



Success Drives Transformation

A new narrative for digital transformation and business change.





The Need for Narrative

We make sense of the world and of ourselves through the stories we tell. These stories allow us to deal with cognitive overload, help us to communicate effectively with others; and serve as frameworks for decision making. The best stories explain unexpected new situations; and reassure us in the face of uncertainty.

The power of stories is also their flaw. They become entrenched in our understanding of the world and lead us to dismiss facts that do not fit, cherry pick those that do and miss the moment at which a narrative becomes counterproductive.

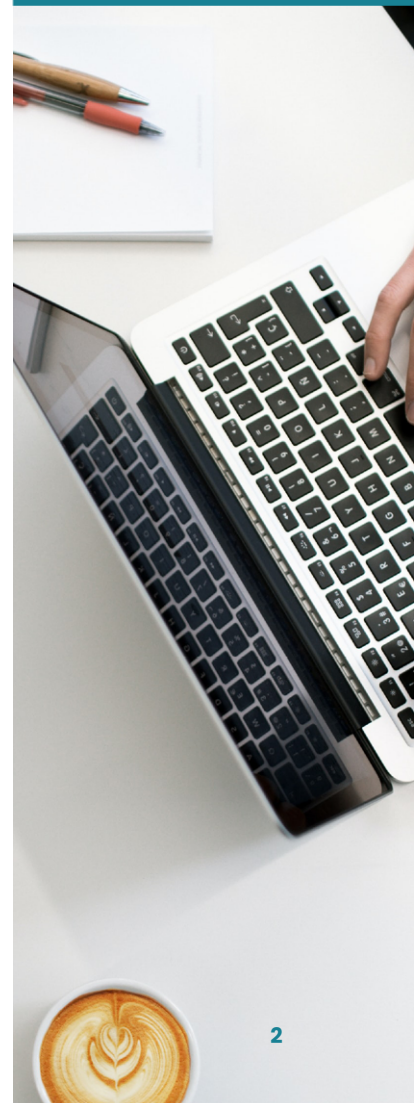


**Mike Adam,
AMIGO Founder and
Architect**

Why is there a need for a new story in the transformation industry?

We live in interesting times. The need for enterprises to transform, and the penalties for not doing so, have not been higher for half a century or more. This urgency is fuelled by multiple forces and ignited by the sudden appearance of an unexpected trigger event.

What are the trends driving the need for change in the digital transformation industry?



The Technology Revolution



Because we are living within the technology revolution, we do not perceive its significance. Technology is no longer a tool for increasing efficiency; it is changing the way that we live. There is no one moment that signals this shift, but broadly speaking, prior to the millenium, technology was focused on efficiency in how things were done; now it is dictating what things are done.

The maturity of enterprise businesses

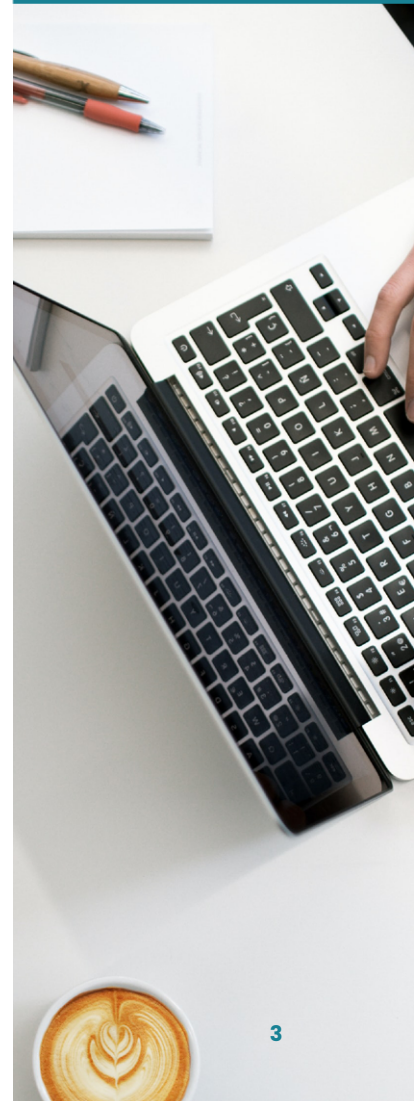


At the same time as the role of technology shifted into a new phase, the cycle of market economies reached an unhelpful level of maturity. Ways of working were entrenched in engineered processes, people and platforms. The early role of technology exacerbated this: businesses became set in their ways and the human capital was replaced with wiring. The most successful enterprises were the most efficient in this drive for efficiency and leaders were chosen accordingly. This makes modern enterprises more difficult to change than they have ever been.

The demographic shift



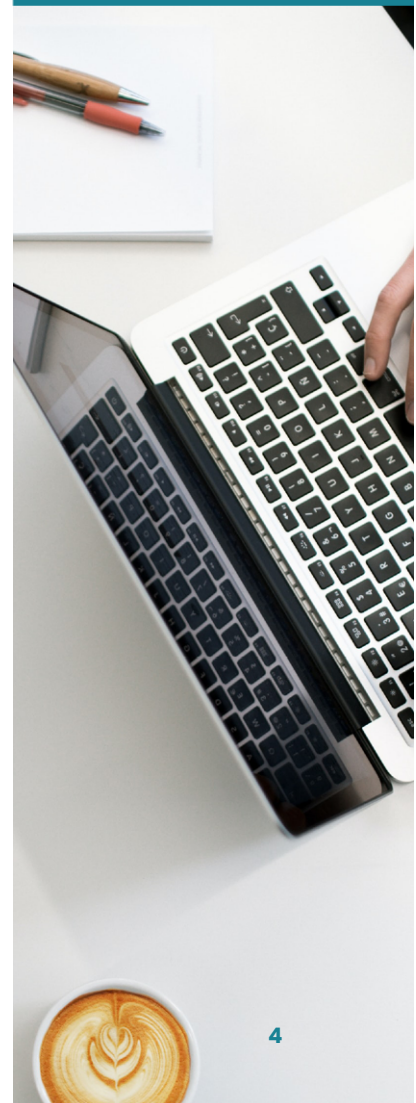
Changing generational attitudes and priorities could be folded under the technology revolution, but that would understate the impact of technology on people - what they value, what they want and how they choose to live their lives. This demographic shift is stark and recent. A thirty year old can remember a world in which they were not permanently connected to everything through a personal digital device; a twenty year old cannot. Enterprises are aware of this shift in their customers; often signalled by a steadily dwindling and ageing customer base.



The Pandemic

The trends driving change are well established and their impact on enterprises has been gradual. It takes a trigger event to disrupt the entrenched narrative.

The trigger in this instance is the Coronavirus pandemic. This immediately and discontinuously impacted enterprises. A relentless efficiency drive towards globalisation and homogenisation stopped and went into reverse. The way that everyday tasks were carried out changed instantaneously, digitising the lives of the entire population regardless of demographic or generation. This is the trigger that turned an academic observation of societal trends into a requirement for immediate action.





The Old Narrative

"Transformation drives success."

The established narrative of the digital transformation industry is built on a deterministic framework. An enterprise is designed to do one thing efficiently. Its people, processes and platforms have been honed over repeated iterations.

Many of the 'soft' interfaces and corners of human expertise that allowed the enterprise to shift have been removed as superfluous; the designers of the enterprise are long gone; and the people who used to run processes have been replaced by technology. The enterprise is hard wired by design only to do what it does now.

Under this world view the only way to succeed is first to transform people, processes and platforms. Only then can success follow. All concerned acknowledge that this is difficult to do, but it is, apparently, necessary. The difficulties are legion, but include at least the following:

Existing Technology

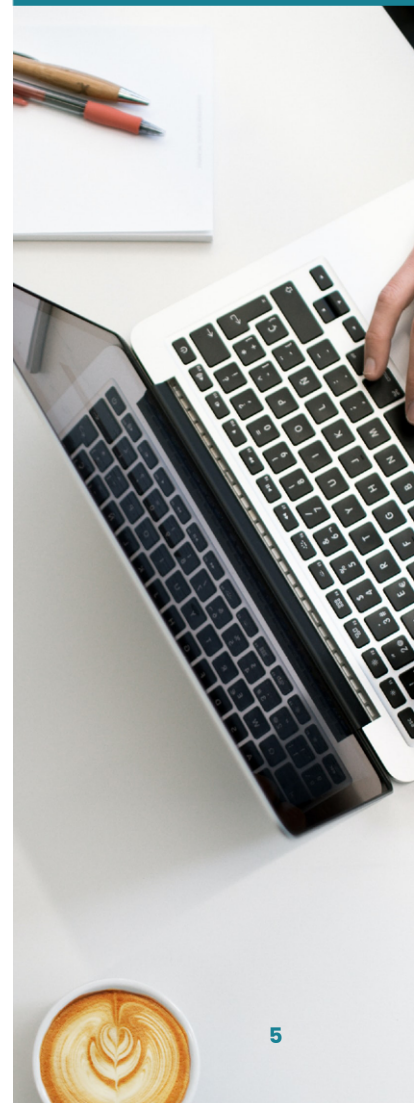
Most enterprise platforms are built from an interconnected set of disparate and obscure components. They have been implemented piecemeal over time and do not conform to a coherent architecture. The original owners of the components have left the organisation. Documentation is sporadic and dependencies are unclear.

Interconnected Stakeholders

The risk of any project rises exponentially with every new dependency. Under the traditional model every change to current people, processes and platforms impacts multiple stakeholders, who often have conflicting requirements. Complexity escalates and slows or even halts progress.

Commercial Interruption

To change people, processes and platforms interrupts and distracts the enterprise. It freezes incremental improvements and thwarts the delivery of immediate commercial goals. This creates a hidden additional tax on any traditional digital transformation project.





The consequences are severe



High costs – the commitment to transform requires a substantial investment over a long period in the hope of achieving a distant future return.



High uncertainty – a traditional transformation sets out to deliver a best guess of what will be needed. However well-informed, this guess is often wrong or has been superseded by the time it is delivered.



Long timescales – the commercial return on the investment only starts after a large proportion of the transformation is complete.



High risk of failure – there is a high risk that the transformation will overrun in both cost and time, will not deliver the predicted return and in many instances will entirely fail.

The evidence is clear



At least 66% of digital transformation programs fail to deliver to specification.



The baseline expected chance of success when embarking on a standard digital transformation is 30%.

\$900B

\$900 billion is wasted each year by enterprises globally on failed digital transformation projects.

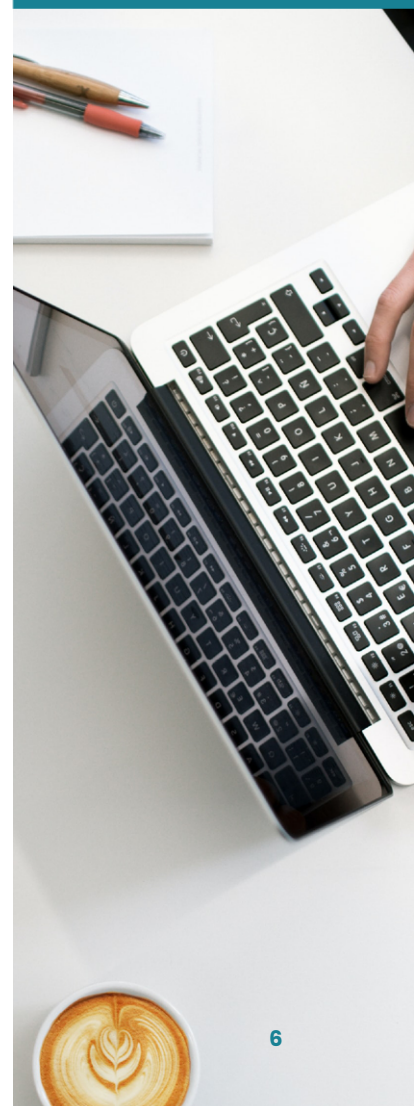


Just 16% of executives say their company's digital transformation efforts are succeeding.



Only 22% of innovative digital projects show both higher-than-average returns and successful scaling.

Large IT projects run 45% over budget and 7% over time, while delivering 56% less value than predicted.





The New Narrative

Success Drives Transformation

Conventional thinking on what it takes to deliver success is deeply embedded in enterprises: "To succeed, first you need to transform processes, people & platforms." Before changing the narrative, first we should ponder why the current processes, people and platforms (the 3Ps) exist.

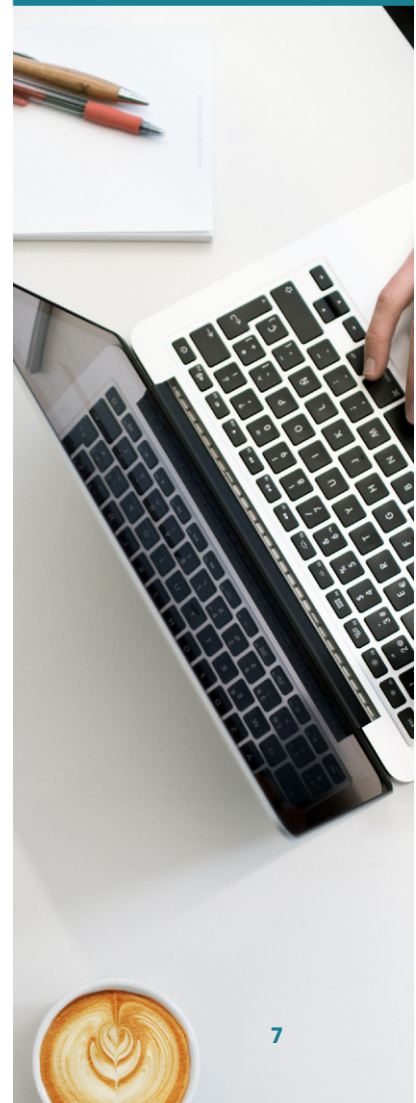
Enterprises embody the 3Ps that reflect their historic success. They codify the rules of this success. These are designed to be robust with respect to time and survive through many generations of leaders.

Their origins in success have been obscured over time. Once success is encoded, enterprise leaders minimise personal and corporate risk by focusing on reducing the cost of delivery rather than changing what is delivered. These efforts tend to further entrench 3Ps and distance them from their roots.

Finally the entrenched 3Ps are assumed to dictate the inevitable shape of what and how the enterprise delivers to whom. This creates the landscape in which the false premise of the Digital Transformation industry thrives.

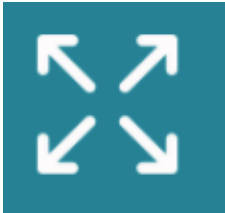
If the 3Ps are deterministic, then to succeed the 3Ps surely must be transformed. Re-engineering is time consuming, complex, involved and fraught with risk. In short it is expensive and lucrative for suppliers of consulting and technology.

This reasoning casts a new light on the challenge: the blockers to future success are the product of historic success. How can enterprises return to their roots, invert their thinking and allow future success to drive transformation? There are two prerequisites: a change in technology; and a change in philosophy.

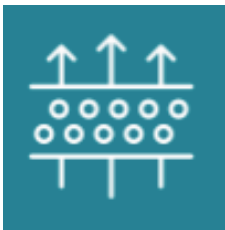




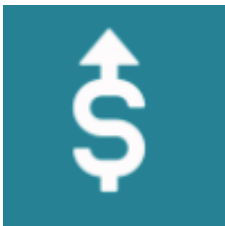
The technology to support transformation under this new narrative needs the following attributes:



Dramatically expands the available opportunity for what, how and to whom an enterprise delivers without the prerequisite of transforming the current people, processes and platforms.

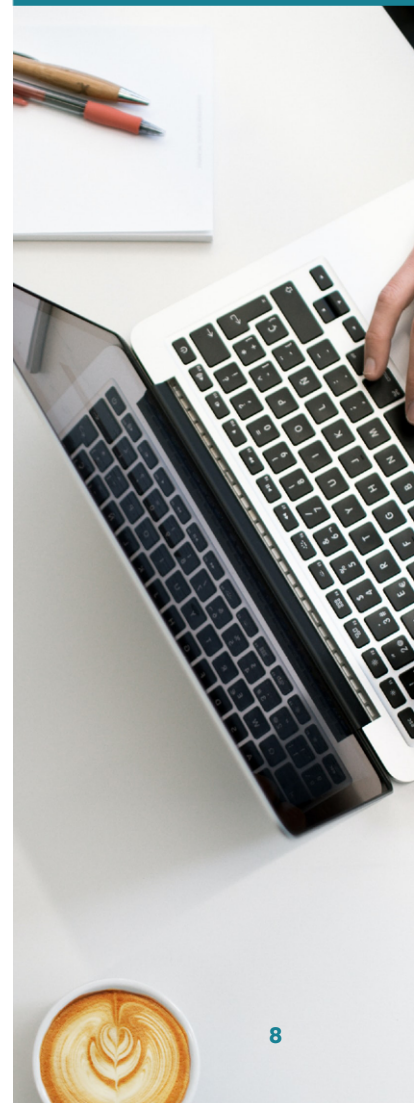


Eliminates the delays, costs and missteps that follow from the way traditional software development processes map commercial plans into code.



Allows successful commercial outcomes to be implemented immediately at scale so that the transformation is both self-funding and contagious within the enterprise.

The philosophical shift required by senior leadership is the abandonment of the idea of transformation as a set piece project with an investment phase prior to the delivery of commercial returns.





Conclusion:

How to win in the new narrative

The enterprise needs to embrace a continuous investment in transformation as a process broken into three repeating stages: decide, build and run. Each cycle centres on verifiable hypotheses, associated experiments and the collection of experimental data. This is the scientific method at work and allows the road to success to be discovered rather than asserted a priori. It is a philosophical and practical shift.

AMIGO has developed a proprietary invisible technology platform that reflects this philosophy and delivers the attributes necessary to support the decide, build and run cycle.

Assuming that enterprise leaders commit to this approach, how will this deliver transformation?

Successful experiments can be rolled out immediately at scale, delivering significant and visible improvements early. These successes will recruit the people in the business to the process; this in turn will begin to transform the enterprise. Transformation will follow commercial success rather than lead it; and existing platform components can be re-engineered based on evidence without delaying or thwarting commercial progress.

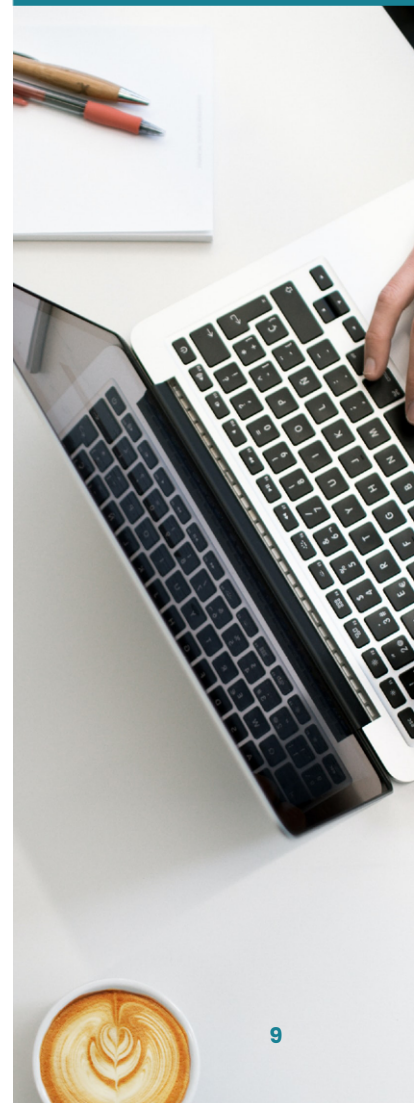
This narrative shift allows leaders to escape from the tyranny of conventional enterprise thinking and transform without dismantling, antagonising or distracting their current people, processes and platforms.

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Sources

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