



Berner Fachhochschule
Haute école spécialisée bernoise
Bern University of Applied Sciences

Are there Digital Transformations – or just Digital Cleanups?

Observations from industry by a «digital junky»
ResearchXchange, 22. October 2021

Goals for today

researchXchange

The seminar series on research at the
Bern University of Applied Sciences
Department of Engineering and
Information Technology (BFH-TI)



Presentation of exciting research



Rigorous scholarly and academic review of an important area



My industry perspective on a topic that more and more people are talking about



My perspective on a related trend now visible in industry

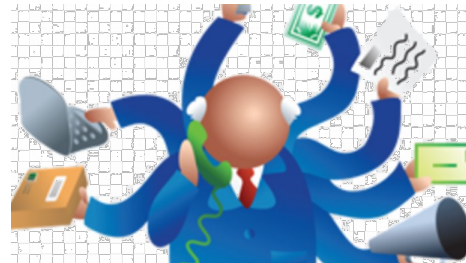
My own digital journey as a “Digital Junky”



Physics Ph.D 1998
Research physicist @ Max-Planck-Institute



Transition to IT Consultant in 2000
HP Consulting & Integration
Speciality: Digital Transformation projects



Led or participated in over
200+ IT Projects, many of
them true “Digital
Transformations”

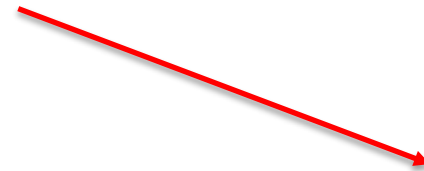


Up until 2018 . . .
Feeling confident in
transformation know-
how, challenging
positions with
responsibility, guest
speaker at events, etc.



Starting around 2019 . . .

Digitally Shocked!



But first . . . A bit of background and context

Are digital transformations really that old?

Answer: YES!

The earliest rollouts of "data processing" in business was all about realizing the benefits of digital



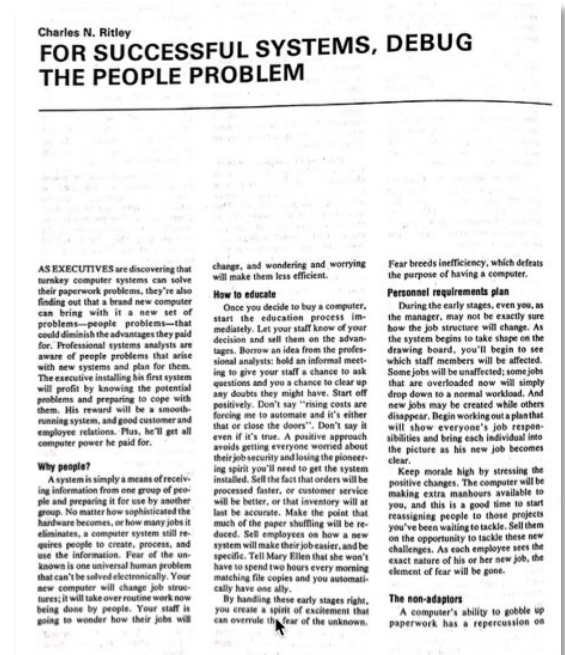
“For successful systems, debug the people problem”

Have they always been impactful?

Answer: YES!

In some ways, probably more so than today.

Today, everyone knows what a computer is . . .



Why am I a “digital junky?”

Why are digital transformation projects so appealing?

Transformation projects . . .

- achieve something meaningful
- are challenging, with many pitfalls
- big chances to fail that must be avoided. Some can be planned for, the important ones must be recognized then managed in-flight

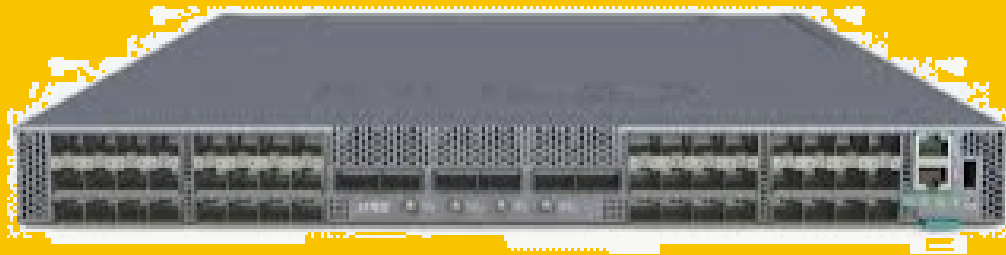
But especially, *It's all about the PEOPLE!*

These projects – more than any other - let you build and establish very strong business relationships that can last for years!



But . . . Around 2019 I was shocked!

Starting around 2019 . . .



Don't Wait
to start your Digital Transformation!
Buy our Router today!



Hmmmm . . .
a router???

... then the explosion began

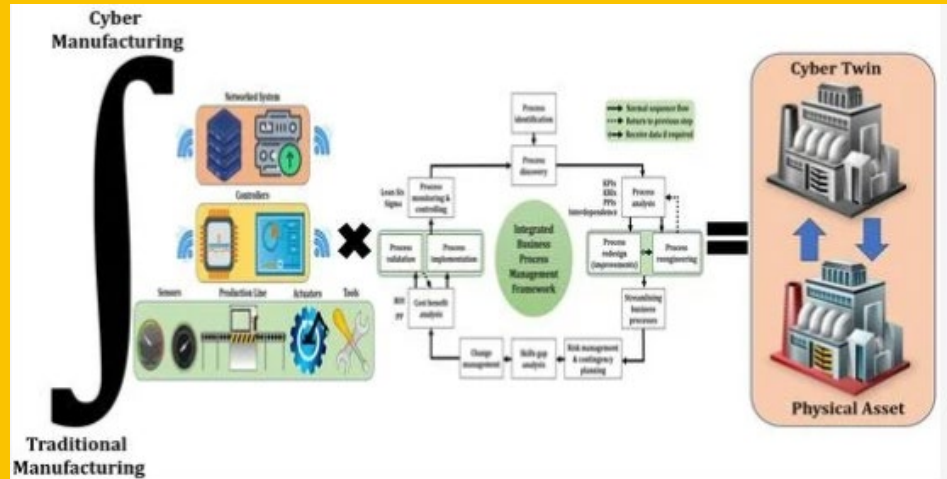


Why storage matters in your Digital Transformation!

LOW CODE 101



Without a Low Code Development Platform, most Digital Transformations are just doomed to fail!

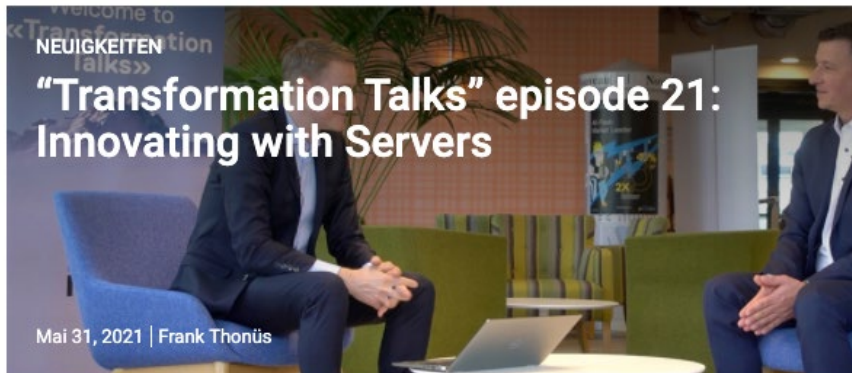
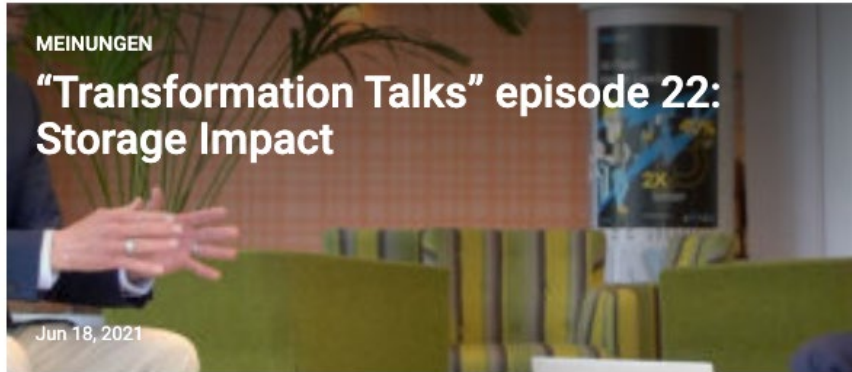


A conceptual framework to support Digital Transformation



This is not helping me!

Whatever is happening . . . It's everywhere!



DELLTechnologies



"I think we really need a Digital Transformation"



Now I am
totally
confused!

Satire is not so far from reality . . .



Tuesday,
19th October
2021

the **daily** mash

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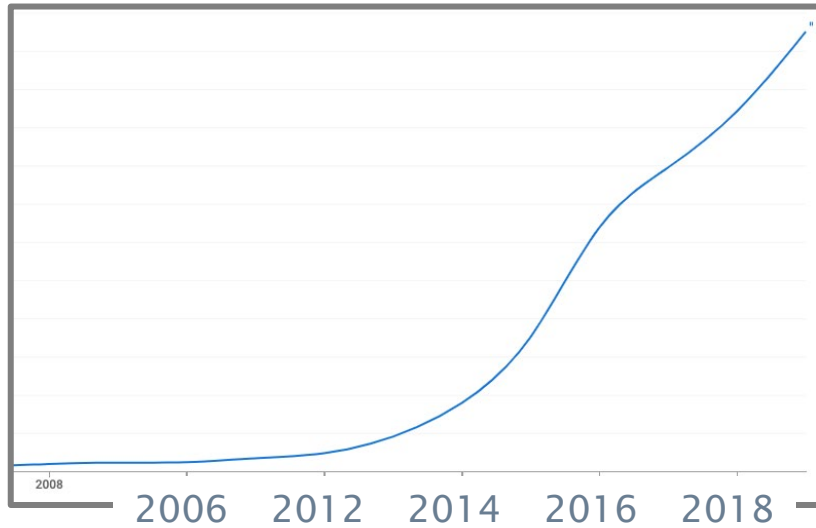
Nobody knows what 'digital' supposed to mean



“MEDIA workers talking about ‘digital’ do not have the slightest clue what it is, according to new research.”

October 2021

A look back in time

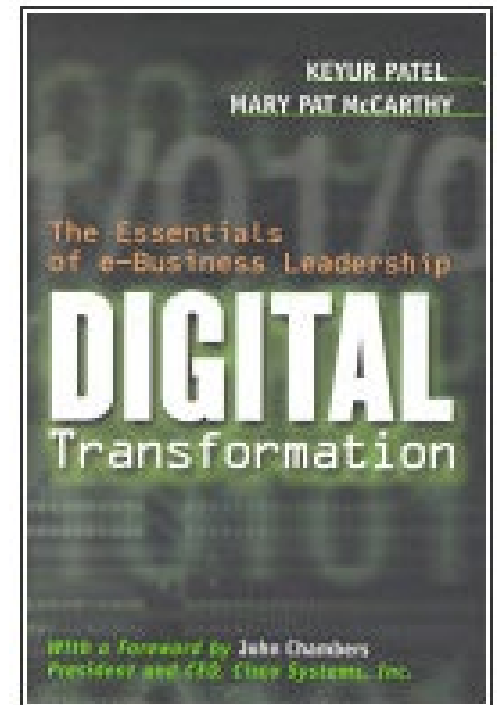


"Digital Transformation"
Source: Google Books Ngram

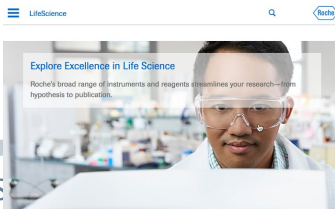
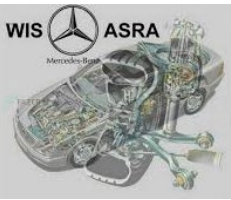
K. Patel, M. McCarthy (2000)

"...provides executives with a road map for leading their companies through the transition from business to e-business."

Taking a business, and making an Internet E-Business



Digital Map 2000-2021



Digital Transformation Category I «Innovation»

Definition

An enterprise wants its customers to “feel” the innovation, reflecting well on the enterprise’s brand

Management experiences

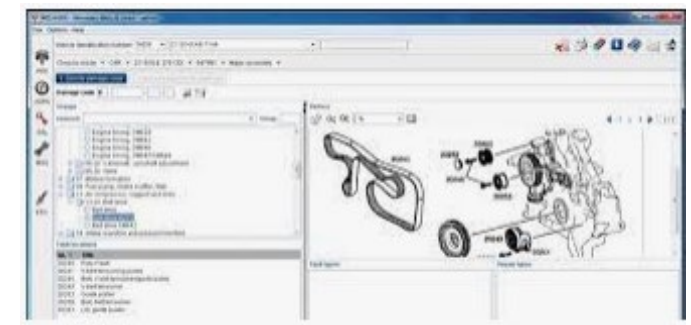
Straightforward to manage

Personal feedback

Project participants and stakeholders generally excited and positive. Any fear for the future is more than compensated by the potential positive outcomes.



Mercedes-Benz Museum,
Stuttgart (2006)



WIS = Werkstaat
Informationssystem
(since 1993)

Digital Transformation Category II «Regulatory Requirement»

Definition

An enterprise is compelled to digitize by an external factor (such as compliance)

Management experiences

Straightforward

Personal feedback

Project participants and stakeholders generally support the project or at least offer no active resistance. “Resistance is futile”



Digital Transformation Category III «Process Improvement»

Definition

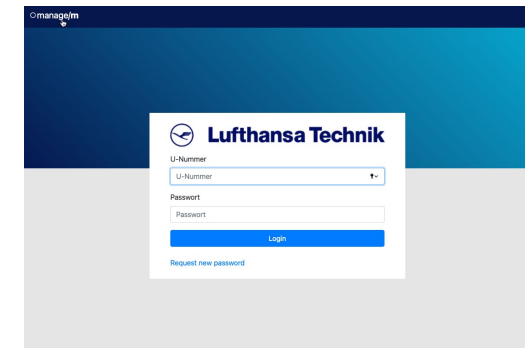
An enterprise digitizes processes or operations in order to achieve improvements in efficiency or esp. manageability (e.g. you cannot manage what you cannot measure)

Management experiences

Standard.

Personal feedback

Enterprises have smart people. It's the year 2021. If processes could easily be digitized with significant low-hanging fruits, they probably would have been digitized already. 1995 – 2005 were very hot years for digital projects.



First digitizing technical document delivery, then the service delivery chain (2005)

Digital Transformation Category IV «Very large transformation»

Definition

Significant new digital processes accompanied by org changes, to "change the way we work."

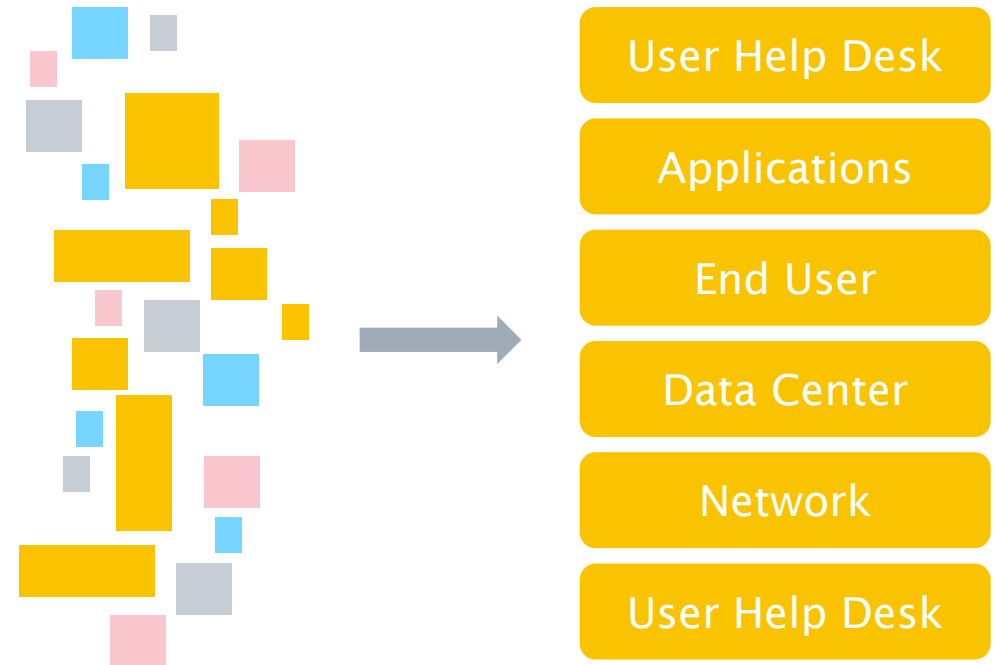
Management experiences

Very challenging. The people aspects are frequently more important than any other consideration; often HR plays an integral role in the project.

Frequently "High Adversity Coefficient" projects

Personal feedback

Most important consideration: at best, these categories can entail significant disruption for employees; at worst, they entail job loss. A successful transformation must have real **leadership**, not just **management**.



Digital Transformation Category V «Non-Digital Transformation»

Definition

”We change the way we work” (fully exploiting what digital makes possible e.g. “The World is Flat”)

Management experiences

IT management and general transformation management are both essential.

Personal feedback

Two challenges: not knowing the best-practices and critical success factors of transforming. But also not knowing the best-practices and critical success factors of steady-state operations



Onshore



Nearshore



Offshore

Established Transformation Best-Practices are not enough . . . you have to «learn-by-doing» what works best for you

E-Procurement (greenfield)



Know-How of industry transformation practices?



Know-How of what for the specific people in the specific orgs works best?



Switzerland's largest private employer - 110K+ employees.
At present undergoing significant transformation,
simultaneously, in many areas

E-Learning (brownfield)



Know-How of industry transformation practices?



Know-How of what for the specific people in the specific orgs works best?

Type I: Digital Clean-Up

From this



To this



- Navigation
- GPS
- Onboard computer
- Pollution control
- Anti-Theft

Many new parts, some new capabilities, but no fundamental change to the most important capability:

Before it could take you from Point A to Point B. After, it still takes you from Point A to Point B

Type II: Digital Transformation

From this



To this



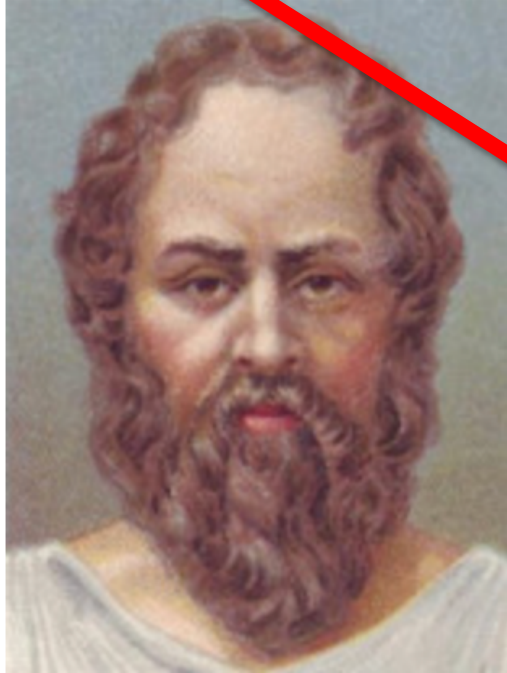
*Optimus Prime
Since 1984*

Same basic parts . . . whole new capabilities!

How do you distinguish between Digital Transformations vs. Digital Clean-Ups?

WE CHANGE THE WAY WE WORK

New trends I've observed in industry . . . The new generation



“The children now love luxury; they have bad manners, contempt for authority; they show disrespect for elders and love chatter in place of exercise. Children are now tyrants, not the servants of their households. They no longer rise when elders enter the room. They contradict their parents, chatter before company, gobble up dainties at the table, cross their legs, and tyrannize their teachers.”

Socrates
469 – 399 B.C.



This is NOT what I'm talking about!

The management hierarchy is culturally segregated



CEO / Executives

Baby-Boomers
57+ years old

“Digitally challenged”



Senior management

Gen-X
41 – 56 years old

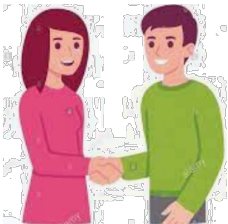
“Digitally aware”



Middle management

Millennials
25 – 40 years old

“Digitally savvy”



New hires

Gen-Z
9 – 24 years old

“Digital natives”

IT Roundtable, 15. July 2021

Topic 2. The Impact of Generational Change on Digital Transformation

- *The influence of Gen Z & the adaptations required from organisations to meet their rising expectations*
- *The effect of millennials taking on more decision-making roles*
- *Spotlight on changes in business practices and behaviour*
- *The evolution of technologies; how younger generations and digital natives perceive and interact with technology differently to their predecessors*

My personal takeaways . . .

- (1) Large companies in Switzerland are feeling these effects, some very much
- (2) Different companies have already implemented different experiments to address

MY OBSERVATION: this is OFFSHORE all over again! Everyone recognizes change is coming, nobody quite sure of the exact best-practices and critical success factors, lots of experimentation

QUESTION: Can we learn from the past and develop “accelerators?”

Summary and Conclusion

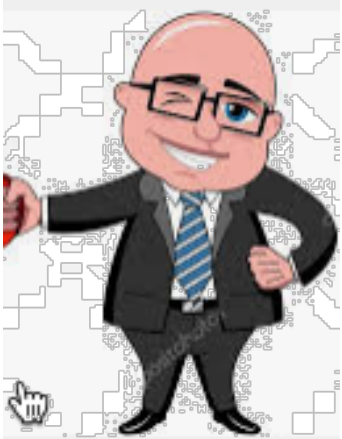
(1) If you are going to do something digital,
go for a Transformation, not a Clean-Up!



"We change the
way we work!"

Summary and Conclusion

(1) If you are going to do something digital, go for a Transformation, not a Clean-Up!



(2) Be sure to have Optimus Prime on your side! (Real transformations take **LEADERSHIP**, not management)

"We change the way we work!"

Summary and Conclusion

(1) If you are going to do something digital, go for a Transformation, not a Clean-Up!



"We change the way we work!"



(2) Be sure to have Optimus Prime on your side! (Real transformations take LEADERSHIP, not management)

(3) MOST IMPORTANT! It's not about the digital – forget about the digital. IT'S ALL ABOUT THE PEOPLE!