

THE CARIBBEAN DIGITAL TRANSFORMATION INSTITUTE

# Empower your journey



Digital Transformation Series

# Organization and People

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# PART ONE: COURSE OVERVIEW

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## COURSE OVERVIEW

This course will consider the benefits of an organizational readiness assessment, discuss the role of leadership in change management, and define Agile and DevOps methodologies.

## LEARNING OBJECTIVES

At the end of this workshop, participants should be able to:

- Define what an organizational readiness assessment is, and why it is helpful
- Consider what roles digital culture and leadership play when it comes to managing change in the workplace
- Provide a simplified definition of Agile and DevOps approaches, and how they can be applied to digital transformation

### Learning Objectives

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# PART TWO: ORGANIZATIONAL READINESS FOR DIGITAL TRANSFORMATION

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Before making a major change, businesses should determine whether they are truly ready. In the first course, customer interaction as it relates to digital readiness was considered.

This session will explore what it means to conduct an organizational readiness assessment – particularly how it relates to internal processes and employees. The benefits of such an assessment will also be discussed.

## ASSESSING THE ORGANIZATION

The concept of organizational readiness is an assessment of whether an organization is prepared to make a major change.

The Harvard Business Review notes that digital transformation failure rates range from 66 per cent to 84 per cent, making a readiness assessment even more valuable.

The Boston Consulting Group suggests an organizational readiness assessment should not just consider the specifics of the change itself, but also the people involved – how leaders will effectively manage it, and how to get employees on board.

Any type of change in a business is going to have an impact on the people working there. If employees are not willing or ready to adapt to a new service or process, the project is not likely to succeed.

An organizational assessment should consider how employees will be impacted, their level of support, and what type of training will be required.

“Being kept in the loop and engaged with what the company is doing will make your employees feel more valued, which will increase their personal investment in the proposed change or project and motivate them to want to do their part in it well,” writes Robert Godard in a blog post for I.S. Partners, an audit firm.

Godard says this type of assessment gives a business the chance to address potential issues before they become big problems.

“This is important because it will save your company time and money, and even improve the profitability of the change,” Godard adds.

He suggests that the assessment typically examines project goals; expectations and concerns; level of leadership support; ability to adapt; ways to minimize project failure; project governance; and decision making.

Adage Technologies suggests an organization needs to test four things in order to determine readiness for a digital transformation:

1. Digital challenges and opportunities – determining what your customers want from your business and your technological challenges can show a path forward
2. Business driver – this is essentially why a business is striving to make a change and how important that reason is to the company, i.e. not meeting revenue goals
3. Leadership – change begins at the top in this case. If ownership and management do not believe in the transformation, why would anyone else?
4. Resource availability – ensuring staff have enough availability to take on digital changes is going to play a key role

While assisting a company with a readiness assessment, the Boston Consulting Group found the organization was not as prepared as they thought – specifically, their leadership and communication channels were not ready. The assessment allowed them to correct the issues.

Data from the Boston Consulting Group says the businesses they have worked with have succeeded in change when they had a strong change manager, good communication throughout the company, collaboration between management and human resources, and a focus on upskilling. The companies that failed met resistance, did not communicate well, and had not established solid metrics for measuring how the change was progressing.

There may be more things to consider or questions to ask, depending on the specific digital project or business. But generally, conducting a readiness assessment could make the difference in whether a digital transformation succeeds or fails.

## CASE STUDY: ETMAN

Read the following case study.

### Case Study: Etman

In scientific journal *Revista Gestão & Tecnologia*, Marisa Analía Sánchez and Juana I. Zuntini presented case studies of small to medium sized businesses in Argentina. One of the case studies in the article *Organizational readiness for the digital transformation: a case study research* is Etman Distribuidor Nacional de Autopartes, an auto parts distributor selling to other businesses (B2B).

Customer experience appears to be a top priority, with it being one of the main factors in a digital initiative as well as “new commercialization channels.”

Etman took note of competitor MercadoLibre selling parts online, and developed software to be used by distributors.

“The software allows distributors an easy publication of products on an online ecommerce platform (e.g. MercadoLibre). The project is a joint effort with a technology incumbent that assures technical savviness and experience in similar developments. It is interesting to note that the solution redefines MercadoLibre’s role of competitor to supplier,” Sánchez and Zuntini write.

Etman management told Sánchez and Zuntini that success was dependent not only on time and budget, but also “that the quality and usefulness of the solutions are [of] constant concern.”

### What did Etman do well?

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# PART THREE: LEADERSHIP AND CHANGE MANAGEMENT

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Digital transformation is a process of many moving parts.

This session will consider how culture plays a role in the workplace, the role of leadership in change, and how to engage employees.

## BUILDING A DIGITAL CULTURE

In 2018, information technology services and consulting company Capgemini produced a report called *The Digital Culture Challenge: Closing the Employee-Leadership Gap*. In the report, its authors stress the importance of culture in the success of a digital transformation. In a survey of more than 1,700 people, including executives, managers and employees, from eight countries, 62 per cent considered culture to be the biggest hurdle.

The Capgemini report says digital culture consists of customer centricity; innovation; data-driven decision making; collaboration; open culture; digital-first mindset; and agility and flexibility.

The authors write that it is a years-long process, which involves vision and visible leadership involvement, investment in digital skills, empowered employees, and key performance indicators that measure behaviours.

In an article for Forbes, Anand Inamdar lists a few ways to help build digital culture in the workplace.

Inamdar suggests in *Digital Transformation And Its Impact On Organizational Culture* clearly defining the digital transformation; encouraging leadership qualities within employees to help lead the shift; focus on hiring people for qualities that contribute to the culture; and changing operation models.

“By treating digital transformation as a cultural change, organizations can help their employees focus on the aspects of their work that can be streamlined.”



## CHANGE MANAGEMENT AND THE ROLE OF LEADERSHIP

In an article for Mind Tools, a company that produces management and leadership resources, change management is defined as a concept derived from multiple fields, including psychology, behavioural science, engineering, and systems thinking. There are many models, but the Mind Tools writers say in the article *The Four Principles of Change Management* that across all of them is the idea that “no change ever happens in isolation.”

These four principles are:

1. Understand – leadership needs to fully grasp the change that is taking place, and the reason behind it, in order to sell it to the team.
2. Plan – planning goes beyond deciding what new digital products or processes will be introduced, and should include how a company will gain support from executive teams, stakeholders, and employees. It should consider what and who will be needed to make change happen. Finally, a plan should define what success looks like and how to measure it.
3. Implement – this is putting the plan into motion.
4. Communicate – ensuring everyone knows what is happening and why is crucial for a change to be successful.

“Change management is a structured approach to implementing change in an organization. It recognizes that change can be a painful process which can have a far-reaching impact on the organization and the people who work for it,” the Mind Tools article says.

In order to be successful, the article suggests that leaders should be able to inspire trust, effectively communicate at every stage, possess emotional intelligence in order to notice pushback, and practice strategic thinking.

In an article for the Harvard Business Review, Erika Andersen — who founded a consulting firm for leader readiness — writes that businesses are not doing their employees any favours when their communication sugarcoats the change process. Instead, leaders should outline what the change is, the reasons behind it, and why it will be beneficial.

“It’s important that this summary be realistic — that it acknowledge the time and effort the change will require — and that it lets people know how you’ll support them (with information, training, etc.) to make the change. Once you’ve created this ‘case for change,’ expect (and be prepared to answer) questions about it,” writes Andersen in *Change Is Hard. Here’s How to Make It Less Painful*, adding that people are less afraid of change when they have information about it.

Andersen also suggests leaders make it clear — in specific terms — what will stay the same.

## ENGAGING EMPLOYEES

Capgemini’s research suggests many employees are disengaged with culture change, and the report notes that one of the reasons is overly broad and generic language used by companies.

“Leadership and management need to translate the broader digital vision into compelling and tangible business outcomes to which employees can relate, for which they feel accountable, and that they can internalize in their current roles.”

Andersen says a lack of control can fuel employee fear over change. By empowering them and giving them the ability to have a say, it is more likely they will be supportive of the change.

Andersen also stresses the importance of supporting a team throughout the process.

“If you give people support in the early days of a change by listening deeply to their concerns and questions, without being dismissive or overly reassuring, they’ll feel heard and supported.”

After a digital culture shift is underway, Capgemini suggests that resistance could be created if employees are assessed purely from outcomes. The report quotes Professor Deborah Ancona from MIT’s Sloan School, who notes that instead of being judged on success and failure, employees should be judged based on their behaviour, and how they have adapted. This could include looking at whether there is collaboration between teams, and whether they are engaged.

**Consider a time you felt supported in the workplace. Share an example of how leadership in a workplace has made you feel empowered or heard in a time of change. Or, what have you done to make employees feel that way?**

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# PART FOUR: AGILE AND DEVOPS METHODOLOGIES

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Two approaches used by software companies can also be used when implementing a digital transformation.

This session will define the Agile and DevOps methodologies, and how they can be applied to digital transformation projects.

## INTRODUCTION TO AGILE AND DEVOPS PRINCIPLES

Agile project management is an approach to planning and guiding projects that involves breaking it down into short phases called sprints or iterations. It involves constant collaboration with stakeholders, in a cyclical process of planning, executing, and evaluating. It allows for flexibility as changes can be made throughout a project's lifecycle, and it is well suited for projects with complex requirements.

In an article on IT professional networking website Spiceworks, Remya Mohanan describes Agile as an approach for software development and project management that uses collaboration between teams in order to solve problems, and to seek feedback for the purpose of improvement.

The Agile Manifesto, created by a group of developers in 2001, lists four main guiding principles:

1. "Individuals and interactions over processes and tools;"
2. "Working software over comprehensive documentation;"
3. "Customer collaboration over contract negotiation;"
4. "Responding to change over following a plan."

Technology company IBM defines DevOps, a combination of the words "development" and "operations," as a process that involves collaboration between development and IT operations teams. The idea behind the methodology is that bringing the two teams

together, which traditionally worked separately from each other, produces higher quality products faster.

“In its broadest meaning, DevOps is a philosophy that promotes better communication and collaboration between these teams — and others — in an organization. In its most narrow interpretation, DevOps describes the adoption of iterative software development, automation, and programmable infrastructure deployment and maintenance,” says technology publication TechTarget.

The DevOps approach is often illustrated as an infinite loop, as it is a continuous process of integration, delivery, testing, deployment, operations, and collaboration.

“Combining two distinct departments and processes (development and operations) and bringing them together leads to increased transparency and concentration on automated testing,” Mohanan writes.

Though different approaches, they share a focus on testing, productivity, and collaboration.

## APPLYING AGILE AND DEVOPS PRACTICES TO DIGITAL TRANSFORMATION PROJECTS

Technology company Insight suggests applying the Agile and DevOps methodologies to a digital transformation project will help to ensure its success and minimize risk.

“The underlying values and cultural shifts associated with Agile and DevOps offer a new way of thinking about and addressing the challenges of uncertainty and ongoing change. Effectively applied, these approaches yield greater visibility and alignment, faster time to market, higher quality and ultimately greater value for the business,” says Insight’s whitepaper *Agile and DevOps: Complementary and Crucial to Digital Transformation*.

Agile is an iterative and incremental approach, meaning the process is repeated over and over, and small additions are made. Insight says using this approach allows businesses to tackle projects in smaller chunks, and to gather constant feedback in order to adapt.

In an article for The Enterprisers Project titled *Digital transformation: 10 ways DevOps helps*, Yugal Joshi, partner at research firm Everest Group, tells journalist Stephanie

Overby that it is nearly impossible for a business to succeed at digital transformation without adopting DevOps practices. One of those practices is experimentation.

“Experimentation, failing quicker than later, getting faster market feedback, and doing something right at first are key tenets of DevOps and digital transformation,” says Joshi.

Some other DevOps practices that are also beneficial to digital transformation, Overby writes, include the ability to move quickly, a digital mindset, shared accountability, cost-efficiency, and reduced risk.

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# ASSIGNMENT ANSWER KEY

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## PART TWO: ORGANIZATIONAL READINESS FOR DIGITAL TRANSFORMATION

### **Case Study: Etman**

#### **What did Etman do well?**

Some suggestions:

- Putting customer experience as a top priority
- Considering what competitors are doing
- Collaborating with distributors—and a competitor—to ensure relevancy
- Having a clearly defined strategy and plan

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