

Predictable Success: 4 Steps to a Dynamic Workplace

Recent research on digital workplace transformation reveals that while manufacturers are in favor of it, they are struggling to get initiatives off the ground.

While many manufacturing organizations have held firm to traditional operational processes for generations, the time has come for transformational change.

There is an ongoing shift in cultural expectations of how, when, and where work happens. And it is driven by consumer choice. Industry analysts have begun to refer to this evolving digital workplace as the enablement of “industrialized choice.”

While most IT leaders say they are committed to achieving a digital workplace, many are struggling to find success. A recent IDG Research Services study of senior IT and business leaders, conducted in 2017, examines the approach of manufacturing and energy firms and the obstacles they encounter.

Digital workplace transformation

Despite many manufacturers committing to digitally transforming their workplaces, the budgetary commitment to this is not met with the same enthusiasm. In fact, manufacturing organizations are typically only allocating small portions of their IT budget toward these initiatives over the next 12 months.

The IDG study defined digital workplace as: “An ongoing, deliberate approach to delivering a more consumer-like computing environment that is better able to facilitate innovative and flexible working practices. Digital workplace is the concept that there is a virtual equivalent to the physical workplace, which needs to be planned and managed coherently

because it is fundamental to people's productivity, engagement, and working health.”

For a dynamic workplace transformation to succeed, companies must have an executable plan. But more important, that plan must provide measurable business value.

Eighty percent of organizations say they either have a digital workplace strategy or are developing one. Yet only 18% say they are allocating 25% or more of their budget to digital workplace transformation initiatives over the next 12 months. Another 32% say they're putting 10% toward these efforts, and 6% have no workplace transformation investment plans.

A small percentage (16%) of these respondents identify themselves as “trailblazers” when it comes to digitally transforming their workplaces, but the majority (51%) are moving with the masses (see Figure 1).

We see a more emphatic commitment to building out digital initiatives among the trailblazers: 75% of these respondents plan to increase this budget in the next 12 months, compared with 47% who are in the “moving with the masses” group.

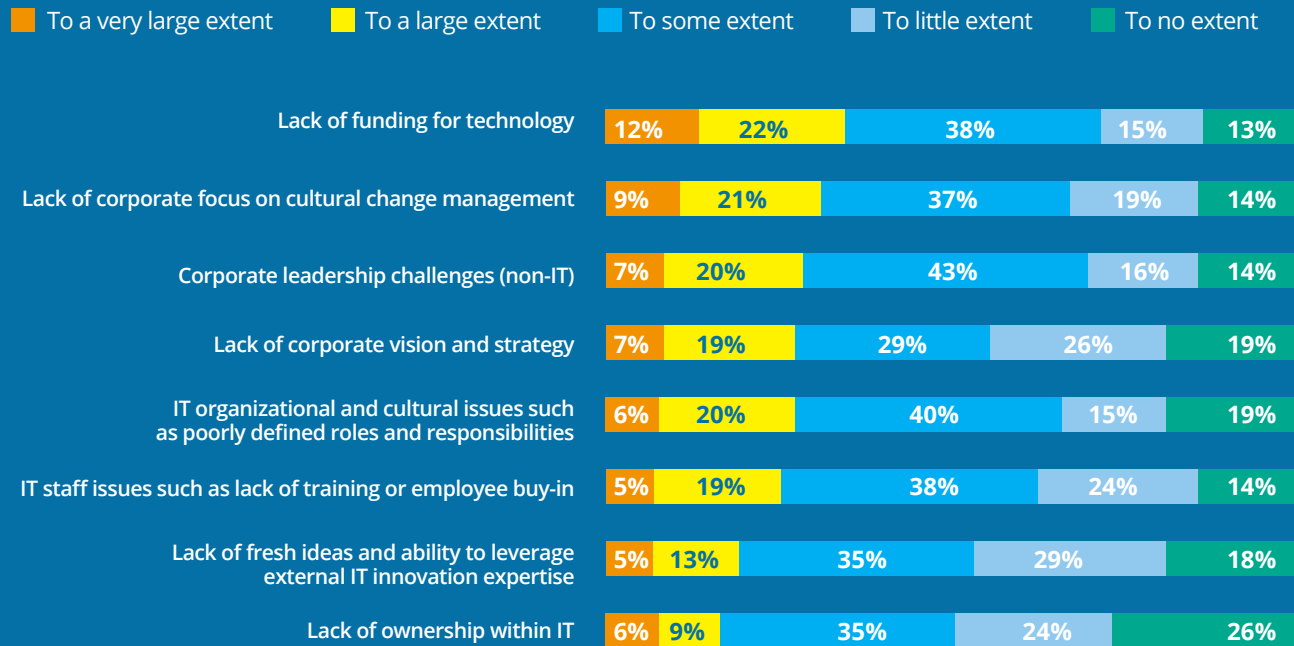
Respondents say they are making the heaviest investments in security, analytics, and mobility. They also expect to ramp up investment in several areas outside of their top priorities, including core application upgrades, digital workplace, IT-as-a-service, and application modernization.

Perspective of Progress with Digital Workplace Transformation (Figure 1)



Those in VP+ positions are more likely to think of their organizations as trailblazers (50%)

Challenges with Transformation to a Digital Workplace (Figure 2)



Transformation in progress, but stalled

As one would expect with an evolutionary change, the move to a digital workplace faces significant obstacles. A lack of funding is identified, but more interesting is how highly respondents rank a lack of corporate focus on cultural change management (see Figure 2). In fact, only one third of IT leaders say they have such a strategy in place, while 42% are still trying to develop one.

Simply put, digital workplace transformation initiatives can be overwhelming. When the majority of steps in the journey are still “in progress,” the results suggest a lack of planning (see Figure 3). Specifically, less than one third of respondents say their company has completed any given step along the digital workplace journey.

Many companies seem to be stalled in the planning stages, where they are trying to develop a strategy to manage a digital transformation rollout and figuring out how to measure success. Those with a digital workplace strategy are focusing first on assessing the skills needed to support digital transformation and the best ways to leverage existing tools.

“The reason we see manufacturers struggle—especially in the planning and implementation

stages—is because their motivations are more often technology or satisfaction-oriented,” says Dan Chalk, NTT DATA Services Director of Solution Engineering. “Improving traditional IT metrics remains at the center of success rather than focusing on returning some specific value to the business and its bottom line.

“In reality, the C-suite is measured by the value they can deliver back to the business,” he continues. “If the digital transformation process lacks the proper framing, it won’t get anyone’s attention. Leaders want people to be happy, but they need to fully understand how the effort translates to business results.”

Leveraging the big picture

To achieve the benefits of a digital workplace, the end goal must take center stage. Of course, this can be challenging as well. There are many pieces moving in parallel and sometimes even working against one another.

A significant part of managing change during a digital transformation is maintaining alignment throughout the organization and ensuring a strong, consistent connection among executive vision, director-level management, and day-to-day execution of projects.

It is difficult to meet transformational goals if all elements aren't aligned.

Although alignment usually exists at the beginning, when the vision is set and budgets are approved, it often falters as individuals and teams naturally become siloed based on their particular focus. Unfortunately, there is often a lack of investment in maintaining the necessary alignment; manufacturers assume employees will stay focused and connected, and that is not always the case.

This lack of alignment is also driven by culture. Companies are naturally siloed in their business functions. Digital transformation forces a cross-silo collaboration that most organizations are not used to. Often, each team prioritizes its own work over others, and collaboration fails. That's why it is critical to leverage the big-picture vision from the top down. "Digital transformation fundamentally changes how the business operates, which has a direct impact on production," says Jessica Bojic, NTT DATA Services Business Consulting Practice Lead for Manufacturing

and Commercial Industries. "It requires a more complete integration of IT and business priorities, and is far more impactful to the organization than simply introducing a new application.

"Those who thrive here have a leader at the top who directs the organization's culture through personal action," she continues. "When a leader is in place who can demonstrate the collaborative behaviors that make digital transformation successful, it makes a difference. It's unrealistic to expect employees to change how they communicate and collaborate without teaching them those skills, and showing them leadership examples to follow."

Cultural transformation often requires embracing the help of a coach to keep all levels of the organization aligned to the digital business strategy. An outside strategist will facilitate cross-silo collaboration and other aspects of organizational change management—such as impact assessment, communications, and employee engagement—to keep everyone moving forward, together.

Progress with Steps Along the Digital Workplace Journey (Figure 3)

	Completed	In Progress	Planned	No Plans
Developing a business case and/or roadmap to deliver the digital workplace vision connected to business outcomes	27%	45%	16%	12%
Determining which skills will be needed to support digital transformation and identifying any gaps	23%	45%	18%	14%
Determining how best to leverage existing tools to enable the digital workplace	21%	50%	16%	13%
Implementing a plan to ensure information is properly managed and is in compliance (e.g., risk management, data loss prevention, data usage policies, etc.)	21%	56%	14%	9%
Determining how our employees work and how a digital workplace will support various roles	20%	51%	18%	11%
Developing personas (categories of users grouped by behavior) to help define technology needs	19%	45%	18%	18%
Determining what we need to supplement the ability to deliver a valuable user experience	18%	51%	19%	12%
Implementing a plan to measure success and ensure continuous improvement and ongoing success	16%	50%	25%	9%
Implementing a plan to manage change, rollout and adoption of digital transformation initiatives	15%	53%	20%	12%

Four steps toward a dynamic workplace

For a dynamic workplace transformation to succeed, companies must have an executable plan. But more important, the research shows the plan must provide measurable business value. Here are four steps to a dynamic workplace that delivers predictable success.

Step 1: Understand the framework for transformation

A basic roadmap helps guide, departmentalize, and institutionalize the journey. It ensures that everyone understands the aspects that are crucial to success—thus setting out measurable goalposts—and where the organization is ultimately headed.

Without a framework in place, it's difficult for the business to move the focus away from classic IT activities—such as tool proficiency and problem avoidance—toward a commitment to the necessary resources for business enablement.

Successful frameworks provide the ability to have smaller strategies to get the organization to a larger goal, rather than a rigid path guided by a tool. They incorporate IT, users, and the business, and focus on obtaining excellence in:

- **IT** – efficiency and reliability; feature and capability
- **User experience** – scalability, availability and flexibility
- **Business** – self-service catalog; consumer workflow

Step 2: Appreciate analytics as an instrumentation layer

Enterprises must understand their problem sets by using specific analytic capabilities. These tools provide the necessary measurable business insights, especially around worker productivity and effectiveness. Analytics also enable companies to understand what is happening before there is a pain point.

Many manufacturers guess at their priorities and problems rather than use measurement tools. Others may carry out routine analysis but don't continually monitor for efficacy. Both methods are like using a dipstick to measure how much gas is in the car versus having a constant indication of capacity against planned consumption.

The research shows organizations tend to focus on the soft benefit of user satisfaction without realizing the potential for constant value delivery.

While analytics capabilities have been around for some time, they remain underutilized. And yet end-user analytical results are a critical element in delivering the dynamic workplace because they ensure measurable value of the benefits to the business, IT, and users.

Step 3: Build for flexibility

Workplace transformation should take a holistic, flexible approach. Tool agnosticism is crucial here. It's important to ensure that capabilities are flexible enough to support both the device and the user, while remaining relevant.

Building for flexibility is challenging, considering that individuals use multiple devices and applications. It's not unusual to see companies using 15 to 20 different user tools, each of which has its unique set of capabilities and functionalities that must be supported.

Furthermore, traditional IT values, methods, and metrics are rooted in control for the sake of investment ROI and effectiveness. Even procurement incentives remain centered on cost and efficiency. So when, for example, service desk fees are based per-ticket, or when install, move, add or change (IMAC) fees are per-dispatch event, the incentives for reducing the number of tickets or IMACs become counterproductive to the service provider or vendor.

These are one-sided risk and value incentives that generate resistance and contention, and ultimately cause users to focus on innovation to increase tool capability value while the provider is faced absorbing all the risk.

To address this issue and ensure flexibility is built in, take a holistic, tool-agnostic approach. This is where a truly independent managed services partner can play a key role.

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Step 4: The need for long-term viability

At the end of the day, IT is a services provider and must have long-term knowledge of its delivery capabilities. Achieving a dynamic workplace is not a project; it's a total change in the way an organization operates.

Long-term viability centers on having a strategy that focuses on continuous, incremental improvements that deliver discreet business value at each stage. Successful strategies are self-sustaining and perpetually motivating to advance organizational change.

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— *Jessica Bojic,
NTT DATA Services
Industry Business
Consulting Leader*

Tactical improvements that deliver business flexibility produce the necessary organizational change that traditional IT disciplines historically find difficult to sustain. This involves a fundamental shift from an IT-centric component or tool focus to a focus on how the business of IT enables user choice.



Choice is the measure of success. Of course, baseline security and reasonable cost control are necessary. Transparency is another key attribute. When users see the cost and safety impact of their choices, a natural rationalization and throttling of cause-and-effect occurs. This is ultimately the measure of a CIO's success.

Bottom line: Showing value

Businesses must embrace change to not only survive, but ultimately to thrive in today's evolving economy. As digital transformation takes hold, organizations must likewise adapt their workplaces toward a dynamic model.

Although the process is daunting, when companies are able to establish a vision that demonstrates business value, the journey will positively impact organizational culture while transforming its production and services.

Take that first step toward a dynamic workplace. [NTT DATA Infrastructure Managed Services](#) can help establish a transformational framework and ensure your business's change has direction, focus, and a common vision.

For more information,
www.nttdataservices.com