Why Digital Transformations Fail

Critical Steps for Success
Today’s Speakers

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Michael is Global Alliance Manager at Dell Boomi responsible for the relationship with Slalom. Michael has more than 25 years experience in alliance and business development with leading high-tech companies.
Agenda

- Major drivers of digital transformation failure
- Transformation challenges and how to overcome them
- Planning for the road ahead
- Steps for digital transformation success
- Luxury hotel use case – successful transformation outcomes
- Key takeaways
- Q&A
Major drivers for digital transformation failure
Digital Transformations Failure Rates

- **51%**
  - IT leaders have stalled or abandoned digital transformation

- **64%**
  - Rank legacy systems #1 among the barriers

- **74%**
  - Digital transformations will fail

*IDG, The Challenge of Change, December 3, 2018*

*McKinsey Global Survey, 2015 - How to Beat Transformational Odds*
Organizational Challenges

**Missing Digital Strategy**
- 50% organizations lack clear strategy*
- Strategy for customer experience, marketing and operation – but not interchangeable for an enterprise digital strategy

**Missing Tech Strategy**
- Focus on point solutions
- No integration plan
- Tech strategy aligns integrated technology architecture with transformation strategy

**Lack of Ownership & Inertia**
- 43% of organizations – internal departments competing to own digital as the most significant barrier to transformation (Forrester)

**Lack of Expertise**
- Hinders ability to execute transformation
- Nearly 41% companies say gathering resources need to advance digital maturity is a challenge**

*Apiumbub
**Adobe
Digital Transformation Driving Forces

UBIQUITOUS COMPUTING
Continued progression of computational capability into everyday objects to communicate, perform tasks, and minimize end-users interaction

DIGITAL DEVICE PROLIFERATION
Continued expansion of digital devices, from 1.6B to 7.3B personal devices and .9B to 30B connected devices between 2009 and 2020 (Gartner)

PERSONALIZATION DEMAND
Continued demand of personalization, with 89% of buyers expecting companies to understand their unique needs and 66% of customers willing to switch brands if they feel treated like a number (Salesforce)

NEW BUSINESS MODELS & CUSTOMER EXPECTATIONS
Continued introduction of new business models leading to increased customer expectations on availability, prediction/automation and service
The Road Ahead

INTERNET OF THINGS
- By 2021, 70% of retailers are planning IoT investments (Coxblue)
- By 2020, 80% of healthcare interactions will occur through IoT services (IDC).
- It is no longer what computers can process, but what computers connect us to (Paul Saffo).

VR & AR
- Virtual reality and augmented reality are beginning to shape consumer experiences, behaviors and preferences.
- By 2021 it is predicted that the number of US VR users will grow 60% (MediaKix) and the VR/AR market is expected to be $215B (Statistica).

ARTIFICIAL INTELLIGENCE
- Over the next 12 months, 70% of enterprises expect to implement AI,
- Up from 40% in 2016 and 51% in 2017
- 20% of enterprises deploying AI to make decisions and provide real-time instructions (Forbes).

FAST DATA
- Advancements in connected devices, IoT, VR/AR and AI, data is growing faster than ever before.
- By 2020, 1.7MB of new information will be created every second for every human on the planet (Forbes).
- Organizations are increasingly expected to leverage the power of data in real-time.
The Age of Disruption

With continued digital disruption, enterprise transformation is imperative

Only 10% of companies describe themselves as fully digital and 47% of companies have not started to embark on digital transformation.

Of enterprise decision makers feel they have a two year timeframe to make significant inroads on DT before suffering financially or falling behind their competitors.

By 2020, CEOs expect that 41% of enterprise revenue will come from digital business, nearly double that in 2015.

Source: The Economist, Forrester, Gartner
Digital leaders expect 23% higher revenue growth in the next two years and 80% of leaders say transformation efforts have increased profitability.
Steps for digital transformation success
Building Blocks of a Digital Strategy

- CUSTOMER EXPERIENCE
  - CUSTOMER INSIGHTS
  - EXPERIENCE DESIGN
  - CUSTOMER ENGAGEMENT

- BUSINESS MODEL
  - DIGITAL MODEL
  - INNOVATION
  - GLOBALIZATION

- BUSINESS OPERATIONS
  - OPERATING MODEL
  - PROCESS DESIGN & MEASUREMENT
  - GOVERNANCE

- PEOPLE & SKILLS
  - DIGITAL SKILLS
  - ROLES & RESPONSIBILITIES
  - DIGITAL ENABLEMENT

DIGITAL VISION

DIGITAL TOOLS & CAPABILITIES
Key Elements of Success

DEVELOP & ARTICULATE STRATEGY
The strategy needs to be concise enough to be easily communicated and comprehensive enough to ensure that all employees impacted can see their work in the strategic objectives.

DRIVE CULTURAL CHANGE
Understand culture and plan for the level of sponsorship and change required to enable the transformation.

ESTABLISH EXECUTION PLANS
Develop and drive an integrated roadmap with aligned execution plans. Any new program and operational investment should align to the transformation strategy.

MEASURE PROGRESS
Establish a clear, reportable set of metrics that drive strategic insights and are reported out on a regular basis.
Digital Transformation Approach

EXPLORE
- Who are your customers and what are their needs?
- How do my customers want to digitally interact?
- What do you think are the right KPIs for your business?
- What trends might impact me?

ESTABLISH
- How mature are my digital capabilities and where do I want them to be tomorrow?
- What people and process changes are needed to enable desired capabilities?
- What are the right technologies, tools, and architecture to achieve my goals?

ENABLE
- How can digital be used to push the boundaries of what customers expect?
- What are new, creative solutions for my current and future challenges?
- How should I structure and build my roadmap?
- How can I execute quickly to deliver value from the roadmap?
Unless a technology is proprietary to a company, it ultimately won’t provide competitive advantage on its own... technology should be a means to strategically potent ends.
Luxury Hotel Company
Centralizing data and integration to transform the user experience

Challenges
- 375 exclusive hotels – focused on member hotels
- Provide a world-class customer loyalty experience
- Slow changing data systems out of date
- Systems are siloed – outside reach of staff
- Architecture limited ability to market to customers

Results
- Implemented modern cloud platform with AWS
  - Centralized data aggregation with Boomi master data hub
  - Multiple system integrations and data warehousing
  - Real-time API integration across multiple systems
  - Strategic control of data across multiple systems
Dell Boomi Accelerates Business Outcomes

- **Connect everything**: Create a fabric of connectivity across data, applications, things, and people.
- **Engage everywhere**: Automate business processes and experiences across any platform.
- **Run anywhere**: Deploy applications across public cloud, private cloud, or on prem.
Business Impact

- Faster Time to Value
- Higher Efficiency
- Higher Engagement
Foundational partner for your digital future

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<thead>
<tr>
<th>Connect</th>
<th>existing systems and assets</th>
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<tr>
<td>Modernize</td>
<td>technology infrastructure</td>
</tr>
<tr>
<td>Transform</td>
<td>experiences, processes and practices</td>
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<td>Innovate</td>
<td>products and business models</td>
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Fastest-growing cloud platform

- **8.2K** Customers
- **15K** Certifications
- **95%** Satisfaction

- **6** Customers a day
- **65K** Community
- **97%** Direct Renewal