$2.3trillion Lost Globally in Failed Digital Transformation Schemes - But Costly Business Strategies 'Not Necessary'

Businesses spend vast sums of money on digital transformations, but data suggests more than two-thirds (70%) of those fail to deliver positive results.

NEW YORK, NEW YORK, UNITED STATES, April 7, 2024 /EINPresswire.com/ -- Firms seeking to harness new digital technologies, such as artificial intelligence, must approach this organizational change in an entirely new way to avoid contributing to the $2.3 trillion wasted on unsuccessful projects globally so far.

This is the message of digital transformation expert Brian Harkin, author of Evolving from Digital Transformation to Digital Acceleration Using The Galapagos Framework, which helps business leaders understand how their approach to digital change can increases the risk of failure by being too broad, multifaceted and poorly organized.

"I've led some extremely successful digital transformations over the years, and I have seen some spectacular wastes of money," Harkin explains.
"A lot of this waste is caused by companies being poorly advised. I want organisations to see that there is another way to achieve lasting and successful transformational change without spending tens or hundreds of millions of pounds/dollars on endeavours that are likely to fail."

Rather than tackling multiple, parallel streams of work to reach the organizational goals faster, Harkin suggests businesses should tackle discreet transformations in isolated environments. This way, companies can reduce cost, complexity and risk, while increasing innovation.

People power

While digital transformations inevitably involve technology, Harkin says firms often forget the importance of people in guiding change to a successful conclusion.

"Some organizations have just got bad leaders who tolerate toxic cultures, poor organizational structure and poor approach to delivery – usually by pushing people too hard. If you put the human at the centre of the change story this will yield better outcomes not just for the transformation, but for the people who deliver the transformation," he explains.

With the global spend on digital transformations set to reach $3.4 trillion by 2026 according to IDC, and research by McKinsey (amongst others) stating that roughly 70% of these fail to deliver successful outcomes, it's never been more pressing for firms to overhaul how they improve and develop their businesses.

"The most significant factors that lead to a lack of success in transformation programs revolve around people," Harkin said.
"Some organizations appear to have forgotten that it's the people within the company, their relationships, and how they are led and managed that drive transformational change."

Culture is king

Culture is a vital component of any digital transformation, Harkin suggests, and change programs should be an opportunity for firms to galvanize the most talented employees from across their organization to help achieve the desired outcomes.

Crucially, CEOs must clearly and unambiguously support the digital transformation initiatives in their organizations, and not be afraid to break existing hierarchies when it comes to creating a digital transformation team.

"Many large organizations maintain a complex organizational structure that has evolved over time and is seen as either too difficult, too risky, or too costly to redesign," Harkin said.

"In some instances, the structures themselves lead to political chicaneries, conflict, and defensive behavior, stemming from heavily siloed operating structures that inhibit open communication and prevent the high degree of collaboration that is required to deliver successful digital transformations."

Embracing the 10 Principles

The Galapagos Framework's 10 Principles are designed to be easily understood by any business seeking transformational change.

Spanning culture, communication, customer proximity, and skills, the 10 Principles provide an instructive guide for business leaders to help them reconsider how they can successfully deliver digital transformations in their firms.

A crucial element of The Galapagos Framework is an organizational structure which, as Harkin states, provides a 'discreet, dedicated innovation environment, free from existing business influence and risk, which promotes the fast evolution of ideas and deliveries resulting in a stronger end state'.

Current approaches usually see firms embarking on linear digital transformations that are finite,

rather than evolving, and following a direct path toward a predetermined – and usually inflexible – goal. According to Harkin's research, outlined in the book, businesses tend to believe that tackling multiple, parallel and interdependent streams of work, concurrently makes sense.

However, The Galapagos Framework seeks to challenge the established dogma of doing everything right first time, suggesting an iterative process that allows organizations to deliver transformations across distinct areas demonstrating continual progress at pace.

"Just as scientific principles are established through testing theories, learning and making developments over time, businesses too can benefit from this approach," he explains.

"We all exist in a volatile, uncertain and complex world. The volatility is only set to increase due to geopolitical tensions which play into economic uncertainty, and most organisations will be reducing their strategic investment spend.

"This is why the framework is so important. It allows organisations to not bet the house on one single, large linear transformation event. The (digital acceleration) bets are smaller, less risky and are also more able to effectively absorb shocks – as well as just being a better way to deliver successful change."

Further information:

About the author:
Brian Harkin is a highly collaborative and trusted digital leader who leverages over 30 years' experience across the financial services sector, principally global markets, asset management, and investment banking. Prior to creating The Galapagos Framework, Brian served in a variety of leadership roles and delivered numerous Digital Transformation programs across a range of business domains (e.g., digital channels, eCommerce, data and risk analytics).
In addition to his freelance work, Brian is a passionate coach/mentor/ educator and is a visiting lecturer at City, University of London's Bayes Business School. He also writes and presents extensively on Digital Transformation and Leadership.

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