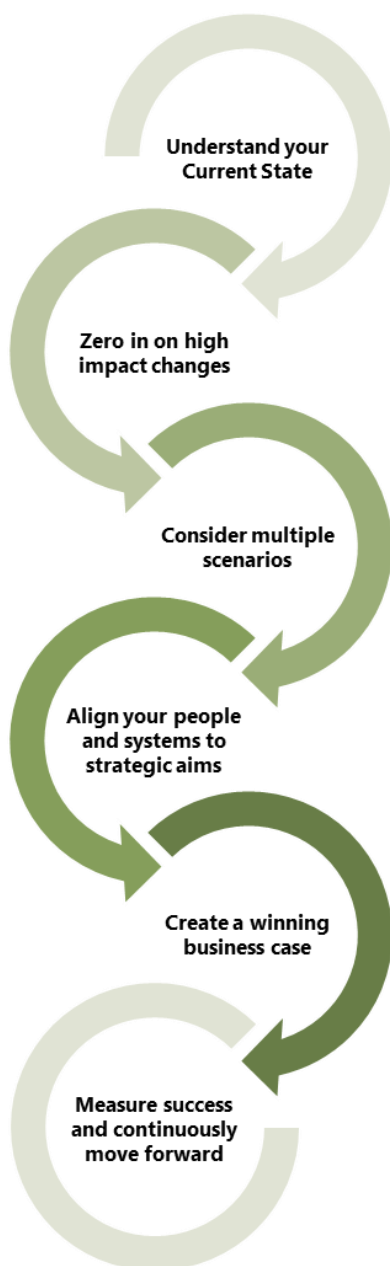


# SIX STEPS TO BUSINESS TRANSFORMATION SUCCESS



Business transformation projects can be extremely challenging.

The unfortunate reality is 70% of transformation projects fail due to the lack of alignment of actions with business strategy, an absence of data-led decision-making and failure to account for the human element of change.

How can you overcome the hurdles to business transformation success?

Follow these steps to deliver successful change and achieve the outcomes you want affordably and quickly.

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# Introduction

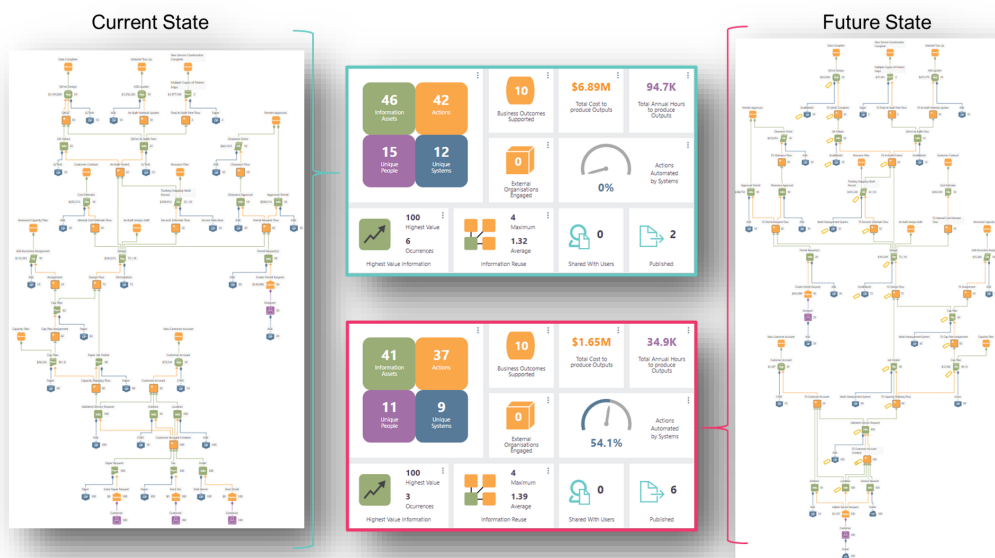
Never before has it been so important to be able to measure the impact of change on our organisations and account for how that change will affect how we deliver effective business outcomes.

We are operating in a digital economy driven by data and information. We create more data today than we have ever done in the history of humankind and yet, most organisations do not truly understand where that data comes from, how it influences the work that goes on, or the potential for new ways of operating if this valuable asset was managed correctly.

The frameworks we use to describe and manage our organisations have fallen behind what is required to successfully consider the information-age we are in. As an example, business process modelling, which remains the most common tool for describing operating practices was last updated a decade ago. The numerous notations available under this framework do not adequately account for the data and information that drives our businesses.

As a result, successful change is a gamble. 70% of change programmes fail costing the global economy up to \$75Bn annually. The tools used to capture knowledge are outdated and lead to outdated models of our organisations. Change is difficult to predict in terms of value and the benefits are equally mysterious. We hang on gut feel rather than being data-driven through evidence.

LINQ has been built to offer an alternative way of approaching these persistent challenges. The platform enables rapid capture of the knowledge people have about the work they do. It forces accurate thinking, connecting activities to outcomes. The purpose of the work is highlighted ensuring a connection between the efforts of the workforce to the aims and ambition of the organisation. LINQ accounts for the data and information needed to enable work and produced by work and it contextualises this valuable asset so everyone can understand what is used, why it is used and where it is used, so that it may be valued appropriately and contribute to a complete understanding of how the business operates.



With this new insight it is possible to focus on activities which are not valuable to the business, or which if altered to be more efficient and effective, can dramatically improve the way the organisation operates. The discipline of valuing information is called 'infonomics' and provides a methodology for managing, measuring and monetising information. This is the value-add that LINQ offers - to discover the impact of change through the lens of value so that change programmes deliver increased benefits to the business.

This paper outlines the six steps of thinking that can be applied with LINQ to ensure change and transformation success. Modelling how the organisation operates today, gaining insight into those systems and processes, modelling how things would work if the waste was removed and understanding the impact of the proposed change on people, systems, work and content *before* any decisions to proceed are made, provides the opportunity to ensure your change or transformation is successful.

# Step 1 - Understand your current state

Make a small investment in understanding the true nature of your challenges before making the larger investment in overcoming them.

All too often transformation projects are technology driven with unclear aims like getting to the latest release, switching to a new platform, or simply looking to the latest technology to solve deep rooted problems. Scope is poorly defined. The impact of change is not well understood. Benefits are not understood, and it is difficult to articulate them to the business.

Moving ahead with this lack of overall direction can lead to a costly replication of current processes on a new platform making bad processes fail faster, making systems unnecessarily complex, and negatively impacting employee and customer experiences. Most importantly, organisation aims are not met and the business suffers as a result.

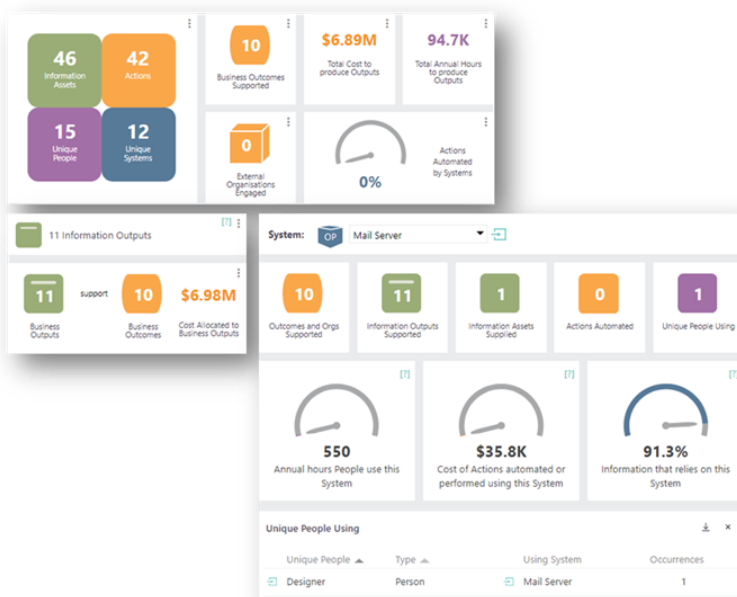
To quantify and communicate the tangible benefits of transformation to your organisation, you must start by developing a keen awareness of your current state - showing where you are today. A well-executed current state analysis will answer questions like:

- Which outcomes deliver the most value to the organisation today? Are we protecting them adequately?
- Who enables the outcomes? Which systems do they use and what information do they rely on and create?
- Are they using the best tools in the correct way? Is our data available and accurate?
- Where are the customer and employee pain points?
- Is the customer experience one which creates trust and loyalty?
- Who, what and where are the risks? How might they change?
- What are the low value, high cost activities that need to change or be eliminated altogether?
- Where is the waste within the business that can be removed and what impact will that have?
- Where should investment be made to ensure ongoing success?

## Best practice

### Always start with the current state

Most organisations miss this step as they focus on the excitement of thinking about the shiny new ways of working. Without the reference to where they are today, making change can become a game of chance. Up to 70% of change project fail! Completing a comprehensive current state analysis will answer the critical questions listed above and provide the confidence that you have all the knowledge you need to go ahead.



Traditional approaches to current state analysis can take months, further discouraging organisations from completing this critical step. LINQ changes the game by making data collection 10x faster and providing a digital twin visualisation of the business, which is built collaboratively in real-time.

*Knowledge about the current state including costs, time, information of interest, and the impact of systems on the way people work*

## Step 2 - Zero in on high impact changes

### Understand the value, not just the cost of the changes you are targeting

Most organisations have more change opportunity than resources available to implement change. Getting change decisions wrong is expensive, diminishes employee satisfaction, and negatively impacts the business as it recovers from project failure. Fully understanding the scope and impact of change helps to prioritise the actions you want to take. Quantifying the value of change is one way you can improve your decision making, undertaking high value change and dismissing low value change.

Too often, organisations focus solely on cost when defining their transformation projects. How much will it cost to make these changes? How much cost will I save with an improved processor system? Looking solely at cost undercuts the fundamental opportunity of transformation creating more value for the organisation. When we look at value, we understand the degree to which people, processes, and systems contribute to the outcomes we're trying to achieve. When we look at value as well as cost, we can make objective decisions about the best course of action and the priority for change.

The value line should go beyond financial impact and address outcomes such as:

- Improved employee and customer safety
- Increased customer satisfaction
- Ease of doing business
- Automation of manual, repetitive tasks
- The provision of appropriate tools for staff
- The reuse of valuable information assets throughout the organisation

In this way, the business will focus on the value of change rather than the cost of change. Evidence will prevent a 'who shouts the loudest' or 'who gets paid the most' approach to change.

## Best practice Always think about value

*Consider how your organisation derives value and what your business looks like through this lens. How might that impact the decisions you make on which change to undertake? Value creation does not mean that the activities required to generate the value are efficient—the opposite may be true, and this can help identify opportunities.*

Value LINQSet	Value	Cost
<b>Customer Account Creation</b> 10 Outcomes / Orgs Supported	100	\$297,944.38
<b>Capacity Planning Flow</b> View on canvas Supported Outcomes / Orgs As-built design draft Capacity Plan Customer Contract Data Complete Material True Up New Service Construction Complete Permits Approved Resource Plan Reviewed Capacity Plan Supported Outputs 10 - Approved Permit 10 - ASB Recorded Assignment 10 - ASB Update 10 - Clearance Order 10 - Cost Estimate 10 - Design 10 - QA'ed Design 10 - Tracking Mapping Work Record 8 - Cap Plan 2 - Multiple Copies of Printed Maps	90	\$389,139.17
<b>Cap Plan Assignment</b> 8 Outcomes / Orgs Supported	82	\$32,550.00
<b>Design Flow</b> 7 Outcomes / Orgs Supported	72	\$774,800.00
<b>Records Schedule Flow</b> 4 Outcomes / Orgs Supported	32	\$368,958.33

LINQ helps you understand value with a model built right into the platform. You simply assess the value of the outputs your business needs to produce to meet its aims, and LINQ does the rest. This value lens, driven by the principles of infonomics\*, is applied to people, systems, work and content, and coupled with the cost allocation methodology provides immediate and new insight into your organisation. You can now focus on the value created, or the value you would like to create within your business and invest accordingly.

*The value of information and the business outcomes those information assets enable*

\*Infonomics is the discipline of the measurement, management and monetisation of information which, when coupled with information governance, ensures that information is managed as a valuable business asset delivering exponential value to business outcomes.

## Step 3 - Consider Multiple Scenarios

### Finding your true best course of action requires evaluating multiple options

Understanding the impact of change is vital for good decision making. Being able to ask questions so that you can gain knowledge into possible scenarios helps create plans which can succeed when implemented.

- What happens if this system changes?
- What is the impact on this role if work is automated?
- How might this information enable other parts of the organisation?
- Which information assets are vital to the success of business processes?
- How will we operate if staff are required to work from home?
- How can we quickly respond to the changing demands of our customers?

Without a model against which scenarios can be run, answering these questions can be time consuming and rely on individual knowledge in the business. This can limit an organisation's ability to be creative by utilising its collective knowledge and experience as it seeks alternative solutions to challenges which are impacting business value.

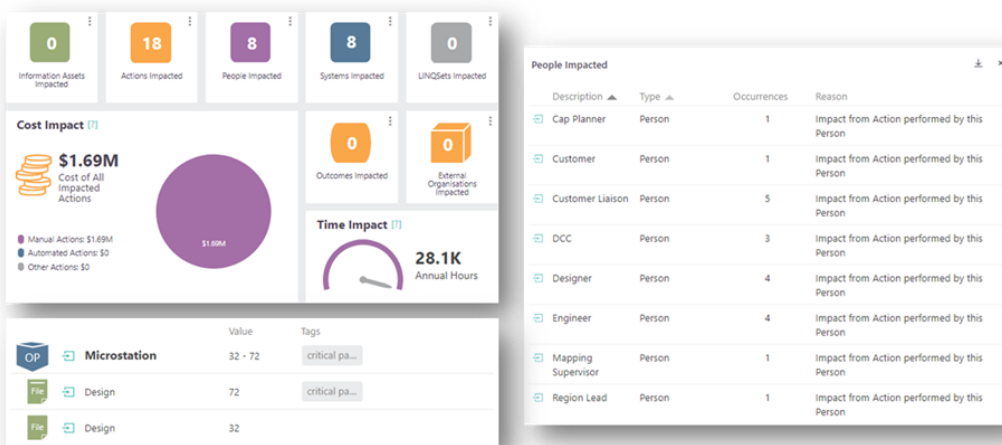
Being able to model several future states and quickly understand the impact those changes will have on the model can save time and money in terms of trial and error implementations.

## Best practice

### Think without bias and consider alternatives to the most obvious course of action

*Consider how you can create a model of how you operate today and several future state models which address your challenges, so you're able to understand the impact based on these alternative scenarios. Leveraging the digital twin methodology enables you to quickly analyse multiple future state scenarios to see what happens as a result of your decisions, before you invest in them, without risk.*

Conducting 'what if?' analysis with standard tools and expensive consultants can be extremely time consuming and costly. It doesn't have to be. LINQ's digital twin methodology provides a platform for you to quickly simulate and compare between your current and future states, or across multiple future state scenarios. LINQ's impact assessment insight works as you explore the model helping you to see what happens in your business if changes are made.



*The impact of automating 18 actions currently performed by people a 1.69 million dollar saving*

# Step 4 - Align your people and systems to strategic aims

Focus on desired outcomes, not the technology required to get to the outcomes

Many organisations focus on technologies as the driver for changing transformation, yet, people are the reason that change succeeds or fails. When people use the wrong tools for the job, this impacts the mood within the business and can eventually erode culture. The poor employee experience inevitably impacts the customer experience which can lead to customer churn and the reputational damage that follows.

Understanding how people work and being able to incorporate that knowledge into the change process is vital. Eliciting tacit knowledge and documenting it in a structured way ensures that this vital content is included in the planning process.

Knowing the aims of the business is critical. What are you trying to achieve? What is the gap that exists today that you're trying to close? How are people working today and how should that change to create a new way of working we need?

Considering change from the people perspective will lead to a better understanding of the technology which must be implemented to enable that work. Technology becomes the enabler rather than the driver. This prevents technology for technology's sake - you will understand its purpose.

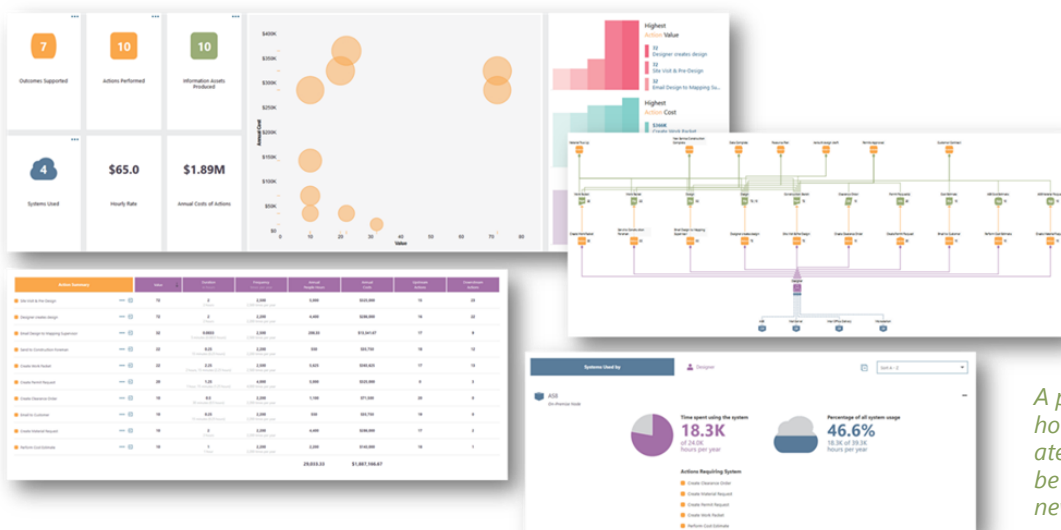
Consider the connection between your desired outcomes, your people and the systems they use. Take a people-centric view of how your business operates and then enable people to be creative about the new ways of working.

## Best practice

Your people are the key to your transformation success

*Create a Digital Twin in your organisation. A Digital Twin is a virtual model of how people work, the systems and processes they touch, the technology which supports the business and the content - data and information - which makes it all possible. The Digital Twin allows business leaders to see what happens as a result of their decisions before they invest in them, without risk - creating the metrics for success and understanding benefit within the Digital Twin environment.*

LINQ creates the Digital Twin the organisation. It models the relationships between people, systems, actions and information and uses these relationships to provide insights that support and accelerate decision making. Creating the Digital Twin is a simple process - one which most organisations use everyday - team collaboration, putting the knowledge and expertise of your people the center of creating the model.



*A people-centric view of how your business operates enables people to be creative about the new ways of working*

## Step 5 - Create a winning business case

Win approval by clearly demonstrating value, cost, and risk

TCI, ROI, ROR are all metrics which are important when building your business case, but they do not tell the full story. You have to look beyond them. For example, your future state may require the same amount of effort and cost, but it reduces the actual time taking to deliver the outcome and accelerates other revenue generating activities. This value needs to be factored into the business case. Today's approaches to business case development often leave key questions unanswered:

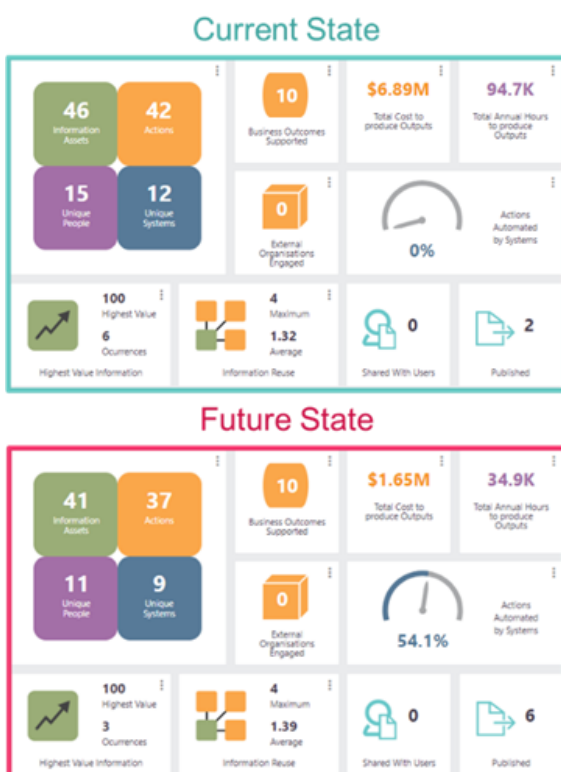
- How do I operate today and how should I operate tomorrow?
- How does my business create value? Where should I invest in sure I maximise value from the work I do?
- How will I communicate the change that is necessary to my decision makers who are not technically minded? They want a business conversation.
- How do I ensure that my decision making is data-driven and I'm not being led by others' bias to an unproven 'gut-feel' solution?
- How do I ensure that today's change meets the demands of tomorrow's customers while preventing myself from being backed into a corner?

These are fundamental questions about the DNA of a business. To answer them, you need to be able to understand who you are and how you operate, aligned with your ambitions for tomorrow.

## Best practice

Use 'Systems Thinking' to identify impacts beyond the immediate view

Go beyond the standard business case metrics and highlight the intangible benefits, for example improved customer and employee experience, accelerating revenue recognition etc. Clearly demonstrate the impacts of change in your systems, people, the work that gets done and the information that drives the desired business outcomes. Your business case should be clear and concise, with a focus on the stakeholder benefits. Remember the answer to confusion is always no - so keep it simple.



Current and future state dashboards in LINQ demonstrate the impact of change, including financial information, time to complete work on that, how work will change for people and the system requirements for the new way of working. LINQ can also be used to model the implementation of change, capturing the process is required to establish your future state including internal and external staff costs, infrastructure documentation, training and support costs, etc. Present this alongside the savings identified in the future state.

Creating digital, sharable, authoritative content saves time, getting to the heart of the business case and the decision faster than ever before.

*The comparison of change - how the business operates today and how it may operate in the future, with clear information on the impact this has on business operations .*

## Step 6 - Measure and continuously move forward

### Know what the measure of success is and plan for ContinuousNext

ContinuousNext is the new paradigm for change improvement and process excellence. It focuses on five areas of the business:

- **Privacy:** mastering privacy and creating digital connections is an urgent imperative. Without it, the entire digital transformation is at risk as it is undermined by a lack of trust.
- **Augmented Intelligence:** where the human experience complements artificial intelligent systems, processes, and robotics to create an even more powerful environment which utilises the skills of humans in the best possible way.
- **Culture:** creating a dynamic culture which enables the organisation to be as nimble as necessary. Using 'Culture Hacking' to implement real change that sticks to ensure the people in the business are fully supported to manage the level of change necessary for success.
- **Digital Product Management:** the move from managing projects to managing products is as much a mindset shift as it is a process shift. Thinking about a company's outputs and how they are produced, especially in the digital economy is vital for success. Digital product management should supersede IT project management.
- **Digital Twin:** the Digital Twin of the Organisation (DTO) creates a virtual model of how people work, the systems and processes they touch, the technology which supports the business and the content – data and information – which makes it all possible. The DTO allows business leaders to experiment with change before applying it in the real world – creating the metrics for success and understanding benefit within the DTO environment.

These characteristics enable the business to understand what the outcomes of change will look like before the work starts. This maintains prioritisation, reduces risk, increases buy-in, controls scope, builds collaboration, and increases velocity.

## Best practice

### Break change programs into manageable chunks; always be ready to move to the next phase of implementation

*Consider how you can gain insights into your value-chain and how this level of knowledge enables ContinuousNext. Where should you add control to ensure privacy? How might automation alongside human expertise add incredible value to processes? How should your culture evolve to adapt to your changing environment? How can you take a product-centric approach to evolving your processes? The Digital Twin of the Organisation is the container for this insight and its construction can ensure your business keeps moving forward.*



The power of the Digital Twin of the Organisation is exposed through LINQ's Instant Insights - a series of dashboards which create the narrative needed for a decision maker to say yes to change they understand. The Digital Twin creates an evidence-based digital asset which supports the entire business through the implementation of change. Through the understanding of the impact of one piece of change on other areas of the business, ContinuousNext becomes a reality which drives rapid and successful change.

*The Digital Twin of the Organisation enables immediate insights into change and transformation opportunities for the business and is an enabler of ContinuousNext*