How to Remove 5 Obstacles to Digital Transformation

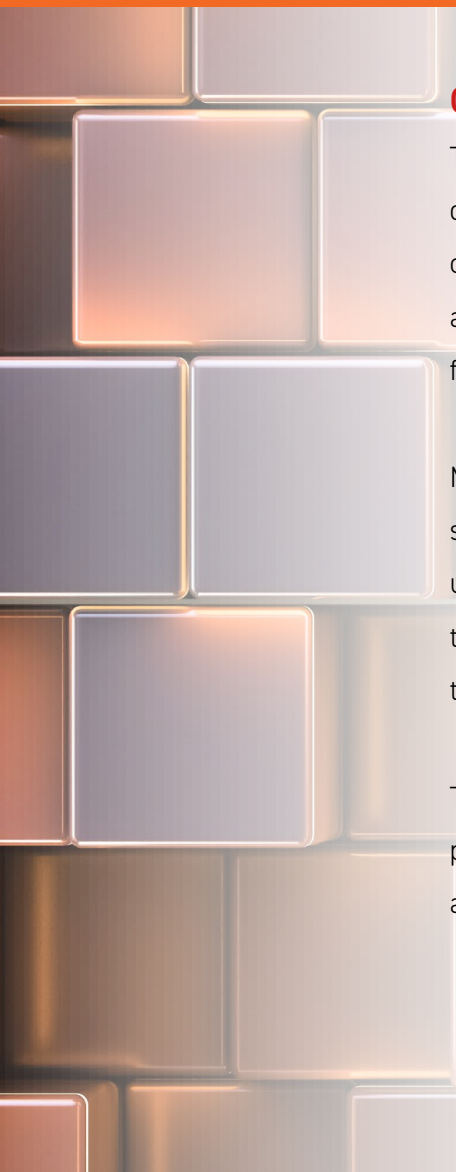
A world of unprecedented market uncertainty should be enough for executives to take stock of where they are now and, more importantly, what path they should take to move forward. But there is more to this story. Along with uncertainty is the reality that accelerated disruption has reached manufacturing's doorstep—and the difference between success and failure will be stark.

It seems simple enough, organizations want to continually transform to stay a step ahead of their competition. The mantra of solving problems through "People, Processes and Technology" is repeated ad nauseum, but it's clearly more than that—otherwise organizations would be well on their way, and already innovating to what's next.

Now more than ever it's time to address the missing links that determine success or failure in Digital Transformation—so let us show you how organizations can build a sustainable path forward, with fewer resources, in less time, and with better outcomes.

According to Oliver Wyman's report,"Perspectives on Manufacturing Industries,"

25-45% of all costs in engineered products add no value to the product or the customer.



OBSTACLE 1: PROCESSES AND TECHNOLOGY ARE KILLING YOUR BUSINESS

Throughout all organizations, there are inefficient, error-prone processes that are increasingly making data and people disconnected. Often, new technologies are incorporated to solve this, but to no avail—leading to just one more piece in a constantly changing and puzzling IT application landscape. The best way to face reality is by realizing that your business is a system, and for systems to thrive they need to interact positively to things around them. This requires you to start at the foundation, not a band-aid at the surface.

More than likely, multiple processes are negatively impacting efficiency and/or conflicting with corporate strategy. The first step is to surface any and all of your processes and the technologies requiring them at a granular level. Get an in-depth understanding of how and why these processes are what they are and the objective they are trying to accomplish. Why do they exist? When this process is finished, is there a benefit? When companies run into dead-end processes, or applications that don't fit the requirement, they inevitably end up with someone needing to manually update someone on another team.

Technology landscape and process maps are the outcome of understanding existing legacy business processes. These process maps will be used as the tool to evaluate proposed changes as digital transformation opportunities take shape. They are a necessary component to inform you about what must change.

According to Gartner,
"through 2021, digital transformation initiatives will take large traditional enterprises, on average, twice as long and cost twice as much as anticipated."

OBSTACLE 2:
YOUR ORGANIZATION IS NOT ALIGNED TO WHAT MUST CHANGE

Now that you are well versed with a deep level of understanding on ways to improve your department's efficiency or identify an enterprise level process that must change, it's time for alignment. It looks good on paper—you think it will improve the business—but in reality, you may not have enough justification to move forward.

For business transformations to be successful, organizations need to dig deep and understand, fundamentally, "what must change." Over that last decade digital transformation projects aspired to shake a company to its core and then have it emerge a better version of itself. But this direction is not working. Large organizations struggle with modernizing their technology stacks and the costs associated with simplifying and building their IT applications and infrastructure.

To understand if you are on the right path as to what must change, before embarking on any project you should consider the following, otherwise the opportunity for success will wane:

- Am I trying to do it all with this one project? This results in a never-ending project.
- Am I taking a blanket approach to the rollout? Splitting out iteratively is critical.
- Am I measuring for success, and adapting in failure? Iteration should deliver value.

OBSTACLE 3: INABILITY TO COMMUNICATE IN BUSINESS TERMS

A major hurdle to overcome is getting your projects off the starting block. To get up and running requires the ability to articulate projects, your belief in them, and how this project benefits customers, the organization, you and your team, and others in the organization. Most projects head in this direction, and fail, for one big reason—failure to communicate up, that is, to executive leadership and make that link to business objectives.

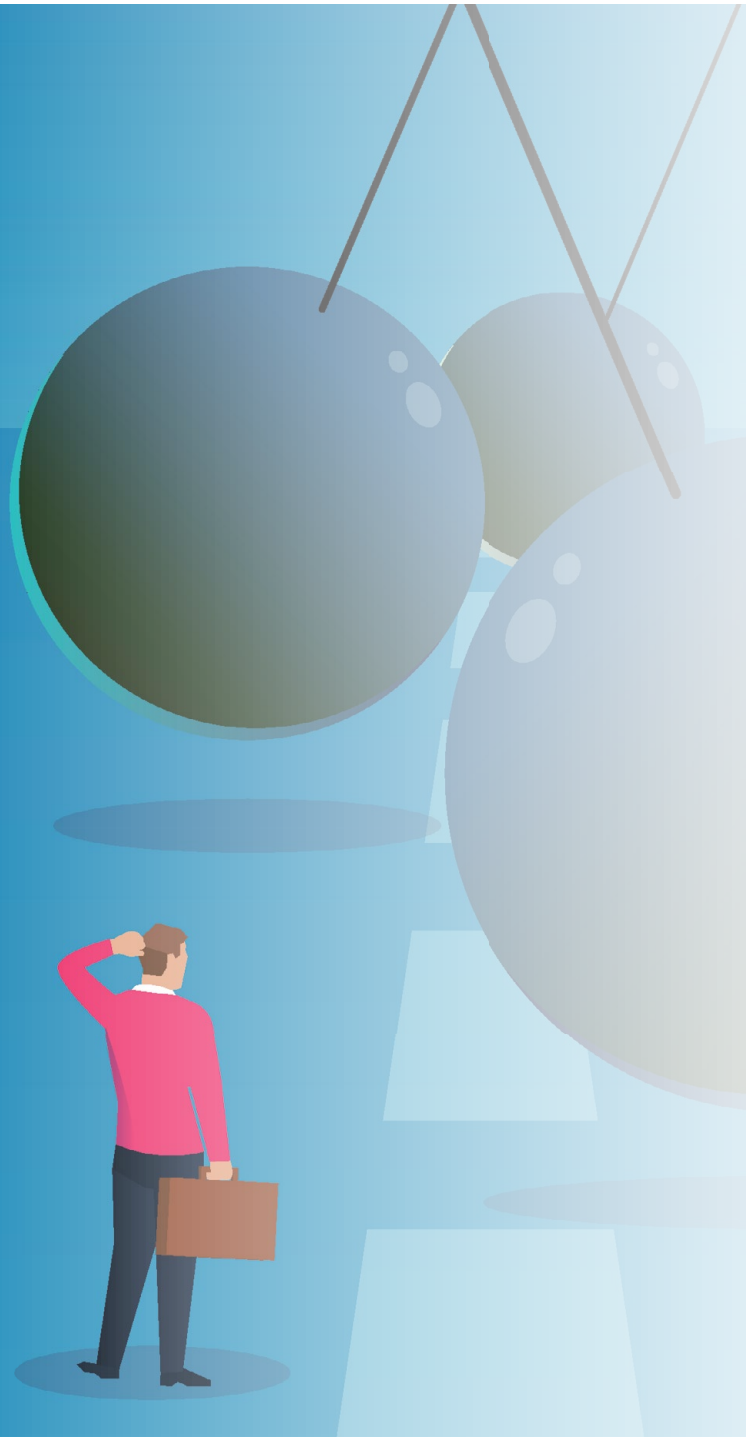
This is difficult to do, especially if previous projects have been turned down. The key is articulating how this project aligns to the strategic business objectives outlined by executive management and how to communicate it into business terms they understand, without the IT jargon to those who are already grappling with several competing priorities. See examples below to move from an IT centric business case to a business centric one.

Move from IT centric:

THE OBSTACLE	APPLICATION	ISSUE	ADDRESSES	RESULTS
What does it do?	Advanced Product Quality and Control	Problems with Quality	Workforce Inefficiencies	Time Savings

To business centric:

THE OBSTACLE	THE WAY	THE RISK	THE IMPACT	THE RESULT
What does it do?	Enterprise Change Management	Customer & Financial Risk	Sales Decline, Cost Inefficiencies	Customer Satisfaction, More Developing Product instead of Paperwork



OBSTACLE 4: PROJECTS ARE TOO BIG OR TOO SMALL

Now that your priorities are in place and you're aligned with the business, it's time to execute. But this introduces another common obstacle—projects may be too big, and never end, or too small and not make the intended business impact. This first set of projects will help with long-term digital transformation efforts, so it's important to determine if they are at the right level to affect business objectives.

The best approach to determine if your digital transformation project is "right-sized" is through Minimum Viable Products (MVPs) or Proof of Concepts (POCs). For those not familiar, both approaches demonstrate a certain set of processes or an application idea in order to test its feasibility—this helps gain business acceptance. This study will help you prove to executive leadership that the project can address the risk, impacts, and results to support business objectives, while minimizing risk of project failure.

Approaches to "right-sizing" can consist of:

1. targeting high risk areas such as an integration to a specific application
2. prove an overall strategy such as a process that goes across several functional areas
3. do a deep dive into a specific area like Project Management, or
4. can be used to test new ideas.

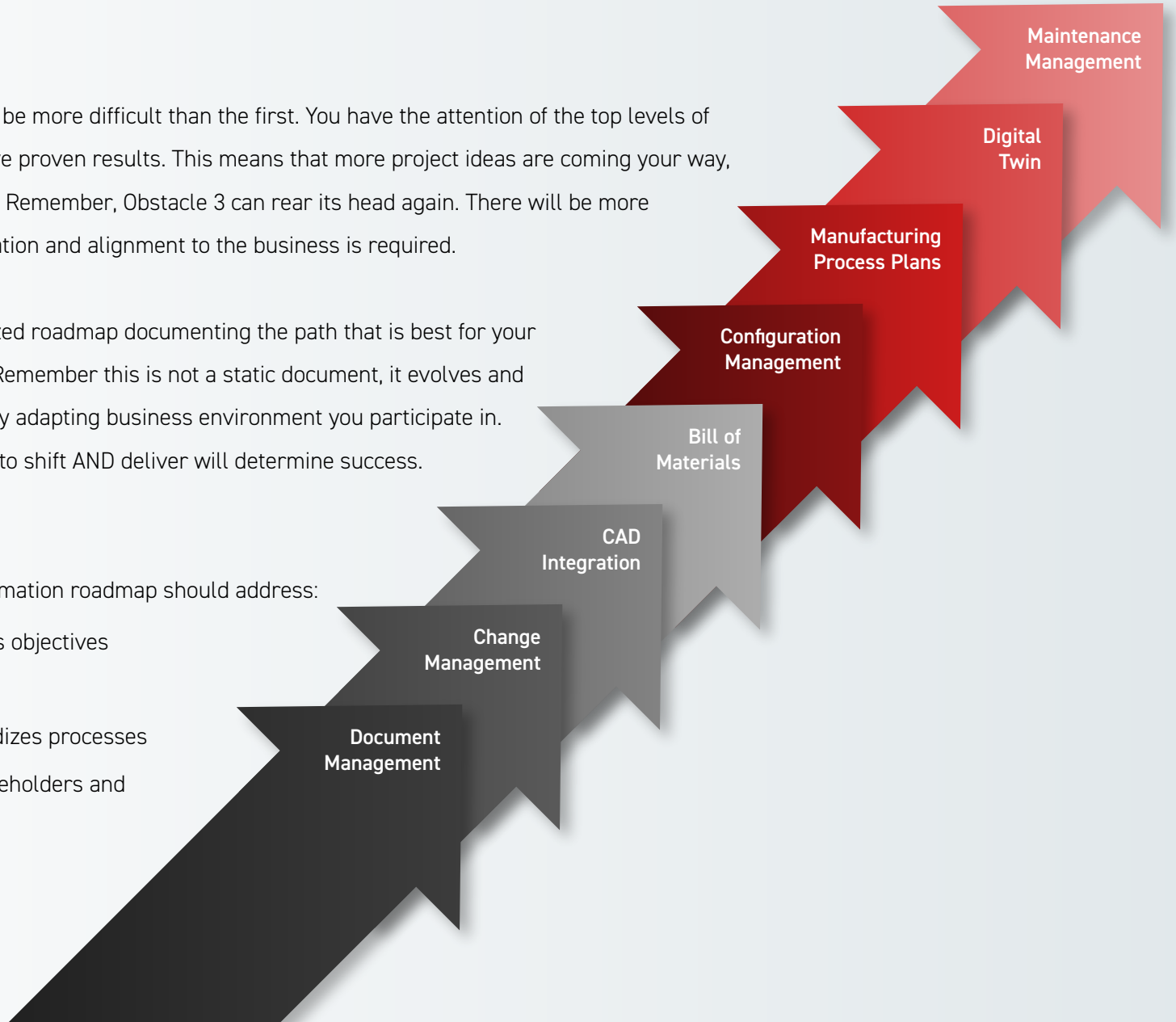
You will know the project hit the mark when it is deployed, has proven to solve "what must change," and is tied directly to solving, in whole or in part, to one or more business objectives. This success will lead you toward the next step on your digital transformation journey.

OBSTACLE 5: NO CLEAR ROADMAP TO WHAT'S NEXT

It's 6 months from now, you are a well-oiled machine, you just did a proof of concept for your first "right sized" digital transformation project, aligned to the business, and it has made impactful change. This isn't the time to relax! It is time for what's next.

In fact, deciding the next project will be more difficult than the first. You have the attention of the top levels of executive management now and have proven results. This means that more project ideas are coming your way, like a tsunami. This is good and bad. Remember, Obstacle 3 can rear its head again. There will be more competing priorities now, so justification and alignment to the business is required.

This is best done through a centralized roadmap documenting the path that is best for your company to sustainably transform. Remember this is not a static document, it evolves and should be flexible to the continuously adapting business environment you participate in. It can change often, and your ability to shift AND deliver will determine success.



RINSE AND REPEAT:

Each project on your digital transformation roadmap should address:

- Priority in relation to business objectives
- Value to the business
- How it improves and standardizes processes
- Communication—engage stakeholders and decision-makers

"With Aras, we believe we will realize the benefits of the digital thread sooner, at lower cost, with a platform that can transform with NuScale. The unique architecture easily adapts to meet the changing processes and business requirements of our company and industry. Customization is not only allowed, but encouraged, with solutions tailored to our needs, rather than tailoring our processes to the software."

- Neil Oliver, Director of Corporate Service, NuScale Power

CONSIDER A RESILIENT PLATFORM FOR INDUSTRIAL APPLICATIONS—ARAS INNOVATOR

At its core, the Aras Innovator Platform is an innovative model-based technology and a modern service-oriented architecture (SOA) that allows companies to develop and modify applications, processes, and workflows far more easily than traditional systems that take a hard-coded approach and struggle to adapt. Applications are built and modified using a visual approach via the Aras Modeling Engine and models "subscribe" to the services they need, which ensures easier upgrades and the preservation of customizations. In fact, subscribers have their upgrades completed for them by Aras in a matter of weeks.

In addition, the Aras Platform supports an open architecture, including open standards, APIs, and connectors, ensuring the platform easily integrates with other enterprise applications and legacy systems. This open architecture does not compromise your security in any way—our platform was developed with network and data security as a top priority.

A world of unprecedented market uncertainty requires resiliency and flexibility to adapt. Using the Aras Innovator Platform, which is open, configurable, and continually upgradeable will help build a sustainable path forward, with fewer resources, in less time and with better outcomes—it's time to build your future with Aras.

Aras provides a resilient platform for digital industrial applications. Only Aras offers open, low-code technology that enables the rapid delivery of flexible, upgradeable solutions for the engineering, manufacturing, and maintenance of complex products. Aras' platform and product lifecycle management applications connect users in all disciplines and functions to critical product data and processes across the lifecycle and throughout the extended supply chain. Headquartered in Andover, MA with major offices throughout the world, Aras supports more than 350 global multinational customers and over 250,000 users. The Aras Innovator platform is freely downloadable. All applications are available at a single subscription rate, which includes all upgrades performed by Aras. Aras customers include Airbus, Audi, Denso, GE, GM, Honda, Kawasaki, Microsoft, and Nissan.

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