The much-needed digital transformation – a pragmatic approach

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70 % FAILURE RATE

YOU CANNOT **NOT**

WHAT TO DO??

Beyond the hype – what digital transformation really is

Inch by inch – the right way of approaching any business transformation

Mind the gap – learning from the best

Beyond the hype – what digital transformation really is

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Digital Transformation (DT) is a business management strategy, focusing on the analysis and design of workflows and business processes within an organization

DT aims to help organizations **fundamentally rethink** how they do their work in order to **improve customer service**, **cut operational costs**, and **become world-class competitors**

DT seeks to help companies **radically restructure their organizations** by **focusing on the ground-up design** of their business processes

Digital Transformation emphasizes a holistic focus on business objectives, encouraging **full-scale recreation of processes** rather than iterative optimization of sub-processes

Business process re-engineering (BPR) is a business management strategy, **originally pioneered in the early 1990s**, focusing on the analysis and design of workflows and business processes within an organization

BPR aimed to help organizations **fundamentally rethink** how they do their work in order to **improve customer service**, **cut operational costs**, and **become world-class competitors**

BPR seeks to help companies **radically restructure their organizations** by **focusing on the ground-up design** of their business processes

Re-engineering emphasized a holistic focus on business objectives, encouraging **full-scale recreation of processes** rather than iterative optimization of sub-processes

Source: Edited from Wikipedia

It's been around since the 90s and still doesn't work.... what goes wrong?

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PROJECT

Digitize vs. digitalize

Confuse efficiency and digital functionality with competitive advantage

The ivory tower effect

Keep data and analytics away from business operations

Internal vs. holistic

Omitting the world outside, customers, partners and external capabilities

LEADERSHIP

Underestimating the work

Business transformation is a company-wide cultural change that doesn't come easy

Overestimating capacity

The people already have a day job

Lofty, unrealistic 'why'

The organization needs a vision for the transformation that resonates and is 'believable'

Inch by inch – the right way of approaching any business transformation

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DT aims to help organizations **fundamentally rethink** how they do their work in order to **improve customer service**, **cut operational costs**, and **become world-class competitors**
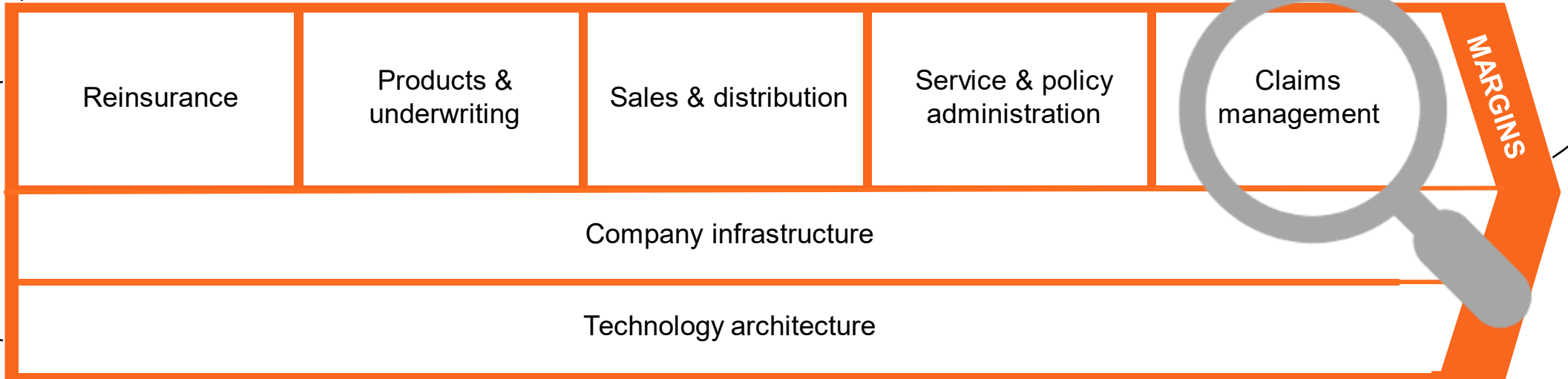
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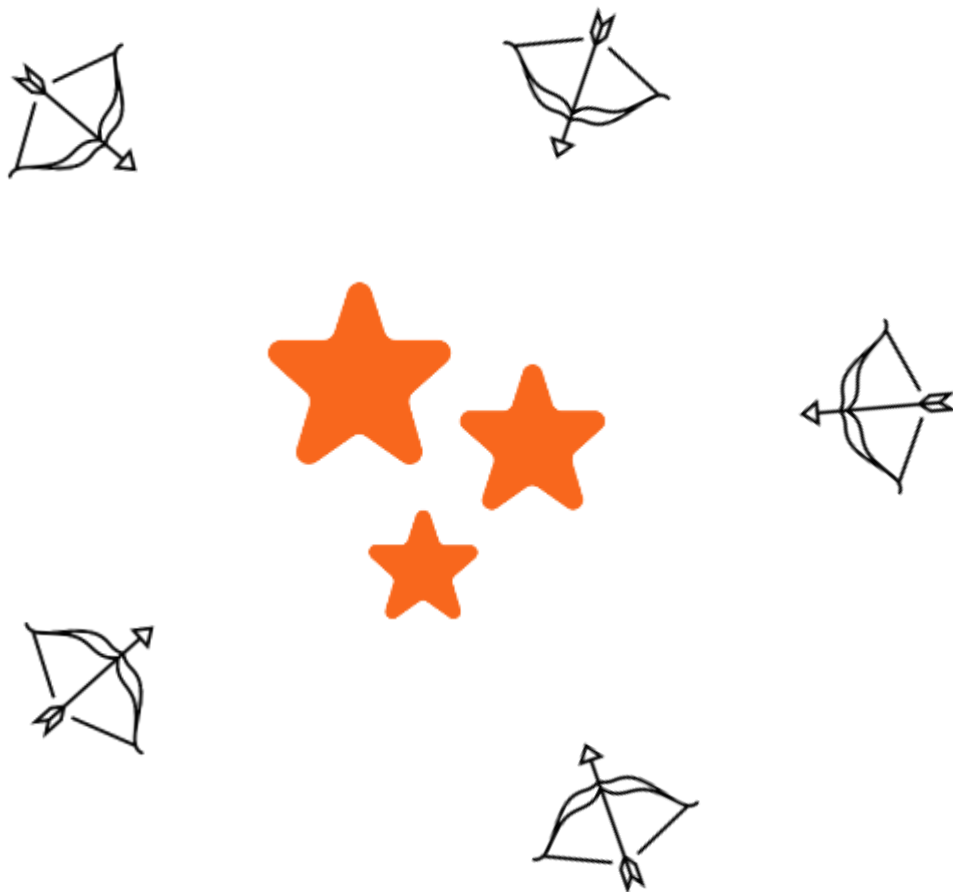
Do not let tech and innovations come first

Business rationale and customers comes first

10

| Reinsurance | Products & underwriting | Sales & distribution | Service & policy administration | Claims management | MARGINS |

Company infrastructure

Technology architecture

DON'T FORGET YOUR CUSTOMERS

How does each initiative contribute to

- Reaching the guiding star (transformation vision)?

- Improved customer experience (internal and external)?

- More efficient operations?

- Competitive edge?
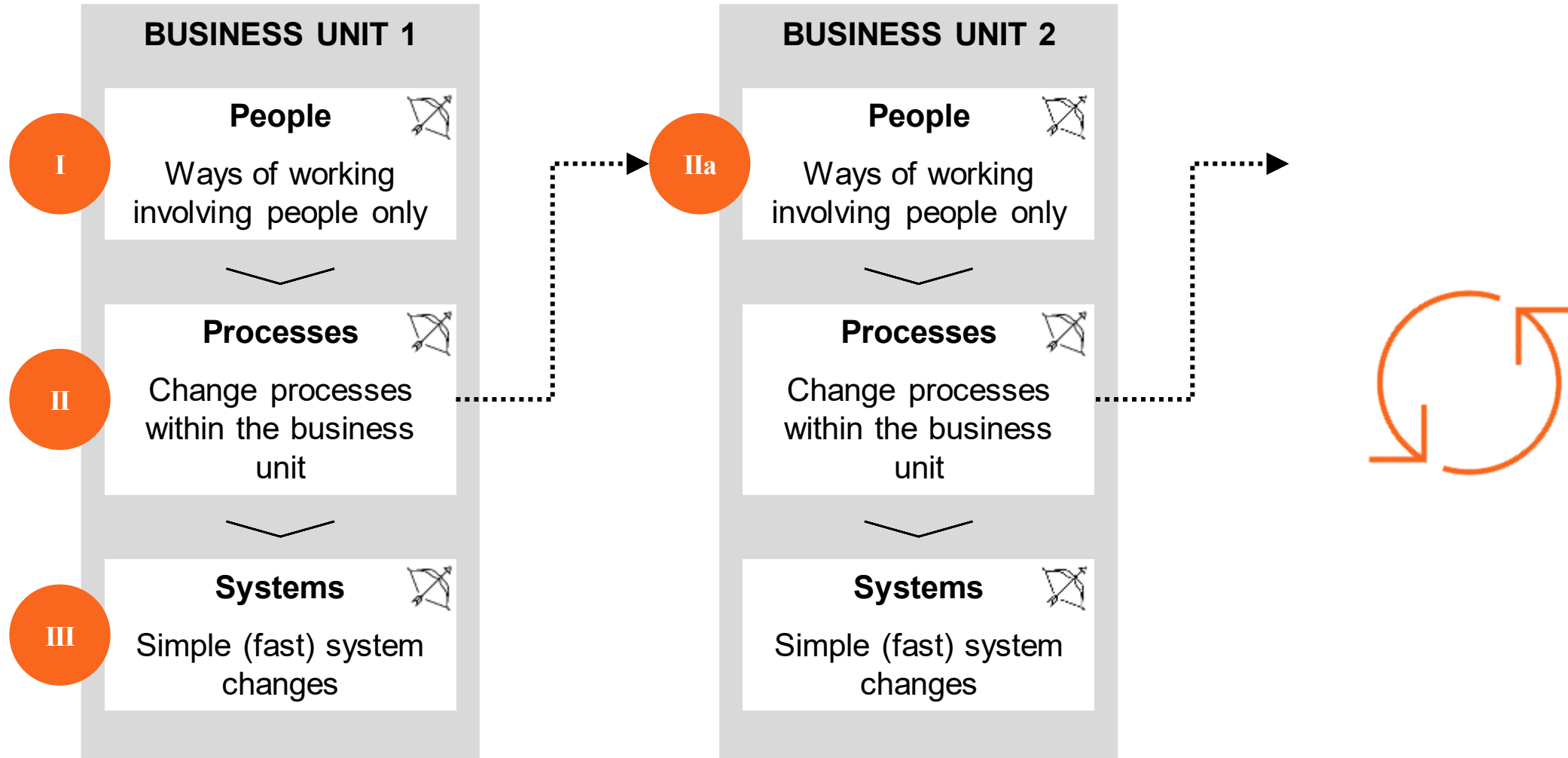
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BUSINESS UNIT 1

I → **People**
Ways of working involving people only

II — **Processes**
Change processes within the business unit

III — **Systems**
Simple (fast) system changes

BUSINESS UNIT 2

IIa → **People**
Ways of working involving people only

Processes
Change processes within the business unit

Systems
Simple (fast) system changes

Mind the gap – learning from the best

Set a truthful, believable vision with a clear end-state – celebrate all victories

Adapt performance management with clear targets and accountability

Begin with the 'perfect team' – find the evangelists in the organization and empower them

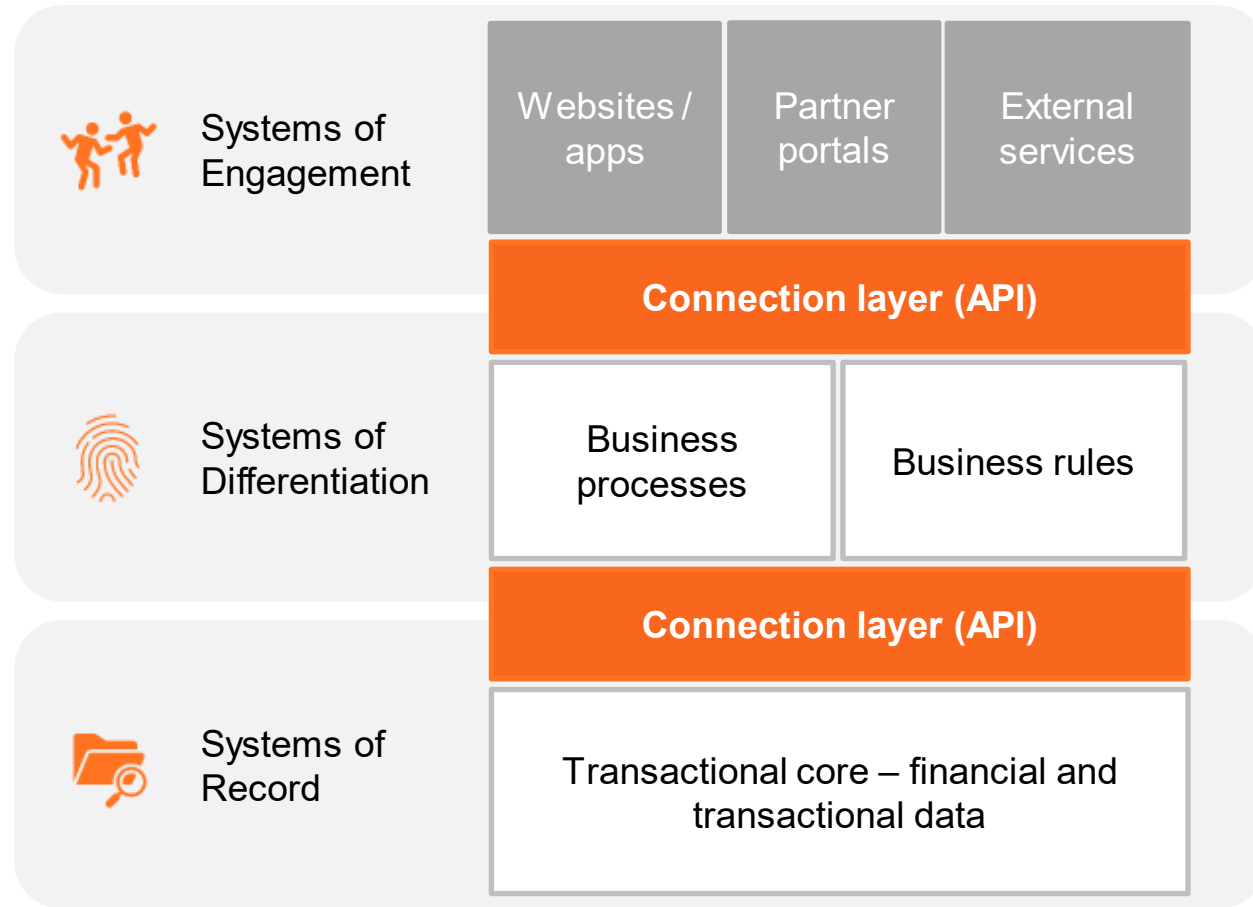Apply key performance indicators across business units (silos) to secure cross-unit collaboration

Break down projects into small, sizeable chunks that delivers measurable value fast

Enable two-speed IT to secure fast implementation of changes and innovations

A flexible technology architecture is necessary to transform any business

Systems of Engagement	Websites / apps	Partner portals	External services	**2-3** *weeks' deployment cycle*
	Connection layer (API)			Fast - agile
Systems of Differentiation	Business processes	Business rules		**1-3** *months' deployment cycle*
	Connection layer (API)			
Systems of Record	Transactional core – financial and transactional data			**> 3** *months' deployment cycle* Slow - waterfall

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Stop projects

Reduce running projects to an absolute minimum

Add to Board agenda

Elevate all transformational projects to Board level

Reskill people

Ensure your transformation team have the right competences

Celebrate success

Each completed step is successful progress – celebrate!

Thank you