Avoiding the Pitfalls of Large-Scale Digital Transformations

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By Rodney Taylor, CGI Director

Federal agencies often need to undertake large, costly, digital transformation efforts to fill ever-growing needs, such as customer demand for better service or escalating challenges in carrying out mission-critical activities. With increased transparency into federal spending, there is considerable public pressure for these transformation projects to be successful. However, while these projects promise long-term efficiency and cost reduction, they often don't deliver on those promises.

A government agency's complex organizational structures entail the involvement of multiple stakeholders and a long list of ever-changing regulations to follow. These influences can make it very difficult to keep technology, processes and people aligned. Thus, many large-scale public sector implementations struggle to manage these complexities and end up with breakdowns in technology, project management or change management.

Choose the Right Solution

Before federal agencies can begin discussions around project management or change management, they must determine what their needs are and select a solution that meets those needs within the allotted budget. Although many vendors promise to deliver tailored solutions that meet agency needs there is variance in how each solution accomplishes this. Agency leaders should take time to thoroughly research the market and current technologies. Without an understanding of how they can use various technologies, agencies risk wasting precious time and resources on tools not truly within scope.

A poor solution choice starts the project on a bad footing. To compensate for the solution's shortcomings, agencies must develop workarounds to cover the missing functionality, or else expend additional resources to customize the solution.

Implement Effective Project and Program Management

Project management drives a project through its life cycle, from initiation through project completion, with a focus on the needed processes and activities. Good project management helps agencies stay in line with progress milestones, stay on budget, and design a system that truly meets the needs of their customers. Without an agency's commitment to project management and choosing someone specifically dedicated to managing project milestones, projects often struggle to stay on time and under budget. Here are some of the pitfalls that lead to failure among large scale implementations:

- **Lack of clear goals and measures of success:** Without targets and milestone metrics, large agencies are likely to implement functionality they do not actually need or leave beneficial functionality unused. '

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- **Ineffective communication:** Communication gaps can occur at many different levels of an organization and often camouflage major problems. Engagement with stakeholders aids in defining requirements. Project planning teams and implementation teams must communicate in order to establish realistic milestone dates. Project teams should stay in touch to track and mitigate risk. Lapses in any of these allow small issues to grow into formidable obstacles.
- **Scope creep:** The scope of a project defines the work that will be required in order to complete it. Scope creep happens when the project starts to expand beyond what was initially planned. Often this is the result of customers learning more about the solution and requesting additional features. Other times it is due to unilateral decision making by leadership to add a new feature or go in a different direction. This issue is undoubtedly tied to lack of initial goal setting and poor communication. Without consensus
amongst all stakeholders on where the project is heading and what is important projects balloon in size and end up too complex or too expensive to implement.

The Program Management Office (PMO) plays a significant role for many agencies undertaking a digital transformation. The PMO can help guide transitions as the shepherd that understands the agency's context, acting to maximize the overall effectiveness and efficiency of the transformation journey. The exact nature of an agency's digital transformation journey depends heavily on the degree to which it engages directly with its constituents.

Although digital transformation projects start with good intentions, often targeting cost savings or efficiency improvements, poorly planned and executed digital transformation strategy can end in a disaster that misses all the marks. Some elements of an effective program management-led roadmap include:

- Running digital awareness sessions with the leadership team to galvanize support and provide a common view on the digital opportunities/threats

- Performing an enterprise value assessment to quantify operational impacts

- Establishing a critical information assessment to enable the IT aspects of the transformation

- Launching experience studies to confirm key segments and program opportunities

- Undertaking digital maturity assessments to ensure the agency, culture and programs are set up for success

An effective PMO will develop a digital strategy to transform an agency, driving efficiencies in current services and uncovering new opportunities to achieve operational excellence. The right digital strategy optimizes the agency's operations, reducing costs and creating an agile enterprise ready to respond creatively to changing preferences.

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Prepare for Downstream Impacts of Digital Transformation

Experience shows that change management is perhaps the most important ingredient in implementing a successful transformation. Enterprise Resource Planning and major IT transformation projects bring multiple dimensions of change— technical, structural, and human. However, technical change is progressing faster than people can adopt and adapt. Agencies that don't proactively consider the downstream impacts of decisions made during the implementation process face significant internal resistance when end users are blindsided by changes, even when they are excited about the prospects of a new system.

There are many change management best practices that agencies can follow to better their chances for success. These four provide a good starting point:

- Plan and incorporate change management into every transformational project. Even the best technology will not deliver the intended value if people don't engage with and adopt the new ways of working. An effective change management strategy that focuses on people will help them understand the importance of the change and commit to supporting it.
- Encourage the adoption of the technology throughout the process with communications and training. Important: Customize the training and communications to stakeholders based on their job roles. One-size-fits-all approaches rarely fit anyone well.
- Build sustainable, repeatable approaches and methodology when planning a project. As technology and process change continues, these projects will be a regular occurrence; repeatable processes will make future ones easier.
Examine the magnitude of multiple changes that affect end users. If too much changes too quickly, fatigue and sense of being overwhelmed can set in. In these cases, constant communication, continual end user measurement and feedback, effective training, and agile principles will help end users stay focused.

Choose an Experienced Strategic Partner

No implementation is free from issues. The key is preventing isolated issues from impacting the larger implementation. Proactive action— identifying likely sources of problems and developing a plan to resolve them ahead of time—can be the difference between a project schedule needing to be pushed back a day or two and delays of weeks or months.

How can agencies prepare themselves for the transformation challenges they are likely to face? After identifying the right technology, select a partner who has successfully led other large agency transformations and who can offer insights into how others have been able to confront their transformation challenges. The right partner understands the complexities of the agency and knows how to apply the technology to best support the agency's mission while also achieving the overall benefits from the transformation. They are an integral part of avoiding many of the pitfalls agencies face. Here are some questions to ask when searching for the right partner:

- **Mission focus:** Is your potential partner providing a clear definition for your digital strategy that aligns to the mission?
- **Operational impact:** Can the partner develop a clear business case that will help you identify value upfront, enabling you to

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predict the operational and cost efficiencies you can expect from your digital investment?

- **Cultural change:** Can your partner adequately map out the required cultural and personnel change plans to ensure digital changes are embedded and actionable throughout your organization?
- **Prioritized imperatives:** Is your transformation partner able to identify a range of operational imperatives— opportunities that already exist in your agency to achieve mission excellence, reduce costs and improve efficiency— and work with you to decide which levers to pull first?
- **Using digital enablers:** Can your partner use enablers such as data analytics, Internet of Things (IoT), cloud computing automation, mobility, social media and more to create a people-centric culture, develop people and technology in support of a more agile digital future and design new secure operating models that leverage greater connectivity and digital insight?

Conclusion

New technologies have changed the way Americans expect services to be delivered to them, whether those services are from the public or private sector. Embarking on a journey to digital transformation will help ensure that federal agencies can not only meet the needs of Americans, but also help improve their efficiency, decision-making and reach, all of which go into providing an improved user experience. But digital transformation is a highly complex endeavor, and understanding the pitfalls and best practices alone isn't enough. It's possible for an organization to succeed at digital transformation on its own, but the path is difficult. An experienced partner utilizing the right mix of solutions and executing on a well-developed strategy, can make the endeavor much less daunting.

[This article was published in PSC Service Contractor Magazine.](#)

Rodney Taylor is a Director in CGI Federal's Security, Assistance, Justice and Health business unit.

He brings over 20 years of finance and accounting experience in both the public and private sectors.

Rodney helps clients with financial and budget system implementations, business transformations, and helps finance executives address the most critical priorities to support and create value for the business.

He is a Certified Government Financial Manager (CGFM) and a Project Management Professional (PMP).

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cgi.com/digitaltransformation
Email us at info@cgi.com