

# 5 TOP PROBLEMS FOR DIGITAL TRANSFORMATION

In May/June 2020 Five Points Digital interviewed 20 of New Zealand's leading CDOs and CIOs. We asked them about the issues they are currently facing with their transformation programmes.

## Does this sound like you?

*"It feels like my company is constantly trying to slow us down... while asking more from our roadmap"*

*"Digital feels like a square peg in a round hole in our organisation"*

We heard from many CDOs and CIOs how difficult digital transformation can be in organisations that are still oriented around legacy channels, products and processes.

## We understand this because we've been there too.

The good news is that there are many simple changes you can implement NOW that will make your transformation programme more successful.



Liz Maguire, Founder of Five Points Digital and former digital transformation lead at ANZ New Zealand

## 1 BENEFITS BENEFITS BENEFITS

Budgets are really constrained at the moment and digital leaders are grappling with increased internal scrutiny for investment requests and benefit commitments.



*"I'm not sure if these benefits are realistic or if we can deliver on them"*

*"I'm struggling to get the benefits owner to agree to put it in their operating plan"*

### IDEAS TO TRY

You can create greater trust by demonstrating a culture of financial discipline:

- ✓ Sort out the basics. Agree a simple benefits model and a benefits setting/tracking process with key stakeholders. Ask your CFO to sign it off.
- ✓ Be transparent. Track performance regularly. Publish your report card widely and be open about sharing the good and the bad.
- ✓ Build benefits discipline into your culture. Ask your teams to quantify benefits for every new feature (even the UX ones) and share results regularly at team ceremonies like sprint reviews.

## 2 AGILE PROJECT MANAGEMENT

Enterprise project management systems don't often work well for agile projects.

Enterprise PMOs can see agile projects as undisciplined. Sponsors and steering groups may lack assurance about delivery.

*"Our annual investment planning process doesn't work well for agile projects"*

*"It's hard to understand if my agile project will deliver on time and within budget"*

*"I'm keen to be a better sponsor of agile projects"*

### IDEAS TO TRY

- ✓ Demystify agile. Invest in agile training for sponsors, steering committees and your project office to help them understand their roles in an agile world.
- ✓ Document project processes. Agree how key project disciplines will be managed and what checkpoints the project will meet.
- ✓ Pre-discovery discovery. For large or complex projects spend time up-front planning how to manage the project in smaller phases of work and trouble-shooting likely hot-spots.
- ✓ Get an expert. The quickest way to lift your governance capability is to hire a governance lead who has worked with agile projects.



## 3 DIGITAL'S BLOWING UP OPERATIONS

Digitising customer interactions usually offers the largest benefits for CSAT and cost to serve. But not digitising the supporting back-end processes can significantly limit your ability to scale digital.

*"We can't put any more volume through digital because Ops can't handle the (manual) volume"*

*"The focus is always on digitising the front-end and the fulfilment issues never get resolved"*

*"We thought we'd kept them informed about the changes but it was a surprise when it went live"*

### IDEAS TO TRY

- ✓ Take an end to end view. Plan improvements for the whole process at the beginning, even if you are only digitising a part of the process now.
- ✓ Apply an 80/20 rule. Automate high volume/high risk parts of your process first. Workflow and RPA can significantly reduce operational effort without automating the entire process.
- ✓ Assign a dedicated Operations lead to your transformation project. Set and track goals for straight through processing rates vs manual intervention.



## 4 DRIVING DIGITAL CHANNEL STRATEGY

It's not always a case of "build it and they will come". Sometimes new features don't get the usage you were expecting.

*"We've introduced all these great new features into digital but they're not being used as much as we thought"*

*"We're struggling to get our staff to talk to customers about digital offerings"*

### IDEAS TO TRY

- ✓ Solve customer pain first. Build trust and credibility by fixing your top customer friction points before adding new features.
- ✓ Sell to your staff before you sell to your customers. Arm your staff with the information and the confidence to promote your digital channels to customers.
- ✓ Develop a systematic plan for customer migration. This should include driving digital usage AND switching off capacity in legacy channels.
- ✓ Focus your efforts on high value interactions. Develop an end-to-end channel view for key customer journeys, ensuring smooth hand-offs across channels.



## 5 BUILDING TRUST AND CREDIBILITY

Digital leaders can struggle with telling engaging stories about the value of their projects and how they are transforming their organisations.



*"I was shocked at how little Tech understands about our business"*

*"I find it hard to articulate the value of this work to our exec team and Board"*

### IDEAS TO TRY

- ✓ Strategic alignment is a ticket to play. Show stakeholders that your transformation priorities clearly align with your company's strategic objectives and financial drivers.
- ✓ Invest in story telling. Build understanding and buy-in using engagement tools like prototyping or story-boarding to show the WHY and WHAT for your project missions.
- ✓ Use your customer's voice. Direct customer feedback is a powerful way of demonstrating how your projects are solving customer problems.

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