



Doing Digital Right: Ensuring Alignment Of Business Strategy And Transformation Planning

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A manufacturing industry client had put a Digital Transformation Planning process in place before I began working them last year. The management team had done many of the right things in getting the planning program off of the ground – training, governance and executive oversight were all in place. But, they felt that the Digital Transformation Planning process wasn't really getting them where it needed to be.



The executive steering committee that was formed wasn't functioning properly, either. It seemed that many of the projects and programs that made up the firm's Digital Transformation Plan were really aimed at serving specific parochial interests within a given department and were not directed towards creating that "big bang" that would serve to disrupt an industry and drive market share into the company. There was fear that assets were being squandered on initiatives that were providing the benefits that digital business practices promised.

What I found as I began my investigation into the problem was that the three person planning group (created early in the Digital Transformation Planning program) was reporting directly to the executive steering committee. This meant that none of the executives at the planning table had direct responsibility for the digital plan or this planning team.

Consequently, the executives gave the planning process *lip service* – and went about doing their own thing within their respective areas using whatever budget dollars allocated to them to sponsor improvement efforts using digital means. The planners struck a reactive (rather than proactive) stance to the goings on within the company and began to merely document the digital-related projects and programs underway and place their project summaries into the Digital Transformation Plan.

Under this model, the steering committee was never given an opportunity to steer. The committee meetings became a form of glorified status reporting, where each executive simply discussed what he or she was doing within their area of responsibility as it related to digital projects. The management team never collectively engaged in discussing how to integrate digital capabilities into business strategy and strategic direction-setting discussions.

We fixed the problem by changing the reporting lines. The planning group began reporting to the COO. Soon after shifting the reporting lines, the face of Digital Transformation Planning at the company changed. Almost immediately, it seemed that the planning process began to be enforced and the executives who were accustomed to doing what they pleased with their budget dollars were brought under scrutiny. In essence, the spigot was turned off. Digital Transformation Planning was now the COO's priority.

We helped him to better embed digital transformation thinking and practice into the company by aligning digital transformation planning with Business Strategy, which naturally forced discussions about which industries they should deliberately focus on disrupting, how new business models could be developed to better compete and which parts of the business should be more heavily invested in so to reap longer term benefits through leveraging of digital computing capabilities. With the firm on the right path, I'm sure that they will continue to be a major player in their space for years to come.

To close, this company was clearly suffering because its culture was based on a command and control model that required senior executive ownership in order to function. Once we addressed this subtlety, everything fell into place for the company's planning process. It began to work the way a *Next Practices* business should. Drop me a line, if you would like to learn more about how I can help you drive digital transformation in your organization.