FRAMEWORKS

THERE IS A PROCESS CORE FOR DIGITAL EFFORTS

By Holly Lyke-Ho-Gland

As discussed in my previous article, digital transformation is a high priority for many organizations. Approximately three-quarters of process and performance management professionals report their organizations are undergoing a digital transformation and are actively involved in their organizations' efforts.

What is Digital Transformation?

Digital transformation involves the strategic integration of multiple technologies. Its primary components include improving the quality and accessibility of data and information, automating processes, applying analytics, and enabling digital interactions.

However there remains a lot of confusion around digital transformation.

If its Digital, it's Transformational, Right?

Digital transformation efforts can legitimately differ in terms of scope, governance, and intent. Unfortunately, many organizations are solving discrete business problems with digital technologies rather than developing an integrated, strategic approach to apply new technology across the business. Because these types of projects have digital components, they get mislabeled digital transformations.

When this occurs, organizations struggle because there is no overarching purpose or plan tying their efforts together. Ultimately, this results in confusion among those tasked with execution because they don't know:

1. **What's included?** There are often no parameters or criteria to define what parts of the business need digitalization projects or to help scope and prioritize efforts. The result is confusion about where to apply digital technologies.

2. **What's the "right" solution?** There are no criteria on fit for the potential solutions available. This results in poor articulation of what features the

organization needs and can result in overbuying or making expensive modifications afterward.

3. **How the pieces fit together?** There is often no holistic perspective on digital projects to help the organization understand the intersections and interdependencies between projects. This results in post-implementation integration projects and add-ons.

In the face of the confusion around digital transformations, we wanted to learn more about organizations' digital efforts and conducted a [short poll](#) on digital transformation drivers, governance, and measures of success.

So, what did we find?

Process is at the Center of Organizations' Efforts

Despite the hype around digital work's ability to spur innovation and improve customer experience, customer experience came in third for most important driver. Instead organizations indicated their digital transformations are driven by operational and surprisingly process needs—optimizing core business processes and automation.

While initially surprising this makes sense, given that most organizations digital projects are, extensible, either process automation (both robotic and intelligent automation) and improving the quality and accessibility of information.

However, it's important to note that these operational drivers are not necessarily, at odds with innovation or the customer experience. Automation and process optimization efforts—while often associated with cost and efficiency—should also make room for innovation and improving the customer experience. These two drivers are what helps link process work explicitly to organizational value.

But process or improvements without measures struggle to deliver on their promises.

A Mixed Bag of Measures

It was refreshing to see that an overwhelming majority of organizations use explicit measures to track the effectiveness and success of their digital transformations. Because measures not only help show the value of organizations' efforts, they also help align work across projects and ensure they stay on track. Hence, digital transformation measures tend to fall into four categories:

1. **Operational**—given the primary drivers are operational, organizations are using measures of productivity and quality to track the value of their efforts.

2. **Financial**—digital transformations are typically a large investment. Organizations use measures like cost reductions and ROI to measure the payoff of these investments and contribution to the bottom line.

3. **Implementation**—digital transformations are large-scale efforts that span a portfolio of projects. Organizations use traditional project management measures like milestones and adoption rates to track their implementation efforts.

4. **Customer**—traditionally digital transformations are directly linked with the goal of improving the customer experience and organizations use customer satisfaction indexes to measure success. However, without enough before and after data, organizations struggle to identify which changes directly impact their customer satisfaction.

There is a broad array of potential measures that organizations use to monitor their transformations. Ultimately the specific measures should reflect the organization's drivers and strategy.

Conclusion

So what role do frameworks play in digital work? Similar to findings from an early study on RPA, frameworks serve as a reference model as organization's either understanding their "as is" state, creating standardization between disparate teams, or re-engineer their processes for digital execution.

They are explicitly beneficial for two reasons:

1. They help organizations save time during the foundational process work necessary for digital projects. A process framework provides a list of all the common process elements found in most companies that organizations can use as building blocks for their efforts.

2. They improve communications across teams, functions, business lines, and regions about the work that is undergoing digitalization. Frameworks provide a standardized taxonomy or language that the organization can use when referring to its processes which helps cut through the dissonance when organizations use varying terms and naming conventions among groups internally

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About the Author.

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