Unraveling Digital Transformation:

8 Factors for Achieving Success

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Presenter:
Cory McNeley
Managing Director, UHY Consulting

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Cory McNeley

Professional Experience

- Implemented over 40 different ERP systems to include Epicor, STS, JD Edwards, SAP, Microsoft Dynamics, Acumatica, Procentia, and others for fortune 100 and 500 organizations.
- Designed and developed customized ERP integrations for fortune 250 manufacturing organization.
- Designed and developed customized internal ERP system for fortune 100 retail organization
- Project managed digital transformation which included implementation of multiple ERP systems for large government municipality.
- Identified $74 million in cost savings opportunities by launching an enterprise technology system that uncovered vulnerabilities and highlighted employee accountability issues.
- Designed, developed and implemented a systemic data mining solution for a fortune 500 organization that identified 15 million dollars in waste.
- Developed various predictive models to identify anomalies in inventory and sales patterns, reducing shrink and unnecessary inventory growth by $28 million over three years.

Background

- Twenty-two (22) years of organizational development, process improvement, software development, and software implementation experience.

Education

- Michigan State University, Masters in Management, Strategy and Leadership
- Thunderbird School of Global Management, International Business
- Cal State Fullerton, Business Administration

Cory McNeley
Managing Director
Technology Innovation

UHY Companies

UHY Consulting is a management consulting firm that inspires clients to imagine and realize a company with unlimited potential, leaving lasting results that strengthen an organization and its people.

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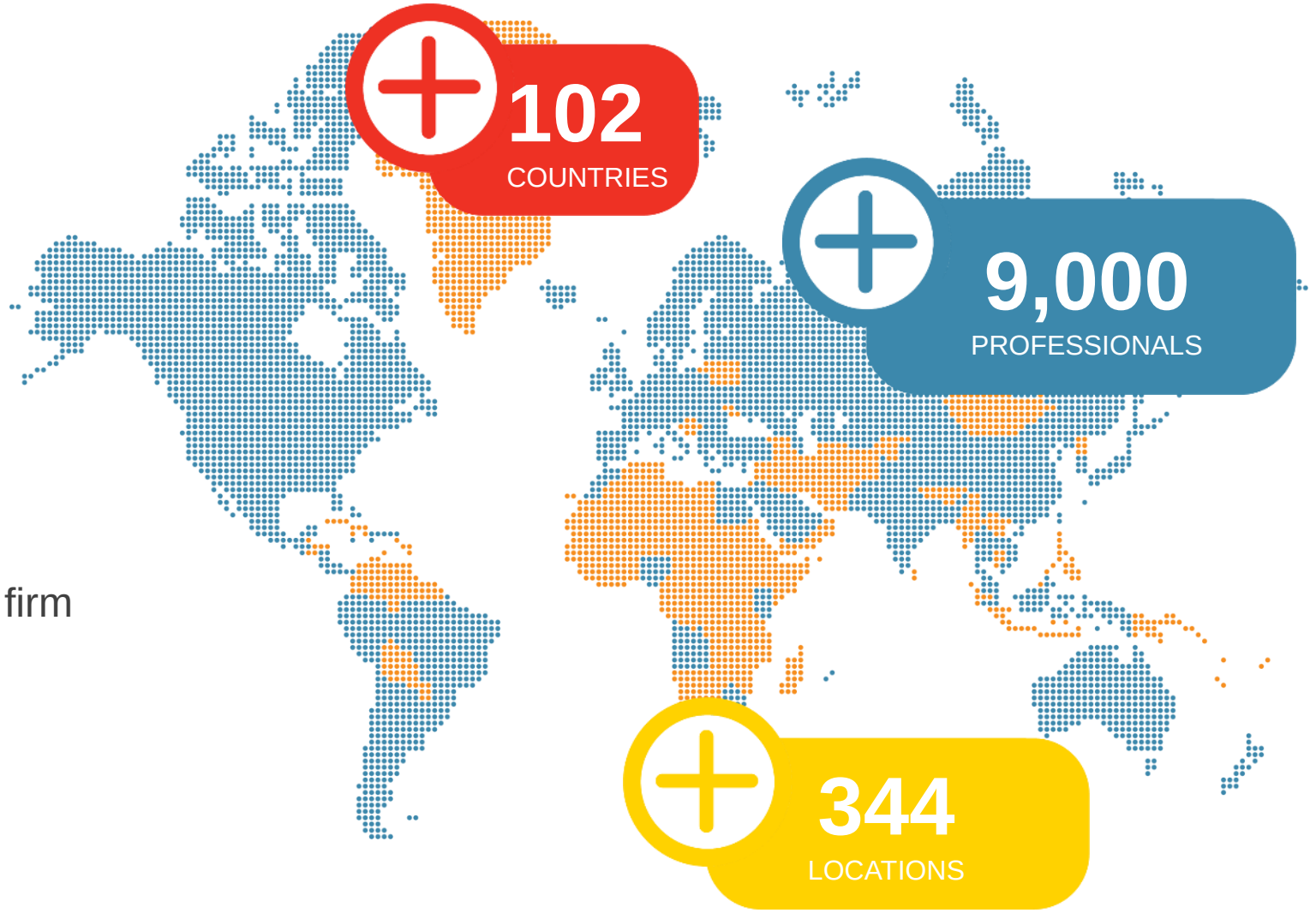

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Digital Transformation

leverages technology to fundamentally change an organization and optimize how it delivers value to customers.

It’s the essential, intentional, deliberate disruption of people, processes, and technologies to align with a company’s strategic vision.

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Digital Transformation Results

Optimized IT framework

- $16.6M one-time savings
- $4.8M annual savings

Eliminated 12,900 hours of non-value-added activities

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Post-pandemic, companies are rushing to the digital transformation table to solve business issues:

Procurement Bottlenecks

Labor/Material Cost Hikes

Regulatory Changes

IT Talent Scarcity

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The International Data Corporation predicts global digital transformation investment to reach **$6.3 trillion** by 2025.

When Digital Transformation Fails

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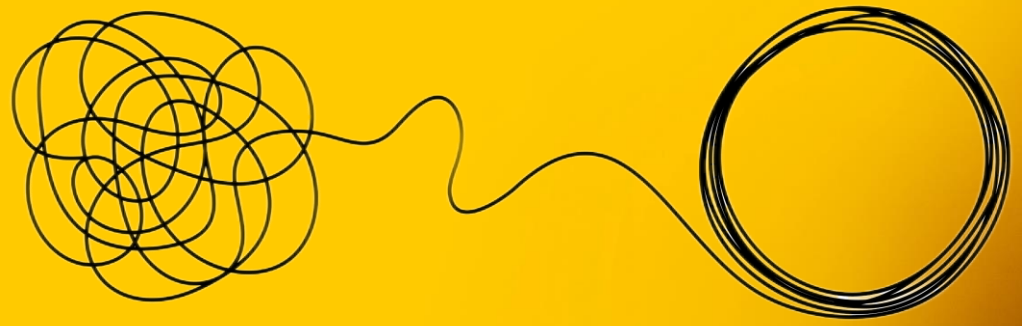
When Digital Transformation Fails

It was a terrible experience. We spent all this money, and nothing improved.

It took 18 months longer than we were told, wreaking havoc on our business.

The changes didn’t stick. Our employees reverted to old ways of working.

So, how do you ensure digital transformation success?



8 Factors for Success

1. Vision & Business Strategy Alignment
2. Leadership Buy-In
3. Integrated Change Management
4. Structured Project Management
5. Documenting the Current State
6. Developing the Future State
7. Identifying Technology Solutions
8. Finding the Right Transformation Partner

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1 Vision & Business Strategy Alignment

A **vision** articulates your why - it tells a clear and compelling story of where the organization wants to be at the end of a digital transformation journey.

- Aligns people toward a common goal
- Serves as a North Star and rallying cry

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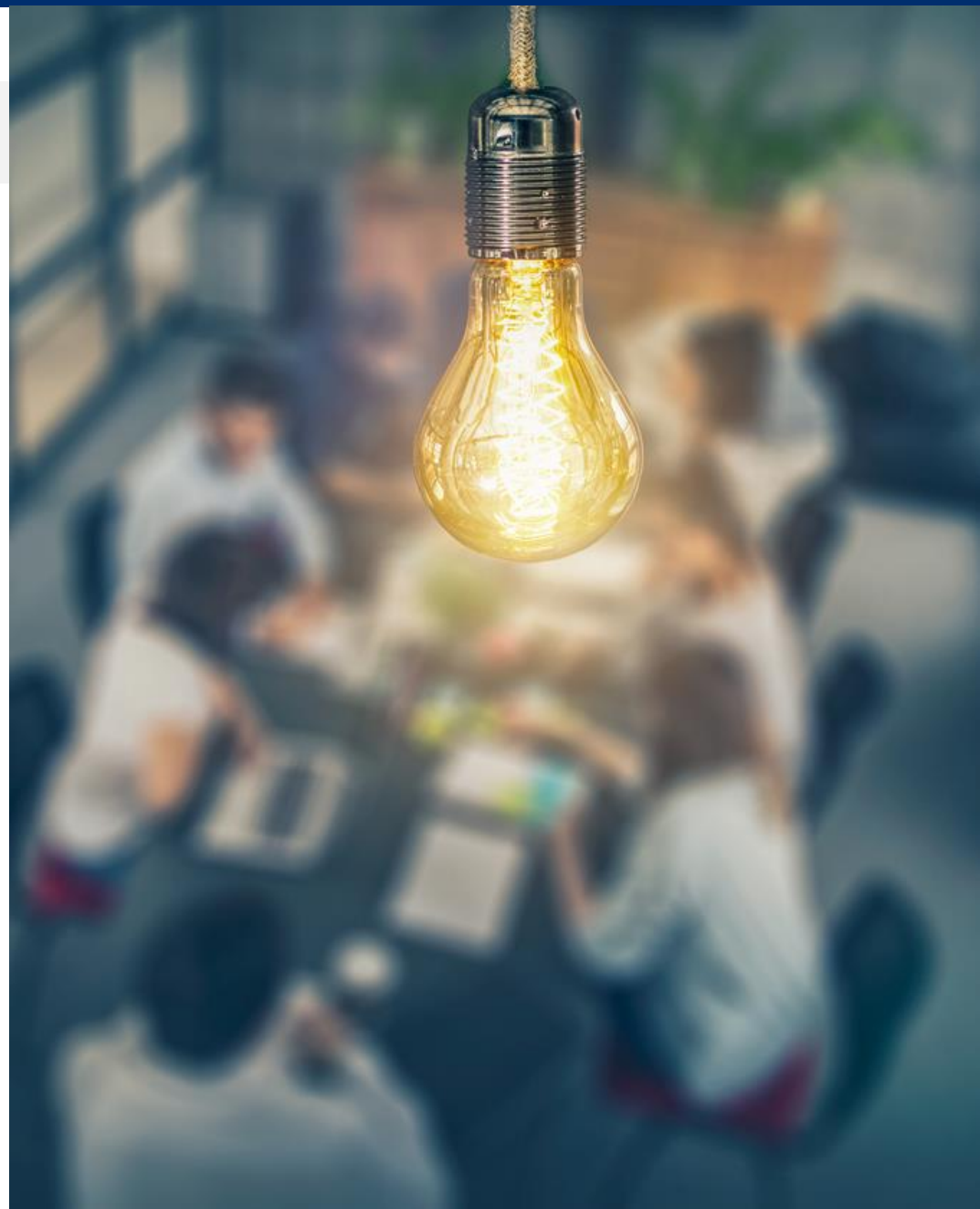
1 Vision & Business Strategy Alignment

Your **strategy** defines how you will achieve your vision**.** Impactful change is achieved by translating your vision into a clear transformation strategy.

Every decision you make about your organization’s future needs to connect with the vision.



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Change is Scary

2 Leadership Buy-In

People power change as facilitators or barriers, and their change readiness is heavily influenced by leadership attitudes, behaviors, and alignment.

Engaged leadership:

- Eliminates roadblocks
- Nurtures Understanding
- Drives concept of change as an opportunity

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3 Integrated Change Management

Digital transformations fail when organizations don't prioritize employees in the change.

Employee support for change initiatives fell sharply from 74% in 2016 to 38% in 2022

LUMBER LIQUIDATOR$

$12M loss in sales and profits in one quarter due to a lack of proper testing and employee training.

Tupperware®

$50 million loss from inadequate employee training and support during an SAP implementation.

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3 Integrated Change Management

What: Prepares and transitions people to adopt the transformation and new ways of working.

Why: Instills the transformation vision of how the future will look and feel and invites people to be part of the process.

How: Generates excitement over denial of what's ending, nurtures creativity over resistance as changes materialize, and fosters high energy for a reimagined future.

Projects with excellent change management are 6 times more likely to achieve objectives.

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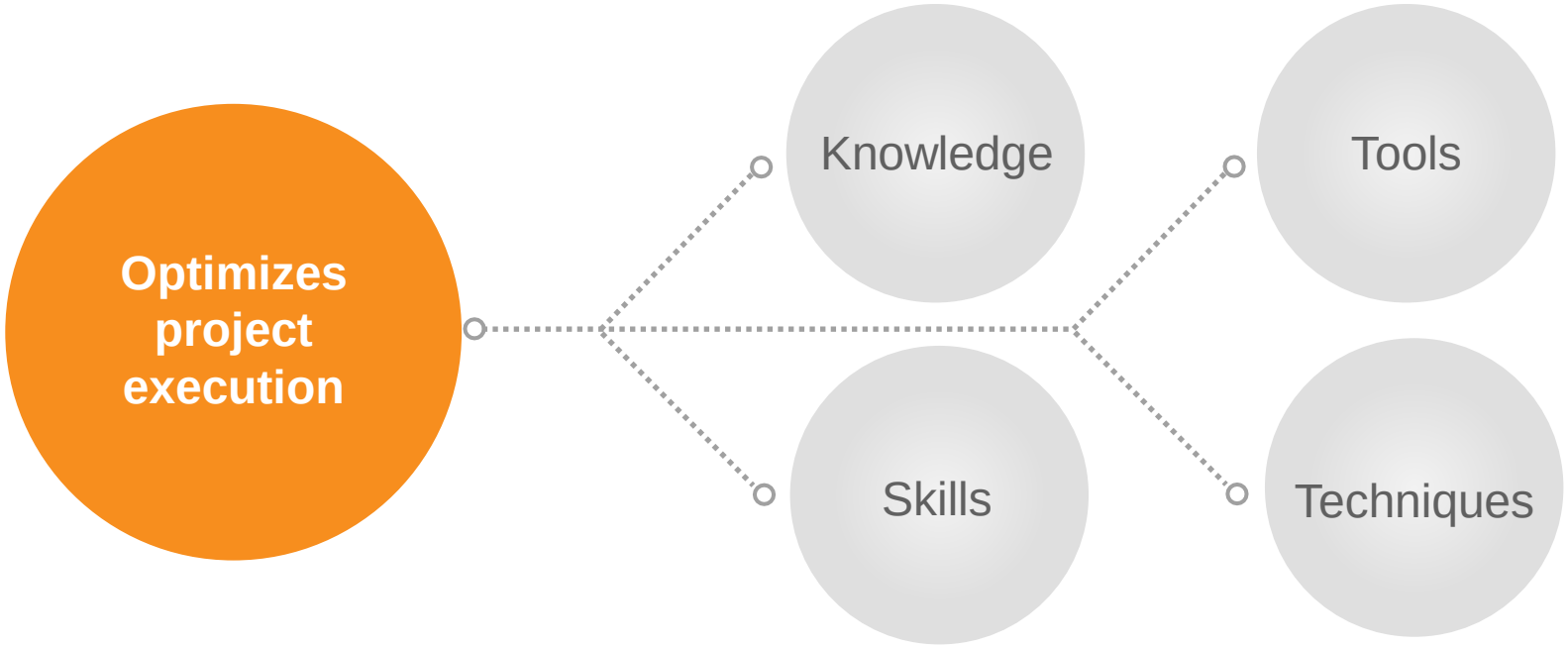
4 Structured Project Management

A well-developed project management framework **protects your digital transformation investment** through central and coordinated management and oversight, transparent communication, and strict monitoring and controls.



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4 Structured Project Management

Comprehensive Project Plan

Details implementation schedule

Assigns roles and responsibilities

Aligns resource demands with capacity and capabilities

Manages complexities and interdependencies between workstreams

Determines risks and mitigation techniques.

Keeps you well informed through timely and accurate reporting

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5 Documenting the Current State

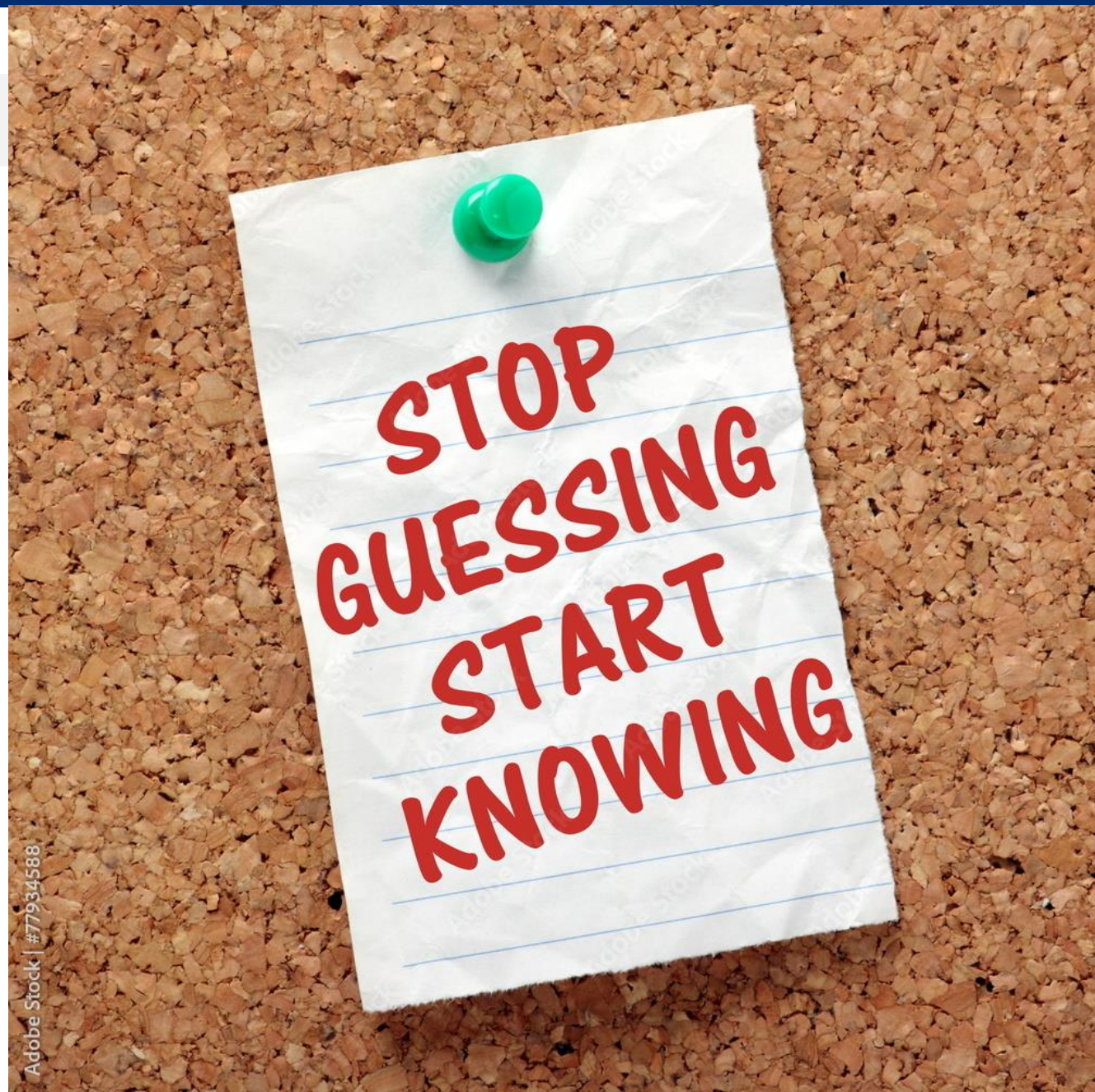
If you don't know what you have, you're only guessing at what you need.

What are the current processes?

Are existing workflows, systems, or data structures essential?

What pain points or inefficiencies are evident?

Where are the bottlenecks, gaps, and weaknesses?



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5 Documenting the Current State

- Avoid missing critical process components and losing valuable time recreating those that already exist
- Identify the process steps with the greatest value and eliminate those that are waste
- Scale architecture appropriately
- Optimize the way you deliver value to your customers
- Visualize and bound your processes through process mapping

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6 Developing the Future State

What do you want the future of your organization to look like?

What would you envision if you had no constraints?

The future state vision **dictates where the project starts** by defining the work necessary to transform and providing an actionable path forward.

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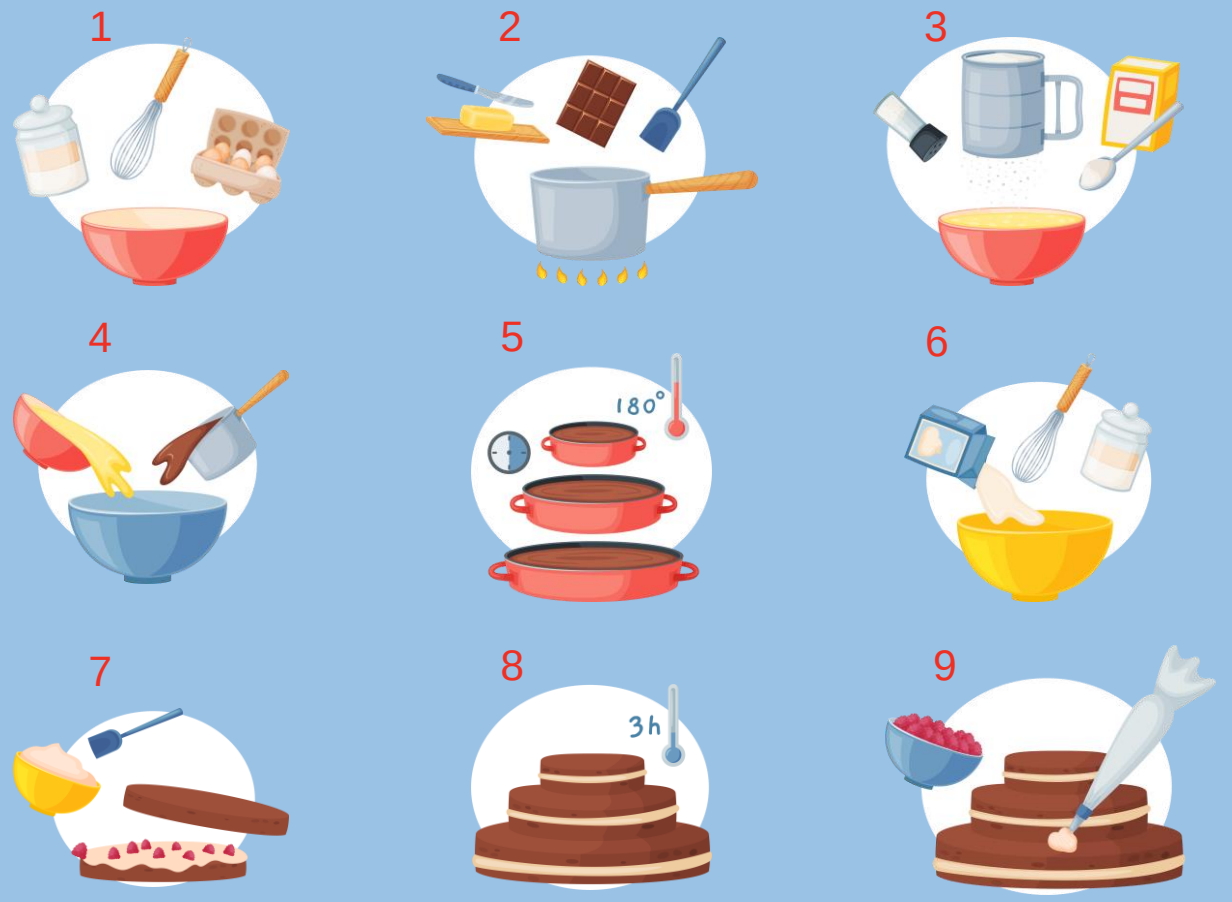
6 Developing the Future State

Like baking a cake!



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7 Identifying Technical Solutions

Artificial Intelligence (AI) and Machine Learning (ML)

Access large amounts of data and gain insights that were difficult to predict, such as doctors analyzing patient data to develop personalized treatment plans.

Robotic Process Automation (RPA)

Automating redundant tasks that require significant human intervention, such as coding and processing invoices, faster and more accurately.

Robotics

Automating production lines and increasing efficiency. Robots can perform repetitive tasks, like welding components, with a higher degree of precision than humans.

Internet of Things (IoT)

Remotely monitor and control operations with digital inputs that distill information into easily managed dashboards to inform timely decision-making.

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7 Identifying Technical Solutions

Navigating the maze of current and future technologies while building on your legacy systems can be daunting.

Developing a complete technology requirements list and **conducting a thorough quantitative analysis and evaluation** will help clarify which technologies to invest in and how to integrate them with legacy systems.

Organizations waste $122 million for every $1 billion invested due to poor technology implementations.

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8 Finding the Right Transformation Partner

Experience matters in enterprise-level transformation.

- Integrated end-to-end approach
- Extensive experience solving the kinds of problems plaguing your organization
- Operational and technical expertise

In a recent UHY survey:

50% indicated trouble assessing technology needs and selecting a competent vendor

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Questions?

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