

Transformation

Overcome the Barriers to Shaping Digital Strategy

By Bill Kracunas and Chris Wetmore

Properly embracing digital technology is a key differentiator for successful businesses, creating organizational efficiencies, increasing customer engagement, and improving employee satisfaction. However, many middle market companies struggle to move beyond a simple project list when creating an effective digital transformation strategy. Overcoming some common challenges can remove barriers to innovation and better position your company to embrace and take advantage of new technology.

Common Challenges

Some of the most common issues include:

■ **Inconsistent leadership.** Many people within an organization have varied experience with digital technologies. Some leaders may want to jump in with both feet, while others may want to take a slow and steady approach. Digital skills gaps within leadership need to be addressed or skills augmented in order to maintain forward momentum.

■ **Limited vision.** Some leaders may consider moving to the cloud a digital strategy. This is a goal, but it does not encompass how to reach that destination. An example of a more effective vision would be to move toward finance transformation, with specific steps to implement an enterprise resource planning system, robotic process automation for invoices, expense management software, and financial close solutions.

■ **Digital decision-making.** Many companies rely too much on information technology (IT), when IT should not drive all digital investments. In addition, com-

panies often fail to consider the security and privacy risks involved with innovation. An effective digital strategy must consider quickly evolving risks and privacy regulations at the start. Each organization should identify their core digital team who will make and champion digital investments.

■ **Digital transformation as a continuous process.** Innovating and implementing digital technologies to improve your business is not a one-time event, but something that will constantly evolve over time and needs to be continually addressed. Determining how to make not only innovation but also digital transformation a continuous part of your operations is a critical element of a successful strategy.

■ **Shared services for automation.** Companies must understand that many technology tools—including robotic process automation, data analytics, and artificial intelligence—will help everybody in the organization. If your company does not gain control of these tools under a common umbrella, they will emerge independently in multiple areas of the business. These solutions will need a center of excellence environment and a common toolset to gain a maximum return on investment.

Companies of the past simply did not face today's velocity and volume of new technology that enable investments that are easy to deploy by almost any resource in a business. Therefore, companies must bridge the gap between an individual projects approach and a comprehensive strategy with better leadership and connectivity.

Where Do We Go from Here?

To take the next step between a digital road

map and a digital strategy, leadership must engage in active and intentional learning to increase digital literacy for themselves and the organization as a whole.

This enables a twofold approach to innovation: A group or function should drive technology advances at the enterprise level, while division or departmental leaders should implement their own initiatives to plug gaps and improve execution.

Make no mistake, adopting and driving a digital strategy is not easy; people, process, and technology implications will require some level of organizational change management. Compare building a house to building a digital strategy. You wouldn't just start digging the foundation; you would hire an architect and consult with experts to create a vision for the home. In the same manner, seeking an outside perspective is important to understanding where you need help and can provide a second opinion on how to best develop a digital strategy.

The key to improving the inconsistent state of digital transformation in the middle market is facilitating discussion between all internal stakeholders and creating an environment of collaboration. Once your people are aligned, you can integrate the right resources and increase momentum toward becoming a more effective digital organization.

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