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Instruments Of Change: Professionals Achieving Success Through Operation-Specific Digital Transformation

Challenging the One-Size-Fits-All Approach
to Digital Transformation Post-2020

Introduction

Empowered Professionals Challenge an Unwieldy Status Quo

At the enterprise level, the conventional approach to digital transformation has become almost dogmatic in status. It requires a C-suite mandate with extensive coordination, planning, time, and budget from the entire organization. Professionals in every aspect of the business are expected to toe the company line regardless of the on-the-ground reality. The consideration for how it influences their specific departments and workflows doesn't have a big role.

The top down approach is plagued with massive consulting contracts and multi-year timetables. This one-size-fits-all model has been the troubled status quo for more than a decade. Companies are facing huge challenges achieving ROI through this approach.

Today, there is a growing wave of industrial professionals turning this approach on its head, and addressing digital transformation in a more focused way. Rather than embarking on an organizational overhaul, they are looking instead at specific use cases, departments, and functions within their organizations. This is what we're calling **Operation-Specific Digital Transformation** or **Op-Specific Digital Transformation**.

Op-Specific Digital Transformation is implementing digitization and automation techniques to specific workflows. These workflows are directly within a professional's control, as opposed to the traditional approach of a company-wide transformation. The approach is task-specific and highly focused versus converting all work processes within an organization at once.

The top down approach is plagued with massive consulting contracts and multi-year timetables.

With COVID-19 and the events of 2020 accelerating, the need to digitize and operate more efficiently is the priority for many companies. Industrial professionals are looking for and experimenting with new approaches to meet the ROIs promised by digitization on more manageable scales.

In October 2020, Plutoshift surveyed 500 industrial professionals from across verticals to learn more about their experiences with digital transformation. Specifically whether or not their strategies are working, how they've had to pivot their strategies and to gauge if they were open to new ways of implementing digitization.

Altered Business Realities Call for Fresh Approaches

It is becoming increasingly important that industrial companies automate and digitize their practices.

While there are many ways to carry out digital transformation, it is impossible to ignore it. The traditional transformation method, a top-to-bottom approach, is to make sweeping changes to all aspects of the company. It is an attempt to rapidly advance multiple workflows at once. The survey found that, while a vast majority of industrial companies take this traditional approach, very few think it is the most effective path.

This top-to-bottom approach can often lead to confusion, or simply fail to solve the problems it set out to overcome. Recently, many companies have begun to rethink their transformation efforts.

The survey found a majority of industrial companies have adjusted their transformation efforts since the start of 2020. Many of those with new strategies said these changes have been intentional and proactive.

94%

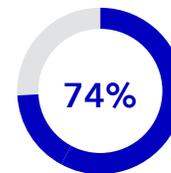


Of industrial professionals said their digital transformation **spans most or all** of the company

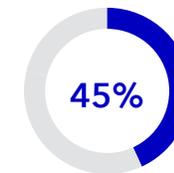
Only
25%



Of respondents said digitizing their **entire company at once** was the right approach



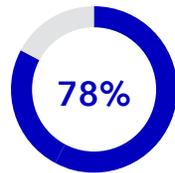
Say their digital transformation strategy has changed over the past 6 months



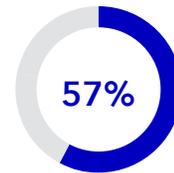
Of those respondents say their digital transformation strategy changed on purpose and proactively

Biting Off More Than They Can Chew: Major Cost and Time Challenges in Top-Down Digital Transformation

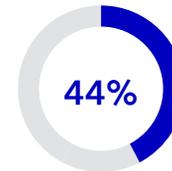
Industrial professionals uncovered unexpected issues when they were tasked with implementing the traditional top-down transformation approach. For many, these hurdles slowed down the digitization process and added extra steps beyond their initial plans. For others, these issues increased the cost of their digitization process, be it the need for repairs, additional software or new hardware.



Said that as they began to implement their digital transformation efforts, it uncovered underlying issues in the process



Of these respondents said the unexpected issues slowed down the implementation process



Of these respondents said the unexpected issues added to the cost of their digital transformation efforts

The overt driver of digital transformation efforts is the COVID-19 pandemic. This rapid need for digitization with little foresight uncovered roadblocks for even those most prepared. Almost half of industrial professionals cited the shift to remote work as the biggest cause to digitize. This shift made certain practices, especially in the industrial sector, difficult or impossible to do. Many also cited a need for better digital practices because of rapid expansion. Even in the face of uncertainty, many industrial companies saw growth.

84%



Said that COVID expedited their need to digitize their workflows

42%



Said working remotely made some on-site processes difficult or impossible

40%



Said company expansion has increased the need for more efficient digital practices

36%



Said that because of the uncertain market conditions, they are not accessing useful data quickly enough to make better, informed decisions

Despite the Promise of Digital Transformation, Professionals are Left Wanting More

The promise of digital transformation is not simple digital workflows. It is greater efficiency, greater productivity, reduced costs and increased success overall.

In the face of these big promises, the results cited by survey respondents amount to little more than a tepid review of digitization, with low success rates and the vast majority saying they'd like to be able to do more.

The fact that companies have been left largely underwhelmed by their digital transformation efforts so far leaves an open door for Op-Specific Digital Transformation. Most believe they have specific workflows that need improvement, and cite that they have the resources needed for a new digital strategy.

Only
29%



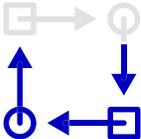
Said their digital transformation efforts have been successful

94%



Said they'd like to be able to do more with their digital transformation efforts

68%



Said there are specific workflows they would like to improve

58%

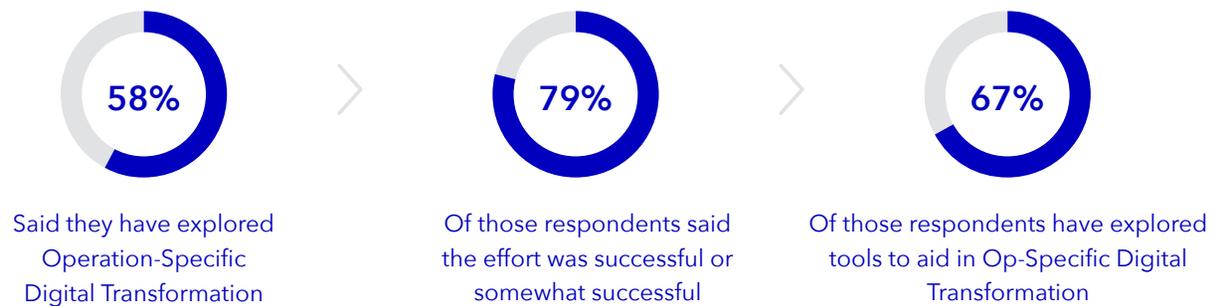


Of respondents believe they have all the resources they need to implement a new digital strategy

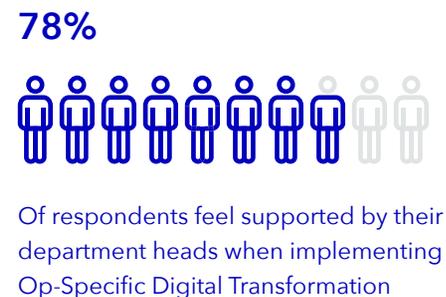
An Emerging, More Incremental Approach: Op-Specific

Industrial professionals are under pressure and facing challenges.

While there are many ways to carry out digital transformation, it is impossible to ignore it. In need of a better approach, they are starting to look toward an Op-Specific approach to digital transformation. More than half of survey respondents have already started to explore this option and early efforts are yielding promising success.



The shift toward Op-Specific Digital Transformation is being driven by the belief it will be more manageable than a top down approach. Even more importantly, this belief exists throughout organizations, as the majority cite support from department heads.



Out of the C-Suite and Into the Hands that can Make a Difference

The pace of innovation becomes faster every year. Companies need to find new ways to allow their workforce to make the latest technological breakthroughs work at a manageable and cost-efficient scale.

In particular, Industrial AI applications have shown tremendous potential for cost-savings and process improvement at the enterprise level. While researchers continue to develop more sophisticated approaches for emerging technology, the onus is really on business leaders to create an environment that promotes innovation rather than stifles it.

Taking an Op-Specific approach can help companies manage change more efficiently and realize ROI sooner. Directors, Managers, and Operators are proving that they should be the ones in charge of initiating change.

The most effective executives are empowering professionals across the organization with the tools that can transform their day-to-day operations and generate positive outcomes.

Methodology: In October 2020, Plutoshift surveyed 500 industrial professionals. This survey was completed online and responses were random, voluntary and completely anonymous.