

Digital Transformation: Four key challenges & how to mitigate them

How to deliver smoother digital transformation
programmes – without the risk



If your organisation was investing in a crucial yet high-risk project, business leaders would want as much information on that project as possible. But when it comes to digital transformation programmes, business leaders often can't get the visibility they need of cost, risk, progress, and benefits realised.

And even when business leaders can get this information, there's often difficulty aligning digital efforts with overall business strategy and properly resourcing different initiatives. That might be why a surprising number of digital transformation programmes fail.

Thankfully, there are ways to get the insights business and IT leaders need to achieve alignment and reduce risk for their digital transformation.

In this eBook, we'll explore the four challenges digital project leaders face and how the right approach to Project Portfolio Management (PPM) can help mitigate the risks.



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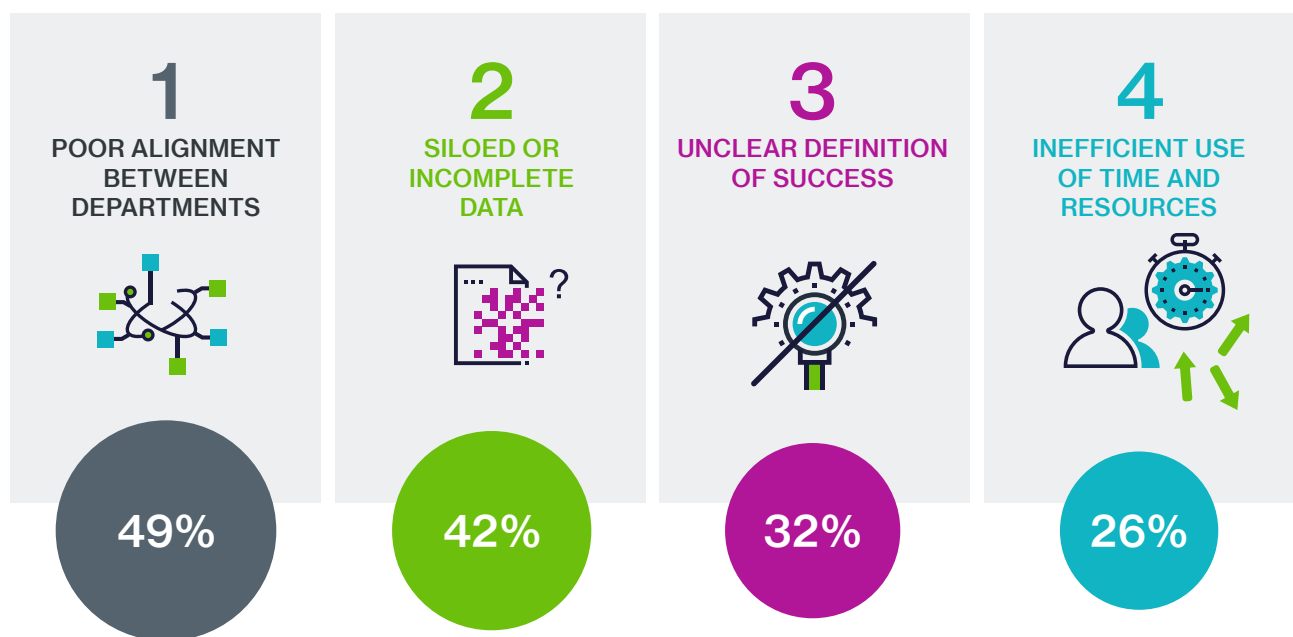
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The trouble with traditional digital transformation

Digital transformation promises all kinds of benefits for businesses, from competitive advantage and reduced costs, to more efficient processes and stickier customers. But while the rewards are great, so are the risks; 84% of companies will see their digital transformation efforts fail¹.

And even for those that succeed, the results of their transformation programmes don't always meet initial expectations. A study by Broadcom and Harvard Business Review found 62% feared new IT approaches would increase complexity. And 69% felt KPIs set by IT weren't aligned with how the wider business measures success².

So, why are all these initiatives failing or not meeting expectations? The Harvard Business Review research saw respondents identifying four key reasons:



What stands out here is that none of these barriers to success relate to the technology side of digital transformation. They're all related to the insights (or lack of) available to those in charge of digital transformation.

¹ <https://www.forbes.com/sites/brucerogers/2016/01/07/why-84-of-companies-fail-at-digital-transformation/?sh=dbca659397bd>

² <https://docs.broadcom.com/doc/connecting-it-to-business-outcomes>

Four common digital transformation challenges

With success and failure hinging on the way digital transformation programmes are managed, business leaders in charge of transformation must be ready to ask themselves tough questions about their ability to oversee their digital initiatives:



Can you see how all projects connect to overall business strategy?

Can you measure progress for every project?

Do you have visibility of what benefits each project will offer?

Can you thoroughly assess how projects are progressing compared to budget?

Are you able to see the broad picture and the state of each project?

If you can't offer a firm 'yes' in answer to these questions, you'll likely encounter four challenges on your way to digital transformation.

1

Difficulty prioritising projects

If you can't track the right metrics across individual projects and your entire digital transformation portfolio, you won't have the insights you need to make smart comparisons.

At that point, how do you know which projects will deliver the most value to your business? And if you don't know the potential value and return of each project, how can you make an informed decision about which projects should take priority?

If your business struggles with this challenge, it isn't alone: in our recent survey, 41% report they're constrained by their ability to make the right investments.*

41%

of PPM leaders say they're constrained by their ability to make the right investments

2

Uncertainty around resource allocation

Without a broad view of the potential value and return your projects will offer, it can be difficult to see how best to allocate resources. If you experience this, you aren't alone; our research found 42% of senior PPM & IT decision-makers feel constrained by their ability to allocate resources effectively.

If you could see projected returns on each project, you could better understand if your people, budget and time are assigned to the highest value projects. And if you can see that data in near real-time, you could also fluidly shift resources across your portfolio to products that show the greatest promise.*

42%

of senior PPM & IT decision-makers feel constrained by their ability to allocate resources effectively.

*2021 market research conducted amongst 500 IT decision-makers by Ignite Technology

3

Poor alignment between projects and strategy

When IT and business strategy work from different platforms, on different sides of the business, the two functions inevitably drift in different directions. Agile initiatives present yet more risk of misalignment, as IT uses methodologies and even terms that line of business leaders aren't familiar with.

Sadly, the research shows this misalignment is a common challenge facing organisations. One survey saw 69% report that the metrics used by IT to measure success don't work to improve metrics tracked by business teams.³ This misalignment moves both ways, with 72% agreeing that Agile techniques and DevOps provide project-level improvement, but a lack of enterprise alignment cancels out the benefits.

Organisations need portfolio views that can operate at both the strategic and tactical levels. IT still needs to see epics, issues and user stories, but the business needs a broader view of products and features – and how they align to wider organisation strategy. This might go a long way toward helping the 43% of IT and PPM decision-makers that report being constrained by project visibility and transparency.

With 77% reporting that a disconnect between IT and business units results in significant cost⁴, solving the alignment challenge should be high on the agenda for transformation leaders.

77%

say a disconnect between IT and business units resulted in significant costs.

4

Limited scalability

Developing new digital products at scale can't happen without solutions to keep proper track of the entire portfolio.

For organisations managing thousands of people or those with a workforce spread out globally, digital transformation success is only possible if everyone works from a single source of project truth.

That might explain why 46% of PPM decision-makers surveyed say capacity constraints impact their ability to execute initiatives across their organisation successfully.

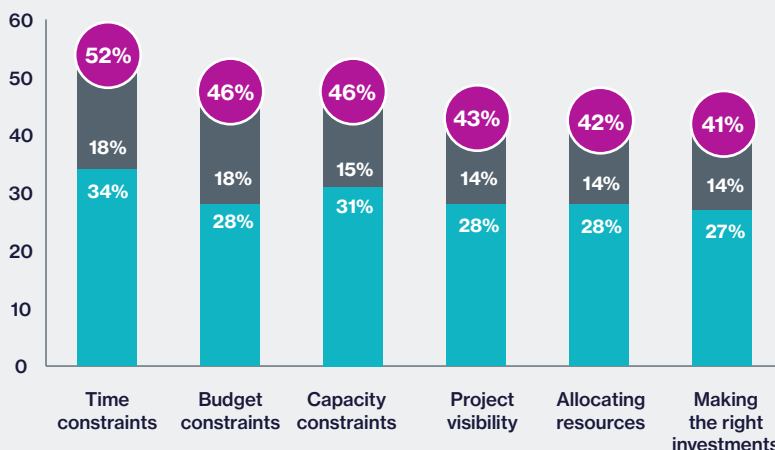
46%

say capacity constraints impact their ability to execute initiatives successfully.

What are the other barriers to successful initiatives?

In our recent survey of 500 senior PPM and IT decision-makers, we asked them about the main constraints that limit their ability to execute their initiatives successfully.

We've covered four of these challenges in detail, but the research found far more barriers across the leaders we surveyed. Our sample reported struggles with:



³ <https://docs.broadcom.com/doc/connecting-it-to-business-outcomes> ⁴ <https://docs.broadcom.com/doc/connecting-it-to-business-outcomes>

Elevate your transformation insights

These four challenges are all solved with a broader, deeper, more flexible project portfolio management (PPM) view.

There are many ways to manage a project portfolio, of course. But when you're managing digital transformation initiatives, there are additional factors you'll want to consider to ensure success.

First, you'll want to ensure you're investing your finite human and financial resources into the most valuable initiatives aligned to the strategy. An organisation can rarely do everything it wants to do at the same time, so it's important to systematically prioritise initiatives based on ROI, strategic alignment and risk.

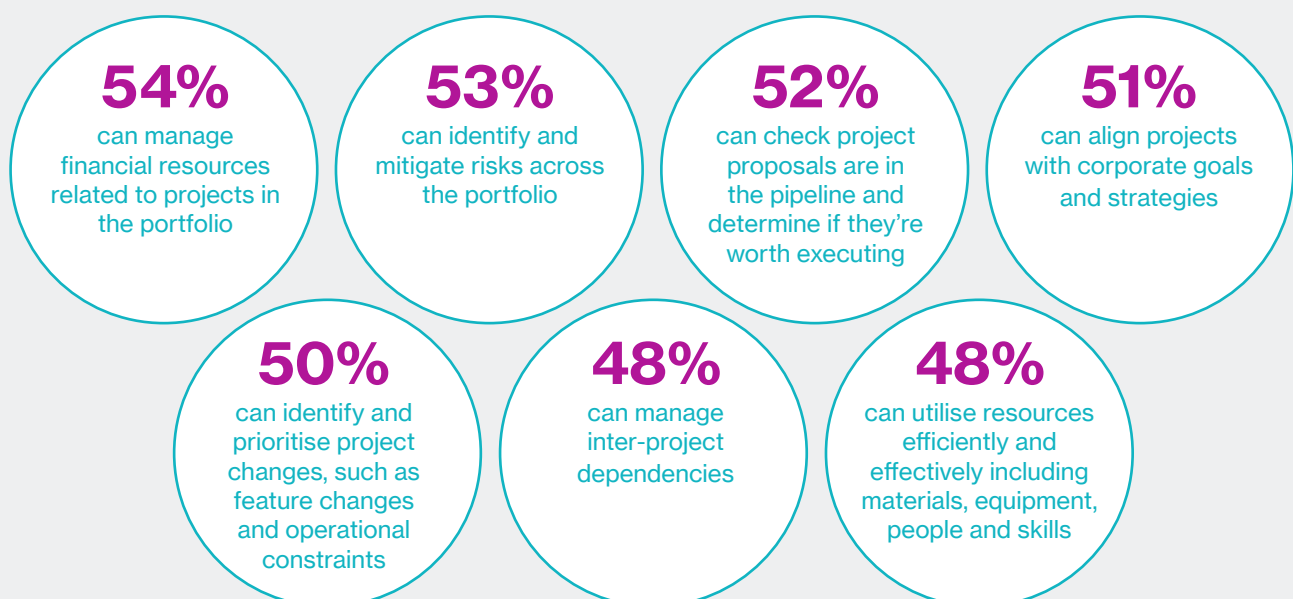
Second, you want the flexibility to easily model different scenarios of your roadmap while taking into account tolerances for risk, dependencies and variable manpower. Providing such insights in real time will empower business leaders to make more informed decisions.

And finally, if you use Agile methodologies, you want a PPM process that truly integrates with Agile tools – only by linking the two can you find common ground for business and IT and unite the two around strategic initiatives.

How successfully are your peers managing their portfolios?

Organisations need to navigate many challenges to execute their portfolio of initiatives successfully. But where do your peers succeed, and where do they struggle?

We asked 500 PPM leaders and found they rate their organisation's ability to fulfil different aspects of project portfolio management very differently:



Get the insight you need with the right PPM – and the right approach

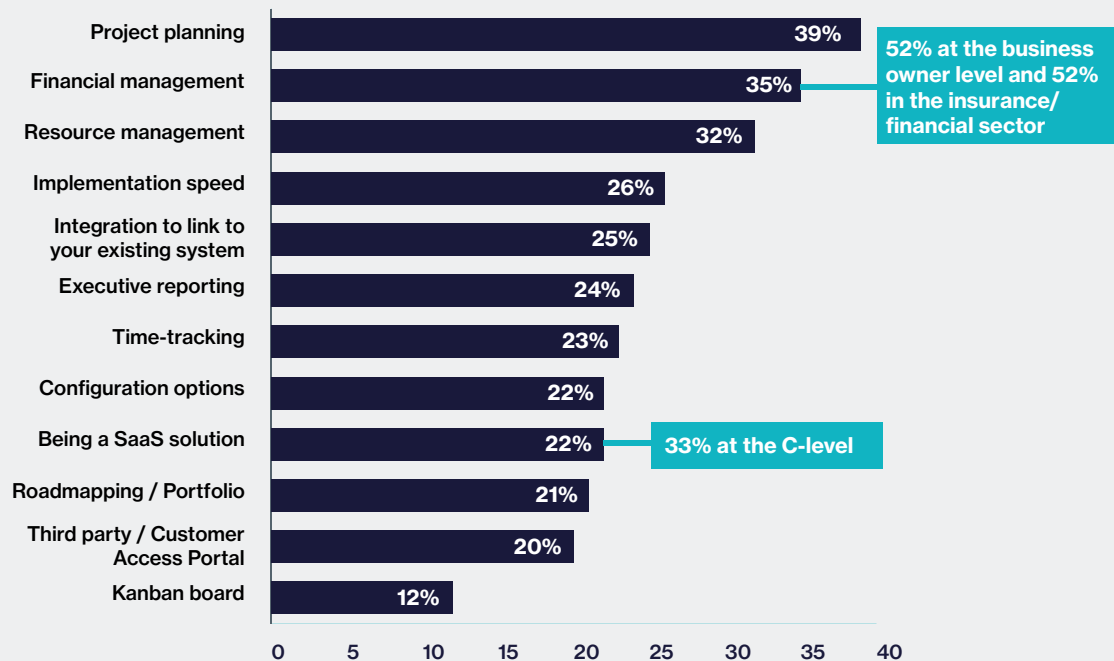
Many PPM tools are available to offer business leaders the strategic portfolio view they need to truly oversee successful initiatives. But many of these solutions don't provide digital product management or robust integration with Jira, Rally and other Agile tools. And without these essential features, they're not equipped to drive a successful, low-risk digital transformation.

Clarity, Broadcom's leading project portfolio management solution, is different. It helps:

- Improve visibility with flexible data views to help decision-makers analyse at the portfolio and individual project level.
- Make more informed decisions faster with rapid access to crucial portfolio insights.
- Simplify compliance by offering real visibility across digital transformation programmes at scale.
- Forecast and properly resource across the entire digital transformation lifecycle with powerful financial management features.
- Better align IT and business leadership by integrating PPM with Rally, Jira and other leading Agile tools to support digital projects.
- Extend portfolio best practices across the business with a single, unified solution.
- Create actionable plans with up-to-date information on current and future initiatives.

What do organisations look for in a PPM solution?

Our recent survey identified the top functionalities decision-makers want from PPM solutions:



Start your journey with the right partner

Ultimately, digital transformation success comes down to three main areas:



The right PPM solution can help, offering organisations the oversight they need to align teams, boost visibility and make the most of limited resources. But for many businesses, adopting a PPM solution can introduce its own challenges. Our survey found many leaders struggle with adoption barriers, including understanding a new solution (35%), switching costs (35%), ease of switching (34%) and speed of switching (34%).

That's where a partner can help – tailoring your processes, configuring your PPM, and training your teams so you can make a smooth switch and hit the ground running with your solution. With the right solution and the right partner in place, you'll be ready to start driving your digital transformation forward with confidence.

Ignite Technology is a Broadcom Partner with many years' experience implementing and configuring Clarity for organisations pursuing digital transformation initiatives. We've worked with organisations in all sectors to help them achieve their digital ambitions with a PPM suite that matches their business needs.

We can help your organisation find similar digital transformation success.

Get in touch to find out how we can support your digital transformation initiatives.



About Ignite Technology

Established in 2002, Ignite Technology was founded on a passion for bringing the very best people, experience and innovation together to help businesses work smarter, better and faster.

Today, we're a founding member of the Tricise Group and a major supplier of IT software, consultancy and delivery services to businesses of all sectors, across the UK, Europe and Middle East and Africa.

As a Tier 1 Broadcom Partner we specialise in providing, implementing and supporting project & portfolio management, business automation, mainframe and cybersecurity solutions.

Research methodology

Research was conducted by Ignite Technology in January 2021 amongst 500 senior IT and PPM decision-makers, in partnership with Sapio Research.

This research was conducted in the UK, across multiple market sectors. Participants were primarily from organisations with 1,000+ employees, £100m+ turnover and managing 50+ projects per year.

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