Women's Leadership Summit

EXECUTIVE SUMMARY

FOR MEMBERS

OVERVIEW

Business Transformations: Keys to Success

by Jessica Koalski, VP Administration, Strategic Transformation, Transamerica

Business transformation is a complex business that can be unsettling to people and processes. See what one expert says is required to reach the desired outcome.

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"As a business transformation comes into focus, it's very important that we link the organization's vision and strategy to its business outcomes."

Many companies today have different business models within their organizations, diverse product portfolios and complex technical architecture. They are also likely to work in a dynamic regulatory and legal environment

Transformations, therefore, can be slow, difficult and expensive. Yet they can create greater visibility that improves understanding and yields better decision making that is prospective rather than retrospective.
At least two thirds of transformation projects fail at a large cost that includes loss of shareholder or market confidence, money and market opportunities.

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A 2015 Genpact study revealed that the most common reason for failure was lack of communication alignment between IT and business teams. Legacy integration and talent provided other major bottlenecks.

One consultancy pointed out that large scale transformations, with a Big T, are becoming less common, while less invasive and more strategic Little T transformations are picking up.

“Change isn’t easy for most people and it’s definitely not easy for most corporations.”

Resistance is a common reaction to change. Leaders of successful transformations tell a compelling story that describes why change is necessary, what the future will look like and what the journey will involve.

So what does it take to succeed?

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First understand who and what you are impacting. Customers or internal business teams? Business processes, data and information exchange, customer communications, product setup and update or operational risk management?

Then bring together the existing project disciplines with closer integration and collaboration:

- **Strategy management** – What is the need for transformation? Develop tools such as a transformation strategy, roadmap and organization change readiness assessment.
- **Value management** – What are the business benefits to be attained? How will we measure the financial and non-financial business value? Who will be measuring, and which parts of the organization are responsible for the benefits realized?
- **Process management** – What is the scope of changes to processes and expected improvements in performance?
- **Risk management** – What are strategic or operational risks that may jeopardize the transformation effort? Monitor the risks and identify mitigation strategies.
- **Transformational IT management** – Identification of the changes to existing technology or the definition of new technical capabilities needed to support the transformation objective.
- **Change/Training management** – Training and communication are key elements of the change management plan. Design feedback loops to gather employee or customer impacts of the transformation. Change management is often undervalued, but you really need to provide active communication and understand the possible sources of resistance so that you can get ahead of it.
- **Program management** – Ongoing project and program management underlies the success of a transformation. It is needed because these efforts are highly complex and impact may technical, business and customer groups. Coordination of multiple projects requires a focused program manager who can head off resource and scheduling conflicts.
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- Transformation Projects are more likely to deliver the desired business value if approached in an iterative design, develop, and deliver approach with a focused transformation team that is *using the key transformation disciplines throughout the transformation*.
  - Requires an iterative approach to overall transformation management (revisiting)
    - Has our **Transformation Strategy Changed**? If so how does that impact the Transformation Program
    - Are we delivering **business value** that meets or exceeds goal?
    - Are we meeting our project **timeframes** (scope, budget, resource)?
    - Are we effectively addressing project, operational or other **risk elements**?.
    - Is the **organization prepared** for the change?

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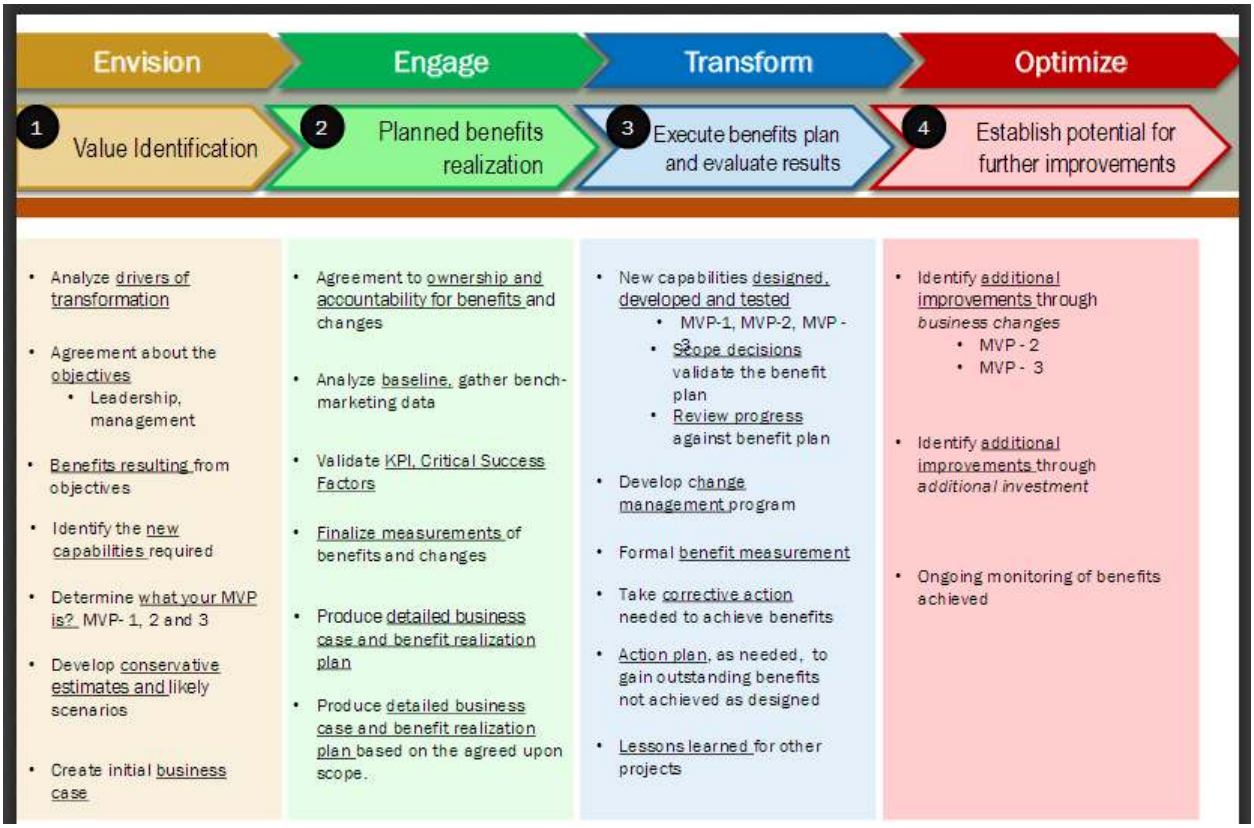
Business Transformation is an iterative cycle

It begins with a vision for the future.



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Project Manager	Transformation Manager
	Envisions Operations future, vets with business, opens project request
Identification of technical resource availability, ensure OTT and technical team inputs	Understands the business, engages sponsor and key business stakeholders
Vets business case with technical resource and other impacted leaders	Develops high level roadmap and cost benefit model. Develops formal business case
Creates and monitors PMO artifacts	Create implementation roadmap Scope operations resources needed
Facilitates plan code progression, tracking & status on defects. Coordinates issues resolution discussions.	Manage interdependencies of scope/project against in-flight and planned projects.
Tracks schedule and financial progress across the program. Managing milestone and deliverables to hit target dates	Detailed business requirement involvement, continuous alignment with related projects
Manage technical, business and support staff for project deliverables	Determine minimal viable product iteratively, makes decisions to support intended benefits scoped
Post implementation facilitates Lessons Learned	Reviews solution design to ensure intended outcome is met Determine implementation schedule
Manages warranty period, verifies project close	Actively engage in execution activities – defect calls, vendor integration, manage scope, and testing validation Serves as escalation point for PM

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"It's a lot of leadership, making sure they understand where we are and don't get lost along the way."

The executive summary above was written by staff from watching the presentation and many other ideas were presented. Members may watch the full presentation if wished by logging in.

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