettle avoids being stung

Companies and organisations that stand still eventually fail, overtaken by ever-faster change and business transformation

MARK FRARY

**C**hief executives afraid of change need only look at the changing make-up of the world's stock exchanges, even over relatively short periods, to understand why business transformation is essential.

"Look at the Fortune 500 in 1955 – only 12 per cent of those companies are still around," says Lars Gollenia, of leadership consultancy Spencer Stuart, and former vice president of global business transformation services at SAP.

If anything, surviving is getting harder, says Professor Gianvito Lanzolla of London's Cass Business School. "If you look at any ranking of leading companies, the tenure is shortening," he says.

Threats to corporate existence come from many directions – disruptive competitors with leaner business models, reputational crises, regulatory change or raw material shocks, for example.

This short corporate lifespan means constant reinvention is required. Yet understanding that transformation is necessary is one thing, actually transforming a company is harder and needs careful planning.

Jason West, founding director of Underscore HR and who has considerable experience in delivering successful transformation projects, says: "To transform a business you need to understand where you are today, where you need to get to tomorrow, then build and execute a plan to take you from one place to the other."

While the theory is straightforward, the practice can be much harder. "You will almost certainly be operating on incomplete information about your current state and your future state

### FACTFILE

#### HOLDING BACK TRANSFORMATION

**37%**

of global executives surveyed say that the greatest execution barrier they face in transformation is underestimating the significance of changes to their organisation's operating model

\*Based on survey responses and interviews with more than 1,600 senior executives across industries in 16 countries

Global Transformation Study, KPMG 2016



## COMMERCIAL FEATURE



The point is if we don't change, we succumb – there is an implicit assumption that companies are for the long term

An example of a successful transformation began in 2013 at Baxter International, the dominant player in the market for treatment of haemophilia A and a leading dialysis systems provider. The company concluded that shareholders would significantly benefit if the biotech division spun out and organised as a free-standing, publicly traded company, Baxalta.

The mechanics of the spinout were formulated in 2014 and focused on the concept of purpose-driven performance by highly engaged employees.

The company put together a 14-strong group of cross-function, cross-divisional leaders to look at what changes in day-to-day operations were required to deliver on the vision. The team drafted a scheme for the company that was then validated with team members around the world to create a plan called Spark.

The key idea behind the transformation was that employees would sign themselves up, or self-enrol, in the change.

John Glasspool, Baxalta's head of corporate strategy and customer operations, says: "We wanted to make sure that it wasn't seen as senior management rolling out the new culture and trying to cascade it down. With self-enrolling, everyone bought into it and we hard-wired what we wanted to achieve into the culture."

Baxalta was successfully spun out in mid-2015 and was the target of a successful \$32-billion acquisition by Shire in 2016.

These days, business transformation is often about digital transformation, something that Cass Business School's Professor Lanzolla has helped many companies achieve.

"There is a significant skills gap at senior leadership level and not everyone understands exactly how digital transformation should be done," he says.

Buying in the services of management consultants is an obvious route, but companies may do this too often. "Companies are creating risks in terms of who owns what," says Professor Lanzolla, who believes in a three-stage journey.

"Stage one is to digitise and automate. Some companies think this is all that is required for digital transformation, but it's just the beginning. Stage two is about building connections between computers and between people. Stage three is then to reconfigure the business model. It is a very long and painful journey, and it requires a lot of experimentation and mistakes.

"The point is if we don't change, we succumb – there is an implicit assumption that companies are for the long term."

could well be several years away. Visible and engaging leadership is therefore essential," says Mr West.

"In addition to deliberate, planned and active leadership you need a clearly defined programme management methodology. For larger business transformations, a portfolio management methodology may also be required to integrate and manage dependencies between the various programmes of work underway. Finally, a structured change management methodology is essential to embed future ways of working, systems and processes into the culture of the organisation."

The experts all agree that a structure on which to build a transformation is vital and there are plenty of programme management methodologies on the market. Mr West adds: "If you have a corporate programme methodology, use this for your business transformation, as the business already understands the language and approach. If you don't have a defined methodology then Managing Successful Programmes (MSP) is a good place to start."

Companies should also use a tried-and-tested change management model, such as Kotter's 8-Step Change Model or Lewin's Unfreeze, Change, Refreeze approach. "My preference is Prosci's ADKAR model as it is research based and comes with a vast array of tools and templates to help you deliver change practically," says Mr West.

In his 2012 book, *A Handbook of Business Transformation Management Methodology*, Mr Gollenia with Axel Uhl outlines a holistic methodology called BTM<sup>2</sup>. This combines business process, change, strategy and risk management into a single methodology, which organisations can cherry-pick according to their needs.



# Go small or go home: avoiding business transformation failure

Business transformation programmes have a habit of failing at great cost to the company, but transformations are changing – and it's time organisations approached them in a different way

Muller  
Beukes  
Edwardsen

Business transformations are often extremely ambitious, both in scale and expectations. Programme leaders begin by setting a predefined end-state and secure a multi-million-pound budget to meet that grand goal. The most common mistake comes when they refuse to open themselves to the possibility it could change along the way or continually validate the direction they're going. This is at the expense of customers, employees and the greater interests of the programme.

The large-scale nature of most transformation programmes means they take a lot of time, resources and budget to get going. But with the increasingly frequent challenges to business focus and demand in today's markets, the original components of a transformation are at risk of no longer being relevant before the project has even delivered anything. And it can be too late in the day to turn things around.

Along their transformation journeys, organisations may find themselves having to shift their aims and steer away from the originally intended goal to still achieve the desired positive result. By not being open to that possibility, organisations can turn their backs on business value and be blind to new opportunities for cost-savings or an enhanced customer experience.

Smaller, focused and incremental improvements will increase the success rate of any business transformation. They're quicker and easier to deliver, and take organisations towards their end-goal, while remaining agile when external conditions affect business strategy.

It can be difficult to sell continuous improvement as a concept, but it's incredibly important to do so. The senior management who authorise a business transformation want to see the results of their investment as soon as possible. So explaining the logic behind an ever-evolving business transformation is vital – when you start one, you continue and you don't stop.

**Smaller, focused and incremental improvements will increase the success rate of any business transformation**

Change in culture is central to any transformation programme and must always be managed carefully. Part of this is being careful with the language used when communicating goals to employees. The idea of a transformation in itself signals something major and can imply the work they're doing is wrong, while the word "change" can imply something finite.

The focus should be more about adaptation and working on a continuously improving principle. By positioning the programme as a desire to adapt operations to suit customer expectations better, employees can feel part of the transformation, rather than affected by it.

Cultivating a culture for change is a long-term journey. It helps to incentivise people to think differently and to praise

them for coming up with new ways of doing things. By breaking down a transformation programme into more realistic and tangible milestones, organisations can not only better manage the time, money and effort required to reach each milestone, but also celebrate with their employees when each one is met.

Meanwhile, programme leaders can take regular opportunities to measure and reflect on progress, and validate the direction of next steps towards the longer-term goal.

Just as important as people are to transformation are selecting the right approach and tools. Organisations can be sucked into focusing on a particular methodology, such as lean and six sigma, which may not be suited to their culture and objectives.

The key is for organisations to tailor their approach carefully by selecting and using only the components that add value, and enable them to deliver and build their solution without being beholden to any singular concept. Similar caution needs to be applied in deploying technological solutions where processes are reshaped to fit the technology, rather than the tools enabling best practice and process.

Business transformations need not be massive, complicated programmes. Focusing on simpler, sustainable and incremental improvements, which can then be built up over time, allows organisations to be more flexible and responsive to external challenges, ultimately transforming both business and mindset.

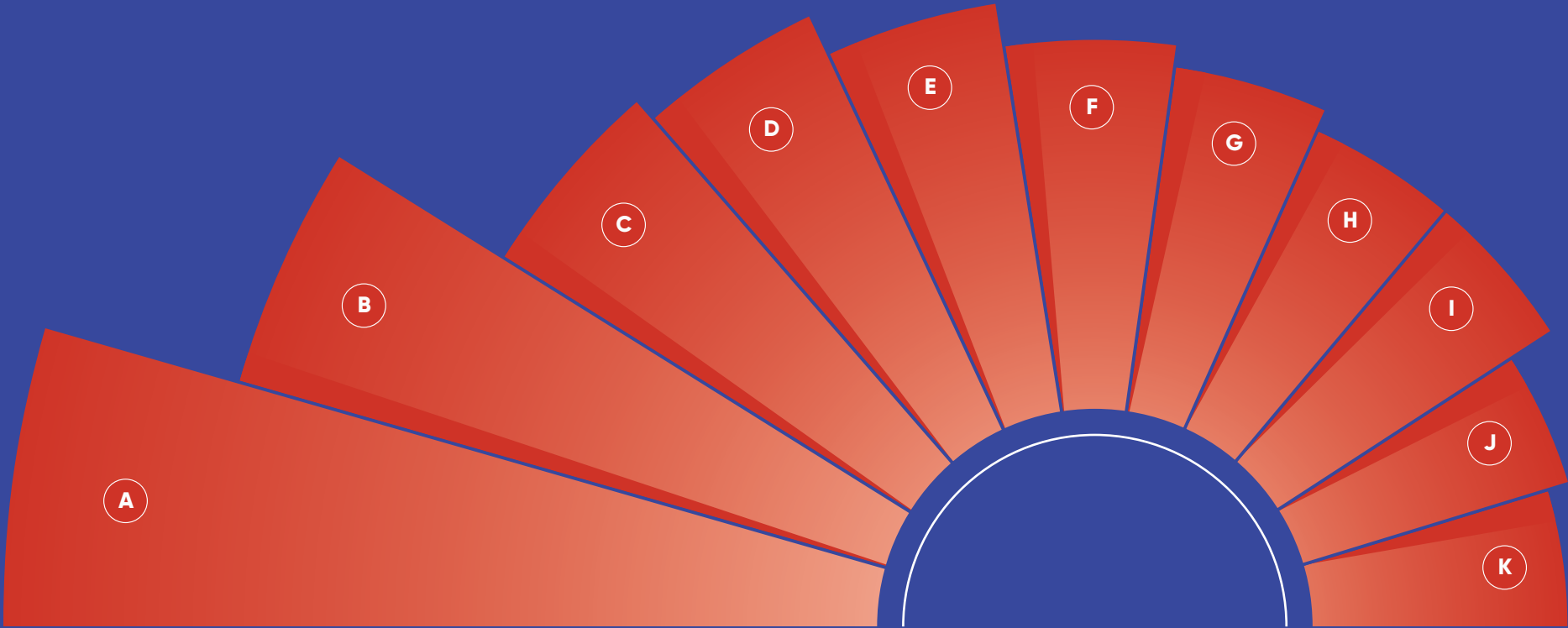
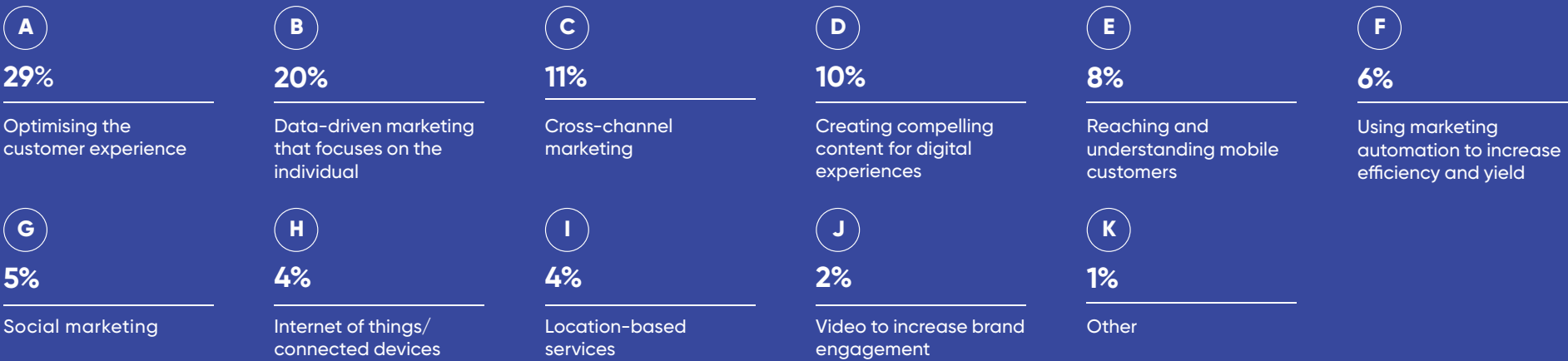
For more information please visit [mbe-intl.com](http://mbe-intl.com)

# RETAIL RETHINK

Retail is a fickle and unpredictable industry of constant change. Complacency and a failure to adapt to the current craze will see your customers move on in a heartbeat. Here are the digital trends and opportunities that are transforming the sector

### SINGLE MOST EXCITING OPPORTUNITY FOR RETAILERS

Survey of UK retailers



Econsultancy 2015

### HOW RETAILERS RATE THE IMPORTANCE OF DIGITAL DISRUPTION

Survey of UK retailers



Smart Insights/Microsoft 2016

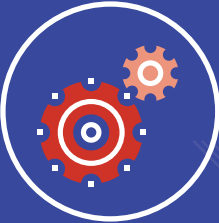


TOP 5 DIGITAL CHALLENGES FOR RETAILERS

Survey of UK retailers



Designing effective customer experiences across multiple devices



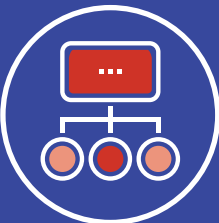
Integrating different technology solutions



Selecting and prioritising technology options

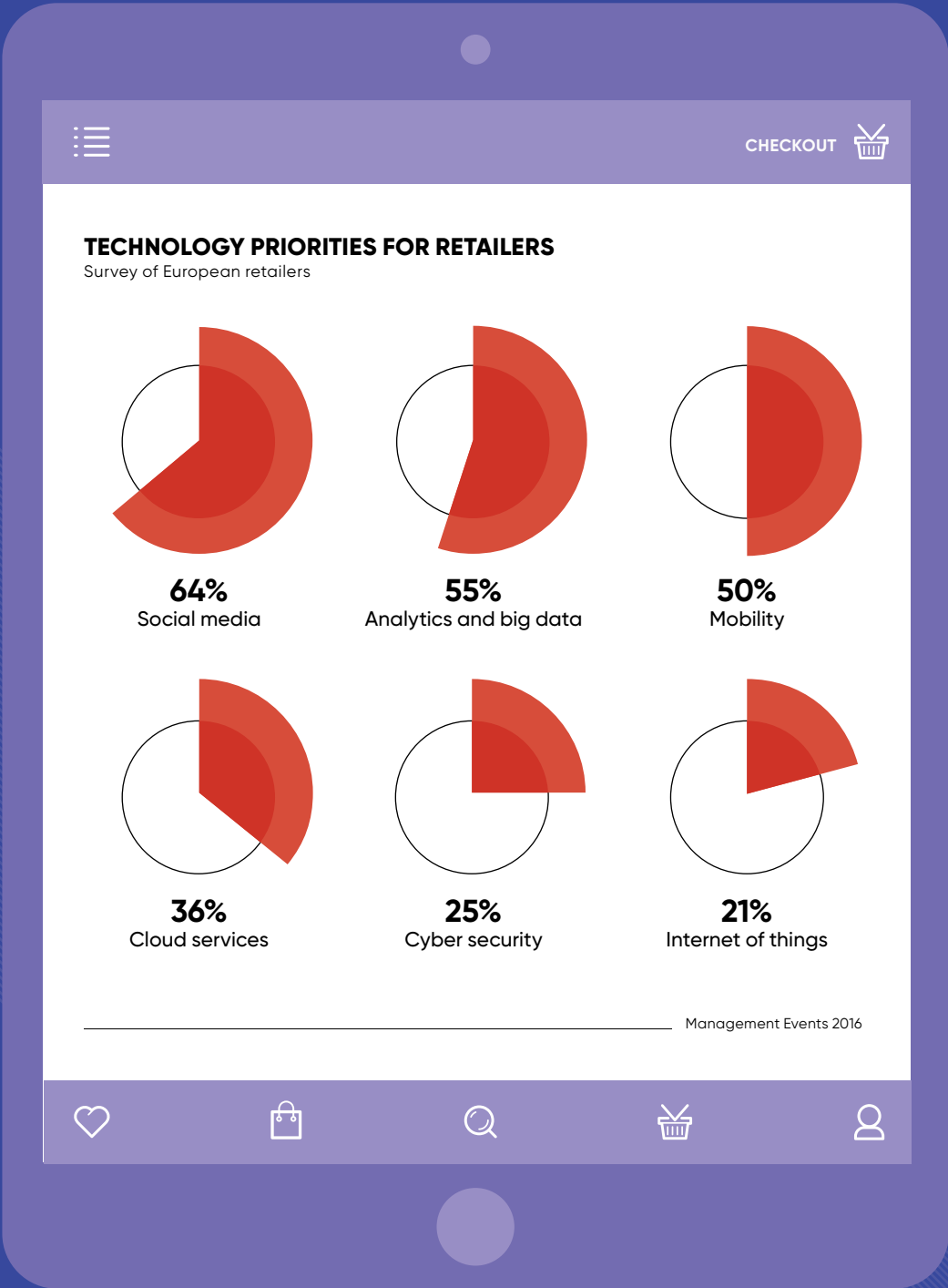


Evaluating experience and return on investment across multiple devices and channels



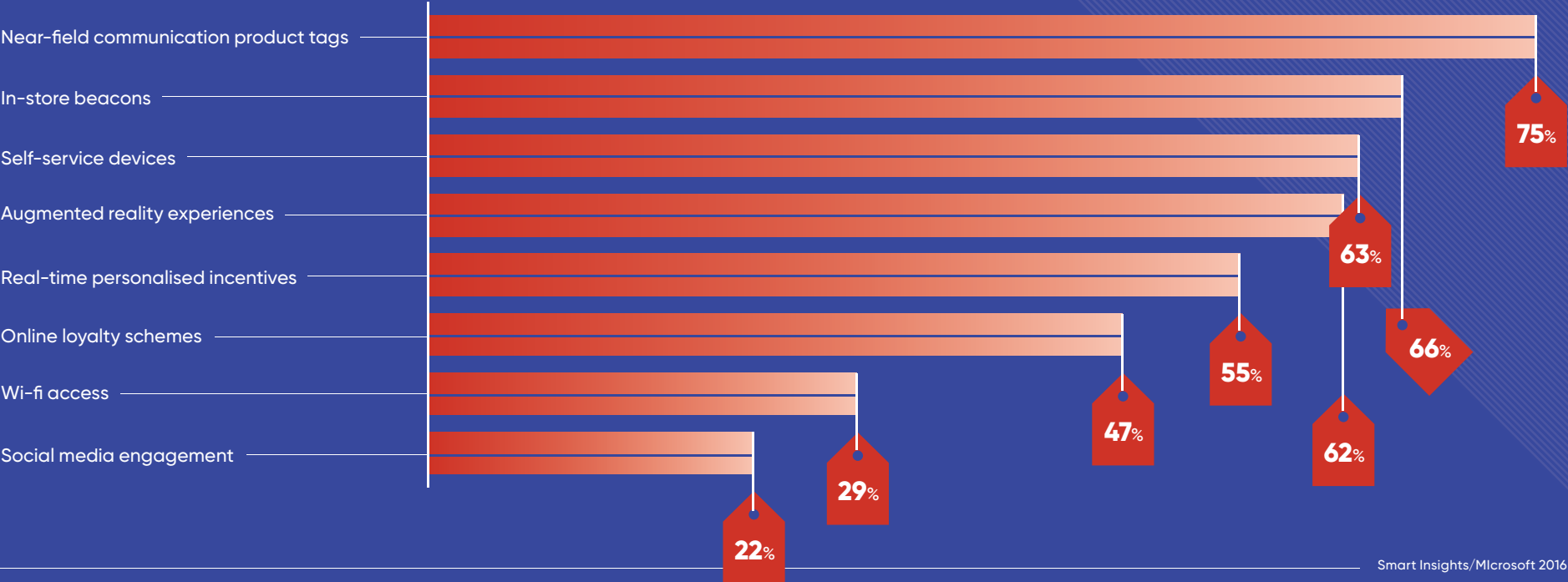
Defining and implementing multichannel strategies

Smart Insights/Microsoft 2016



IN-STORE ENGAGEMENT CAPABILITIES IN NEED OF IMPROVEMENT

Survey of UK retailers



Smart Insights/Microsoft 2016

FIVE TOP PITFALLS

# Don't make the same mistakes as the others

There is huge room for error in the digital transformation of a company, but here are five top pitfalls to watch out for

JOANNA GOODMAN

Digital transformation is high on the corporate agenda, but for many businesses it remains a challenge. The *IDC FutureScape: Worldwide Digital Transformation 2016 Predictions* report indicates that by 2018 two-thirds of the chief executives of Global 2000 companies will have digital transformation at the heart of their corporate strategy. Drivers include the ability to compete with emerging technology and business models, and uncover new opportunities and revenue streams. IDC also predicts that 70 per cent of digital transformation initiatives will ultimately fail because of insufficient collaboration, integration, sourcing or project management. For many businesses, the initial hurdle is to define what digital transformation means for their organisation.

As Dave Thackeray, head of digital at Inspiring Healthy Lifestyles, observes, this is an ongoing challenge. "We are planning for an uncertain future," he says. "The pace of change, particularly around technology, means that digital transformation has to be a long-range strategy that includes future disruptors." This lack of a clear definition underpins five main pitfalls of digital transformation.

SCOPE CREEP

1 Large transformation projects tend to fail because of a lack of strategic vision. This means defining at the outset what success looks like. "Be clear about the key deliverables and desired output of the transformation," advises Gordon McIntosh of P2 Consulting.

"I've seen firms try to do too much at once and then go through a process of restructuring the initiative half way through, wasting time and money." Ben McGrail, managing director at Harlex Consulting, which handles major data migration projects for large organisations, warns against "ramping up big teams too quickly", advising companies to "start small, think big", using small, dedicated teams and quick wins to prove the business case.



LATEST TECH

2 Investing in the wrong technology is a major and expensive mistake. Mr Thackeray at Inspiring Healthy Lifestyles warns against being distracted by the latest technology, vendors or consultants. Vibeke Fennell, director of operational excellence at financial services consultancy Muller Beukes Edvardsen, advises companies to look at how operational processes deliver value to the customer before selecting new systems, to ensure they are fit for purpose. "Use technology where it matters to drive efficiencies and accelerate change," says Harlex Consulting's Mr McGrail. Transformational technology empowers businesses to look beyond current operations to a digital future. "A big pitfall is the missed opportunity of simply trying to digitise traditional business models and processes," says Josh Sutton, head of artificial intelligence at Publicis.Sapient. "One of the key opportunities of digital transformation is the shift from product-driven business models to service-driven business models. Amazon, Uber, Airbnb and other market disruptors used technology to reinvent the customer experience."



INTEGRATION

"Most successful wholesale digital transformations are multi-vendor," observes P2 Consulting's Mr McIntosh. Ms Fennell of Muller Beukes Edvardsen agrees, emphasising that effective integration includes processes and people. "Digital transformation affects the whole value stream, so it's important to consider the upstream

and downstream impact of changing one particular process. If you leave a gap in systems integration, people will find a manual workaround and this will compromise the outcome," she says, adding that an important part of transformation is removing previous processes. Mr McGrail of Harlex Consulting adds: "Properly managed, controlled and quality data creates the foundation for a digital future. Many businesses place too much emphasis on systems implementation and too little on data quality and integration." Martin Joseph Brey, vice president of global services at Thomson Reuters Elite, who handles major integration projects for professional services firms, agrees. "In many cases the success of digital transformation initiatives has depended on setting the right expectations upfront, particularly around data transfer and conversion," he says.



LEADERSHIP

It is important to establish who is in charge. Digital transformation requires board-level support and effective communication. According to Forrester Research: "Two-thirds of leaders believe they understand digital strategy, yet only one-third of their senior managers agree." Harlex Consulting's Mr McGrail emphasises the importance of top-down messaging driving engagement, but warns that "dislocation between the board and the rest of the organisation can undermine change because the people who are actually delivering the project don't understand the business case". Muller Beukes Edvardsen's Ms Fennell adds: "People will either enable or disable change. On-site training support helps them adapt to new systems, but it is equally important to allow them time to see the benefits." Mr Thackeray at Inspiring Healthy Lifestyles says: "Ensuring that the leadership message gets through



means identifying and engaging key influencers, and they aren't necessarily the leaders." Mr Sutton of Publicis.Sapient recommends getting feedback from customers and employees throughout the transformation journey to keep the initiative on message.



INCONSISTENCY

IDC predicts: "By 2017, 60 per cent of digital transformation initiatives will not be able to scale because of a lack of strategic architecture" or failure to back up customer experience with internal processes. This requires

consistency across all channels. "It's important to consider the entire chain of actions within the business that will impact the customer experience," says Publicis.Sapient's Mr Sutton. "You can have the best digital channel in the world, but if the execution does not enhance the customer experience, you will have failed to capitalise on the opportunity." For example, John Lewis's digital transformation from traditional stores to omnichannel retail included the successful integration of physical and digital processes whereby customers and staff can access the online ordering system in-store. Mr Brey at Thomson Reuters Elite underlines the importance of "visibility across processes and platforms" to foster a digital-first culture.





## COMMERCIAL FEATURE



# Building your own skills and capability for digital transformation

Sometimes big is best, but when it comes to finding a partner to steer a business through major change, choosing a David over a Goliath can offer the most effective solution

## CONTINO

In a field full of giant IT service providers and systems integrators, a young British company, Contino, is offering a nimble and disruptive way of delivering agile and digital transformation.

What sets Contino apart is how it works with large enterprises and organisations to build capability and skills, not only modernising their software and technology platforms but also their internal processes and culture to be leaner, more vibrant and entrepreneurial.

Co-founder and chief technology officer Benjamin Wootton believes the traditional enterprise structure of outsourcing technology to big providers has created a legacy of slow and bureaucratic processes, which are poorly suited to the modern pace of technological change.

"In many large organisations there is enormous waste and bureaucracy. Our research has shown that IT functions are often up to 40 per cent too large for what they need to achieve. They should instead move towards a smaller pool of more highly skilled people and focus on the applications and digital experiences that differentiate them from the competition," he says.

"The problem is that the existing model has left many companies without the skills to deliver new digital prod-

ucts and transformational change. They are instead reliant on big legacy contractors that are not equipped to push through change at a rapid pace."

Technology is developing so ferociously fast that the old model of working – taking one or two years to deliver a large transformation project – has become obsolete.

# 66

**Contino's proposition is to focus on delivering transformation through small lighthouse projects that act as a beacon for its capabilities**

Contino's proposition is to focus on delivering transformation through small lighthouse projects that act as a beacon for its capabilities, such as developing new mobile and web applications that can be delivered in short delivery cycles of up to 12 weeks, providing an immediate and tangible benefit for the client business and its

customers. These small wins are then multiplied to sow the seed of transformation from the ground up.

The firm employs models such as DevOps, agile software development, continuous delivery, microservice architecture and the adoption of cloud platforms, such as Amazon Web Services, to deliver on these transformation initiatives successfully.

An integral part of Contino's approach is to encourage and enable cultural change within clients' organisations, many of which have become risk averse and focused on efficiency and cost-control over speed, agility and innovation. It does this by embedding a small team in the business, and then builds on that by drawing from many different business areas and not just the IT department, in a more cross-functional model.

Mr Wootton says those "blended teams", made up of IT developers, engineers and testers, as well as people from elsewhere in the business, benefit not just from the expertise of his people but also an environment where the cross-pollination of ideas and entrepreneurial thinking is encouraged.

He explains: "A lot of IT providers want to work remotely from their offshore service centres, but we do almost all our work on site with customers be-

cause we are looking to drive cultural change and to stand shoulder to shoulder with them through new process change as well as delivering strategic technology initiatives."

Although Contino works across a broad spread of industries, including telecoms, media, retail and the public sector, a growing area of focus is regulated industries, particularly financial services such as banking and insurance.

Ben Saunders, head of the firm's financial services practice, says: "Regulated industries face a number of challenges because they need to move quickly and build better digital experiences, but they are held back by regulatory and heritage technology constraints."

"We can help customers through that by demystifying and making sense of their technology, allowing those monolithic and antiquated IT systems to become more efficient so they can get product to market a lot quicker in the midst of the disruption they face."

Once seen as the pioneers of technology and exciting places for software engineers to work, banks have been left hamstrung by the financial crisis and saddled with creaking technology stacks.

One of the benefits of a collaborative way of working is it breaks down the inertia that builds up in organisations and shows they can become centres of engineering excellence where a vibrant culture can thrive.

Mr Saunders adds: "Not only does that resonate with staff, but it also makes the brand something people and other organisations want to be associated with, through the value our changes introduce."

Contino was set up in 2014 by Mr Wootton and Matt Farmer, who spotted a gap in the market after working with large enterprises and seeing how difficult it was to get new applications and features deployed to market.

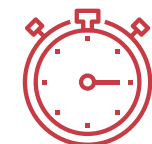
With \$30 million of venture-capital backing, the company quickly established itself a reputation as a trusted partner with large enterprises and it now has offices in London, New York and Melbourne. It has more than 100 digital transformation and engineering specialists, and plans to double in size in 2017.

Mr Farmer says: "There was a huge hunger for an opinionated partner to help clients with agile and digital transformation at scale, and a gap for



# 40%

too many people working in enterprise IT departments



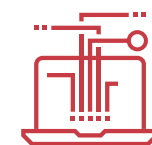
# 45%

time overrun by bespoke enterprise application development projects



# 62%+

cash saving if programmes move to public cloud platforms



# 75%

reduction in time to market with modern development techniques

someone to come together with the high-calibre engineering skills and a new approach to digital transformation focused on capability building.

"We've come a long way in a short space of time with what we think is a disruptive model for helping our clients to adopt new tools, techniques and approaches. That's been proven successful by the take-up across the globe with some very large and admired brands."

Mr Wootton concludes: "We're a very mission-driven company. Our motivation is to remove waste and bureaucracy, and taking the tools and approaches startups are leveraging to help enterprise increase delivery speed. These modern approaches are better for our clients, better for their people to work within and ultimately better for the economies in which we work if these famous brands manage to reinvent themselves to be the disruptors instead of the disrupted."

**For more information please visit <https://contino.io/>**



# MANAGING CUSTOMER DEMAND FOR THE ALWAYS-ON CONSUMER?

Speed of service critical to  
your customers?

Need to transform  
your operation?

**Don't get left behind.**



**eg guarantee improved service  
and 20% - 40% operational  
efficiency improvements**



Scan the QR code or  
contact us to learn more:

t: 01785 715772

e: ask@egoptimize.com

www.egoptimize.com/transform

## THE NOW ECONOMY

# 'Uber's children'

Constant demands  
of an always-on  
economy mean  
businesses must  
transform to  
meet the growing  
expectations  
of consumers

GIDEON SPANIER

**L**ook at consumers' behaviour over the last five years – they have embraced immediate communication and instant service faster than many of the most bullish forecasters expected.

From Amazon Prime to Uber and Snapchat to Deliveroo, it is the speed of virtual or physical delivery that has thrilled users in what has been dubbed "The Now Economy".

While the business-to-consumer (B2C) sector has seen rapid growth, chiefly through app-based companies, there could be greater potential in the business-to-business (B2B) market.

The global B2B market in e-commerce could be worth double the size of the B2C sector by 2020, according to Frost & Sullivan, a consulting firm.

Robert Colville, author of *The Great Acceleration: How The World Is Getting Faster*, says: "I think the impulse towards speed applies just as much to B2B as to B2C, if not more so. Fast execution has become a mantra for companies of all kinds. And if we're increasingly impatient when waiting for friends to reply to e-mails or text messag-



es, how much more so when it's one of our suppliers?"

Bruce Daisley, vice president of Twitter in Europe, the Middle East and Africa, agrees. "The expectation that anyone has now for service levels is rising across B2B and B2C," he says, because people have become used to expecting information and goods as quickly as possible.

Indeed, US President Donald Trump has taken a "Now Economy" approach to policy-making using Twitter to put pressure on political opponents and businesses. His

tweets attacking car and defence companies for moving jobs outside the United States have had an instant effect on their share prices.

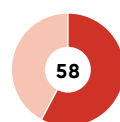
President Trump is a maverick, but his unorthodox, free-wheeling approach shows how the world is changing. Companies must be willing to think, move and respond faster.

Amelia Torode, chief strategy officer at TBWA, an advertising agency whose clients range from Airbnb to Nissan, says: "The B2B world has lagged behind the B2C

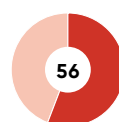
## CUSTOMER EXPERIENCE: BUSINESS-TO-CONSUMER (B2C) COMPARED WITH BUSINESS-TO-BUSINESS (B2B)

PERCENTAGE OF B2C AND B2B COMPANIES THAT ARE TAKING THE FOLLOWING ACTIONS

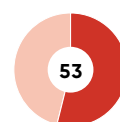
● B2B ● B2C



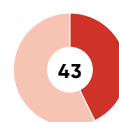
Improving the online customer experience



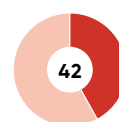
Improving cross-channel customer experiences



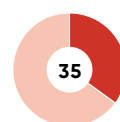
Improving the experience of interacting with a call centre agent



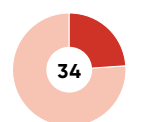
Improving the store/branch customer experience



Adding or improving mobile customer experiences



Using communities and other types of social computing



Creating a dedicated user/customer experience group



# demand instant gratification

## CASE STUDY

### AMAZON



Amazon has been a pioneer in so many areas of the business-to-consumer market from books and digital entertainment to clothing and groceries, but it has also developed a large business-to-business (B2B) cloud-computing operation.

Amazon Web Services (AWS) has its origins in Amazon's own IT department as Jeff Bezos's online retailer invested

in speeding up its own computer-processing systems.

He realised Amazon could offer these cloud-computing and storage services to third parties and AWS has become a huge revenue driver since launching in 2006.

Annual revenues from AWS doubled in two years from \$4.6 billion in 2014 to \$12.2 billion last year and are accelerating. Mr Bezos boasts it has grown faster than Amazon itself did in its first decade.

AWS has more than one million corporate customers from Netflix and Snapchat to Condé Nast and Kellogg's.

They sign up on a pay-as-you-go approach. The AWS sales pitch is "You pay only for the individual services you need, for as long as you use them, and without requiring long-term contracts or complex licensing" and is priced in a similar way "to how you pay for utilities

like water or electricity".

Mr Bezos believes AWS's success has come from being focused on constantly reinventing the customer experience.

He explained in a letter to shareholders last year: "AWS is made up of many small teams with single-threaded owners, enabling rapid innovation. The team rolls out new functionality almost daily across 70 services and that new functionality just 'shows up' for customers – there's no upgrading."

According to Mr Bezos, AWS has also cut prices 51 times in ten years and he has promised to introduce more and more capabilities that will make it easier and easier to collect, store and analyse data.

This mindset of rapid and relentless innovation has made AWS the market leader and a prime example of a successful B2B company in The Now Economy.

companies have been changing behind the scenes.

"Supply chains are a great example of this," Mr Colville says. "In industries like fashion, for example, the traditional four seasons have broken down – it's about getting designs into the shops the instant they hit the catwalk, seeing which ones take off, then doubling down on those orders. That means everyone across that supply chain has to be far more agile."

"If you're a supplier in Bangladesh, you need to be able to switch people instantly from making this T-shirt to that one as demand surges and then on to the next thing almost instantly. The problem is that the faster and leaner your supply chains, the more vulnerable they are to disruption."

Sue Unerman, a strategy expert who was recently promoted to a newly created role as chief transformation officer at MediaCom, a media agency, says most businesses need to transform themselves and keep doing so on an ongoing basis, to suit this era of digital disruption.

"I still come across situations where agility isn't built into the business fully," says Ms Unerman, whose agency looks after clients including Sky, Tesco and Deliv-

eroo. "It's not just a question of buying into things being a bit faster. A B2B business might need to go through a complete redesign. Furthermore, culture has a huge part to play here."

She quotes a recent study from the research firm Gartner that warns: "The biggest threat to innovation is internal politics and an organisational culture which doesn't accept failure and/or doesn't accept ideas from outside, and/or cannot change."

Innovators will steal a march on their rivals while laggards risk going out of business in The Now Economy. "If you're the business that's agile in your sector, the competitive advantage is real," Mr Unerman says.

Richard Shotton, deputy head of evidence at Manning Gottlieb OMD, a media agency whose clients include John Lewis and Waitrose, agrees agility is important, but says it should not be confused with speed at all costs.

"Customers certainly claim they want things faster, so companies would be remiss not to consider speeding up their service," he says. "However, before investing funds, companies might want to consider whether there are better alternatives. For example, it's of-



US President Donald Trump has taken a 'Now Economy' approach to policy-making using Twitter to put pressure on political opponents and businesses

ten not the length of time that annoys people, but the uncertainty.

"A courier company will gain more customer satisfaction by updating their clients about the progress of the package and providing shorter arrival windows than delivering 15 minutes faster. Often, these improvements in certainty are far simpler and cheaper to implement."

Mr Daisley at Twitter also believes there are limits to The Now Economy, not least the potential toll on people and culture. "To some extent technology is making things increasingly stressful for all sides," he says. "In their book, *A Beautiful Constraint*, Adam Morgan and Mark Barden describe this

phenomenon and the rise in 'unreasonable' levels of consumer expectation as 'Uber's children'."

Automation, from smart energy in the home to self-driving cars to artificial intelligence (AI), is where some of the biggest opportunities may lie. "Clearly anyone who can satisfy these demands will have an advantage," Mr Daisley says.

Even then, AI and big data cannot hold all the answers. "Companies need to be cautious about using real-time data in their decision-making," Mr Shotton says. "Not all information can be captured in real time so just relying on that can lead to a partial view of your business problem. This is compounded by the fact that once people have data they feel remiss, unprofessional even, not using it. So they end up making decisions based on data that is easily captured, rather than the data that is best suited to solving their problems."

Mr Colville concludes: "In terms of B2B, the lesson is clear. You're either helping your customers do things really well or really quickly – and ideally, both. If the service you're providing isn't doing either of those things, then it's really hard to see how it's viable in the long term." ●

world when it comes to The Now Economy. Our expectations have changed so much even in the last 18 to 24 months. Think about how we order meals, listen to music, find new relationships. Our everyday consumer world has been disrupted beyond belief.

"In comparison the world of B2B can seem arcane, slow and frustratingly one size fits all. Too often B2B companies seem to be innovating around the edges as opposed to fundamentally rethinking the opportunities that technology can provide time-starved individuals.

"The opportunities in the world of healthcare, law and talent are glaring. It's telling that all the famous Now Economy cases are consumer ones. It absolutely shouldn't be the case."

Even if B2C tech firms have grabbed the headlines, lots of B2B

Ian Masterton/Getty Images

**tori**

experience. the difference.

London New York Dubai India Singapore

Experienced Practitioners helping you to:

DIGITISE  
CHANGE  
RUN  
CONTROL  
MANAGE

YOUR ENTERPRISE

www.toriglobal.com

# Taking a collaborative approach to change

Next-generation technologies deliver greater opportunities to collaborate and harness the broader talent available within your organisation, leading to faster, more effective change



It is an all too familiar story. The buzz of excitement about grand plans to transform a business and the possibilities ahead fizzle out as things go awry and disappointment sets in.

Early on, there are hopes of driving up revenues and profits or shaking up entire markets, consultants work with senior executives on tactics and a project management team sets out plans, work streams and budgets.

But if results fail to meet expectations, sales stall, costs stay stubbornly high and customer satisfaction low, frustration sets in and enthusiasm for the project can wane.

There can be many reasons for such failures, but a common cause is that the change management process does not embrace those people required to put it into action.

Not enough is done to help them understand and adapt to new processes, their voices are ignored, and their valuable ideas and suggestions overlooked.

What should be a collaborative process instead becomes a top-down approach focused on implementing new ways of working. Blame is often laid at the door of the change management team or head of transformation.

It does not have to be this way, and business process and decision management software provider Signavio has developed a suite of products for modelling, analysis and optimisation of business processes that encourages collaboration to harness talent within organisations.

Formed eight years ago, Signavio now has 195,000 users in more than 1,000 organisations in 25 countries across sectors including banking, in-



insurance, manufacturing, public services, retail, logistics, software, telecoms and utilities. Customers range from tofu producer Taifun Tofu to communications technology firm T-Systems.

It has been successfully used by small businesses, but is particularly useful in larger organisations with a need for consistency and regulated sectors where compliance risks are huge.

Some customers report that Signavio has enabled them to analyse and deliver process improvements 60 per cent faster than with traditional approaches. Others say it has helped embed process into their DNA.

Embracing a more collaborative approach not only brings operational efficiencies, but also benefits such as increased customer and employee satisfaction, leading to lower recruitment and training costs.

Gero Decker, Signavio chief executive, says: "It's almost like the wisdom of crowds. Yes, there are experts in their fields and they have a vital role to play, but inviting and encouraging everyone to have an input taps into the broader expertise in the business, not only expanding the knowledge base that can be drawn on, but making it more difficult to resist the resultant changes."

Using a web-based or SaaS system, Signavio offers an alternative to traditional complex business process modelling and automation systems, equipping customers with easy-to-use, powerful tools that improves productivity and communication.

It goes beyond process capture, documentation and improvement,

**66 We help people successfully enact change and put in place transformation that sticks**

recognising the need for a more agile approach, so users or citizen developers can design, run and report on workflows without having to involve IT departments.

Across organisations or within departments, Signavio encourages teams to work together better, creating new ways of thinking and generating results faster, often turning a series of small changes into a more substantial transformation.

Adopting a collaborative approach provides everyone with greater visibility and removes one of the main barriers to successful transformation – people who feel excluded and become reluctant to adapt to new ways of working.

Dr Decker concludes: "We help people successfully enact change and put in place transformation that sticks. The benefits of adopting a more collaborative approach are enormous and it's been amazing to see how customers have leveraged our technologies transforming their organisations, often in ways we never anticipated, but with incredible bottom-line results."

**Take your transformation initiatives to the next level, visit [Signavio.com](http://Signavio.com) today**

## 'Transformation is a battle and communications are too important to leave to chance'

IAN RATCLIFFE

Chair of the Public Relations and Communications Association's Business Transformation Group



A systematic approach to better business transformation communications delivers improved results and outcomes.

Leaders of business transformation programmes are recognising that a professional, structured approach to good communication between all stakeholders drives any successful change programme.

Traditionally, at the start of a major business transformation programme, a project management methodology is chosen. Structured business transformation plans are drawn up based on this. And then on paper everything looks like it should slot into place, with comfort given to the client that specified actions will take place at given times.

Boxes are ticked and a variety of charts document the progress made. The methodologies selected, such as Prince 2 or Agile, have their own relative strengths and weaknesses. Yet, what is often forgotten is that in real life, traditional project systems can fail to show how much those involved buy into the transformation vision.

A critical piece is often missing from the business transformation jigsaw. Too often, the communication between the various consultancy firms and other stakeholders is disjointed and needs a better approach.

A true understanding of the transformation goals and a commitment to the cause is worth a mountain of graphs depicting milestones being reached. In the absence of any formal communications flow to the contrary, people fill any information vacuum with their own version of reality. Often incorrect, this harms any transformation programme, and where it especially hurts – costing both time and money.

Vast amounts can be spent on ensuring different IT systems can talk to each other. However, I am always amazed that much less is spent on ensuring the various consulting firms and stakeholders working on a programme share common values and understand their relative roles. This results in misunderstandings and easily avoidable inefficiencies.

It is, therefore, good to see this situation is improving. Successful business transformation is a battle of both hearts and minds, and

the communications dimension is too important to leave to chance.

Business transformation programmes need to instil shared values and agreed objectives using a set of co-ordinated, planned communications.

It is something that is increasingly recognised as a missing dimension in the past and is where systematic communications play a key role.

And for all programme management traditionalists, the good news is that a process of robust communications does lend itself well to a formal, systematic project methodology. As a starting point, the Barcelona Principles, agreed in 2010 and updated in 2015, focusing on effective communications, are a good way to underpin this approach. For transformation directors, the fact that these were agreed across 33 countries, guarantees a common understanding even across multi-national projects, different cultures and across all sectors.

If, on top of this, transformation directors add an evaluation process for their communications and engagement such as OASIS – a methodology adopted by the Government Communication Service – a comforting rigour is applied to programme delivery. A new skillset based on engaging and communicating properly is therefore systematically brought to the table.

Formally adding communications best practice to transformation teams helps to connect and glue together the different parties. It ensures everybody is pointing in the same direction and working towards the same goal. Important resources are saved by plugging information gaps that otherwise lead to delays, unnecessary costs, misunderstandings and failing projects.

These are exciting times for business transformation professionals. With this extra dimension added to a team's toolkit, the many opportunities for transformation emerging in areas as diverse as banking, technology, public sector transformation and digital development will increasingly see success secured by using skills drawn from effective employee and corporate communications.

Manage your communications, sell the vision, bring people along with you and business transformation will flow better than ever before. ●



**1k**  
customers  
worldwide



**195k+**  
users



**60%**  
faster than  
traditional  
approaches



IMPLEMENTATION



# Teasing out the legacies

Tackling legacy systems and managing the influence of dissenting voices to transformation requires a proactive, but measured, approach to stakeholder communication

THOMAS BROWN

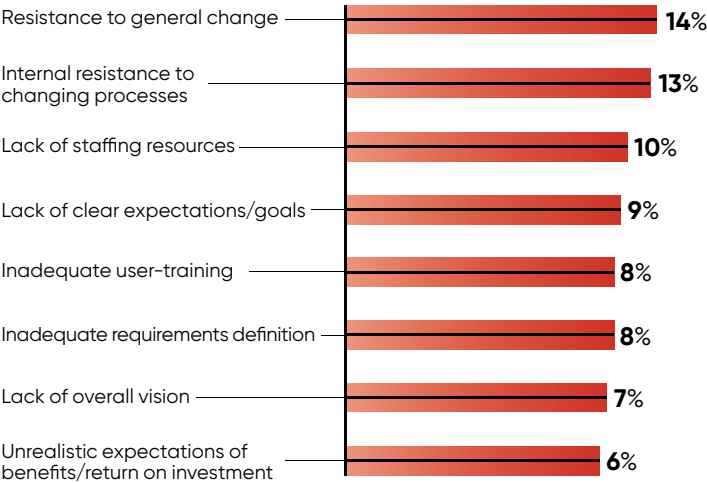
Legacy initiatives are often one of the most common and early hurdles a digital transformation endeavour can face. Somewhere in the organisation, a well-intentioned team will stumble upon some tech that could help them work better, smarter or faster. Or an executive, frustrated with inefficiencies or perceived outdated ways of working, will set about trying to do something about it. Often these actions will go on under the radar as people side-step the treacle of corporate process and bureaucracy. After all, why not? Systems implementation isn't what it once was, with new cloud-based tools active within minutes and on flexible pricing plans easily accommodated by most departmental discretionary budgets. Why should these progressive individuals sit and wait for a wider transformation programme to solve their problems or for the wider organisation to bring its oil-tanker-esque pace to decision-making? The benefit to their teams can be immediate. While commonplace, these aren't actions of malice or mutiny. Opportunism? Perhaps. Frustration? Often. Understandable? Usually. As the saying goes, nature abhors a vacuum. Then along comes the pan-organisational transformation endeavour. A business recognises the need or opportunity for change at the most senior level. It sets out its ambitions to leverage digital tools and technology to transform how it operates, promising value through both efficiencies and effectiveness across the enterprise. It appoints a

central leader and/or team to steward the process, and allocates the resources necessary to make the transformation happen. It's at this point the transformers begin to encounter the challenges of legacies. They'll start to uncover pockets of technology, tools and systems they didn't know parts of the organisation were using. In some cases, they'll keep finding things months into the journey, often too late to do anything about. They'll encounter some positive reception to the business' intent from those hungry for greater digitisation or the expertise and funding to accomplish it. But they'll also encounter resistance from other

teams that "have our own tools, thank you very much", "are already more digitally savvy than the rest of the business" or are simply "different to the rest of the business and a generic company-wide solution won't work". Tackling legacy systems and managing the dissenting voices requires a measured approach. The starting point is ensuring a common definition of the business problem or opportunity which the transformation is designed to tackle. Too often, transformations focus on communicating proposed solutions, rather than building a shared understanding of the rationale for change and consensus as to its importance. And it's the proposed solutions which face these legacy barriers and face subjective criticism, often from those lacking the expertise to cast judgment. Focusing stakeholder communications on the business problem or opportunity helps to identify pain points by department. If the business problem is uncompetitive customer delivery performance, the transformation team can tease out what this means for the marketing team in customer churn; what it means for the finance team in reduced margins and lost revenues; what it means for the customer service team in time lost in complaint processing; and what it means for operations in terms of lost productivity. It also enables those leading a transformation to begin to probe what's already happening across the organisation that might fall into the scope of their plans. What tools do we currently have that address these issues? Which teams are already making progress and what can we learn from them? What other initiatives around the organisation are targeting these same business problems and how do we dovetail or connect these for maximum impact? This balanced approach to stakeholder involvement in transformation focuses teams on business decisions, not technology decisions, and can give a transformation team a solid foundation from which to work around legacies, not get blindsided by them. ●

## MAJOR CHALLENGES TO ORGANISATIONAL CHANGE MANAGEMENT

SURVEY OF ORGANISATIONS UNDERGOING AN ENTERPRISE RESOURCE PLANNING PROJECT



Panorama Consulting Solutions 2016



KOFAX

## Digital Transformation Powers Business Transformation

Digital technology is changing the way we live, think and interact. And business needs to keep up. That means anywhere, anytime service.

Kofax software drives business transformation so you can stay ahead.

- ◆ **Capture, extract and perfect data** from virtually any source for greater accuracy and responsiveness
- ◆ **Automate** processes to increase efficiency, enhance collaboration and make faster, better decisions
- ◆ **Manage** content in any format for instant, precise visibility and access within any business process
- ◆ **Deliver** secure personalised communications for a complete end-to-end digital experience

Transform your business with Kofax.

Call **0207 496 1760** or email us at **[mailbox.uk@kofax.com](mailto:mailbox.uk@kofax.com)** to learn more

**[kofax.com](http://kofax.com)**





**WITH A GREATER  
VANTAGE POINT,  
A GREATER ADVANTAGE.**



**Zebra gives you the big picture.** In today's data-centric world, real-time information is crucial for your business. And with hardware, talking to software, talking to the cloud, only Zebra's intelligent, enterprise-level solutions give you the connectivity and unmatched visibility you need to manufacture success. See the vision at **[ZEBRA.com/visibility](http://ZEBRA.com/visibility)**