all effective changes

How to effectively manage in the Digital Era

INTRODUCTION

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First article of the range which guides management on how to effectively manage in the Digital Era.
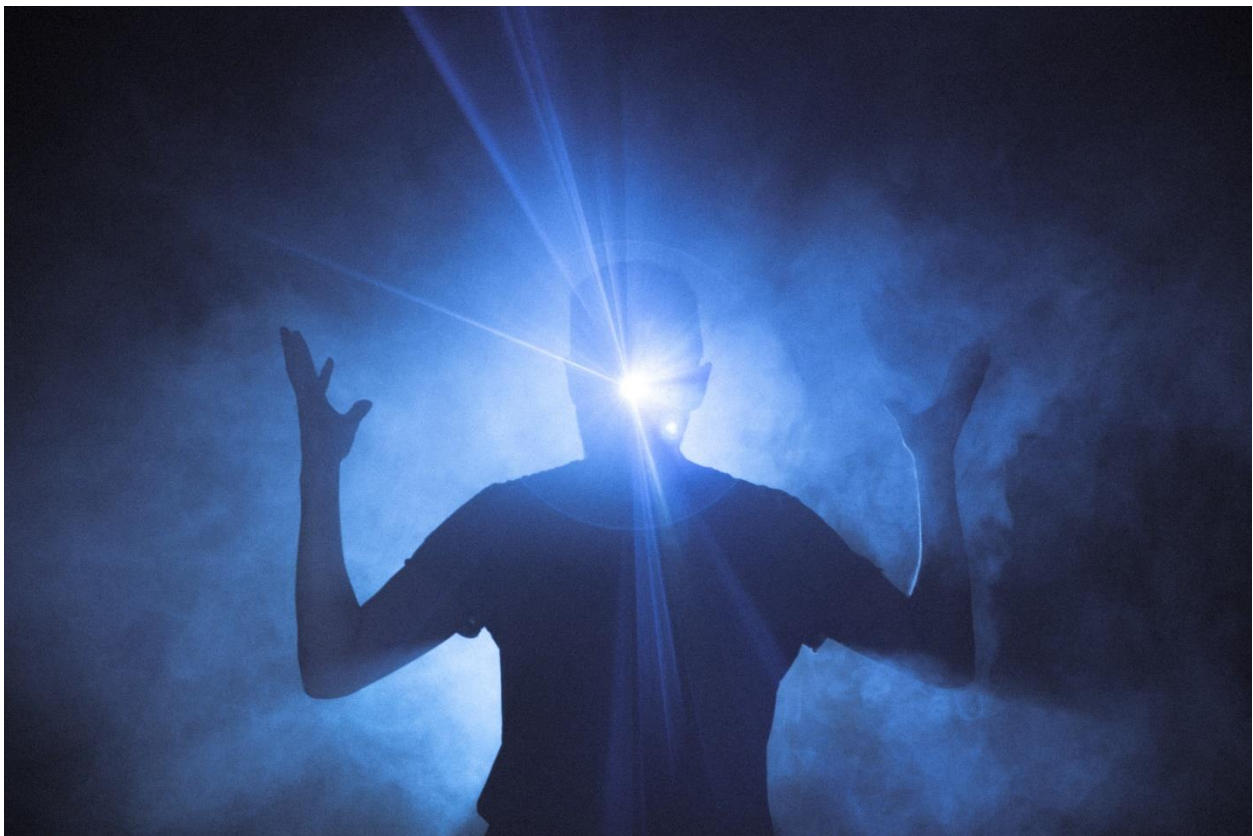
Photo Pexels: Artem Kovalev

Summary:

The article range explains what can be done to be ready for the Digital Era. By following pragmatic steps, management can prepare themselves to manage effectively in the Digital Era. It enables them to take back control of the complete Portfolio, Program and Project environment across silos and thus making their companies far more profitable and sustainable into the future.

Making the $900 Billion hole of the failing Digital Transformations substantially smaller by changing the way they manage and thus being effective!

What are the researchers saying?

In the article **'Why Digital Transformations Fail: Closing The $900 Billion Hole In Enterprise Strategy'** of Forbes[1] they state that:

'This year enterprises are expected to invest $1.3 trillion (USD) in digital transformation initiatives to apply digital capabilities to improve efficiencies, increase customer value and create new monetization opportunities. Tragically, research tells us that 70% of these initiatives will not reach their stated goals. That equates to over $900 billion worth of spend that will miss the mark. This is mismanagement on a colossal scale.
This 70% failure is caused by the following core problems:
a)   Team work is forgotten in business transformations
b)   There is no system of record for work'

In the **'Cross-Silo Leadership'** article of the Harvard Business review of May-June 2019[2] they state that:

'Though most executives recognize the importance of breaking down silos to help people collaborate across boundaries, they struggle to make it happen. In today's economy everyone knows that finding new ways to combine an organization's diverse knowledge is a winning strategy for creating lasting value. But it doesn't happen unless employees have the opportunities and tools to work together productively across silos.'

One of the key findings from the Forrester® paper **'Consulting Thought Leadership Paper Commissioned By Smartsheet from October 2018 with the title: Deliver On Top Business Objectives With Collaborative Work Management'** was:

'Projects are failing due to challenges across culture, technology, and process. Traditional toolsets are inflexible and can't keep up with the changing nature of project delivery. The most mature organizations exhibit project management best practices, turning to collaborative work management tools to differentiate and achieve business objectives.'

In the Gartner® report: **'6 Practices for Effective Portfolio Management Published 3 September 2020 - ID G00725554'** they state as one of the key challenges that:

'A lack of integrated portfolio management across a variety of digital business practices (i.e., projects, products and programs) causes limited visibility to interdependencies, risks and change impacts'

In the article of McKinsey Digital[3]: **'Managing large technology programs in the digital era'** they state:

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[1] https://www.forbes.com/sites/forbestechcouncil/2018/03/13/why-digital-transformations-fail-closing-the-900-billion-hole-in-enterprise-strategy/
[2] https://hbr.org/2019/05/cross-silo-leadership
[3] https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/managing-large-technology-programs-in-the-digital-era

'Every IT executive wrestles with implementing large technology programs.[4] In fact, two out of three large programs regularly exceed initial budgets, miss schedule estimates, and under deliver against business objectives and benefits, often by significant margins.[5]
Our past research has found that 25 to 40 percent of programs exceed their budget or schedules by more than 50 percent.'

Conclusion regarding the Researchers' findings:

The researchers are saying that most of the larger Programs will fail and on top of that a substantial 25 to 40 percent of them will exceed their budget and/or schedules by more than 50 percent. Furthermore they say that it is almost impossible to manage effectively across silos and boundaries especially when it comes to interdependencies. The traditional toolsets can't keep up with the changing nature of project delivery. This combined will come with a heavy price tag for any company with substantial sized Programs.

What is the current picture?

Looking at what the researchers are saying one can conclude that it is a very grim picture we are dealing with. The larger Programs are crucial for a company's future and very often of their survival and 70% of them failing and exceeding budget and time, is a dangerous position to be in.
One of the researchers is even stating that this is mismanagement on a colossal scale.
Looking into that with a bit more depth one can see that there is hardly anything management have to their disposal to really manage across silos and the interdependencies between them. They are trying to manage across silos while they are relying on historic data consisting of detailed data, spreadsheets, PowerPoints and financial data. They are also using traditional toolsets to keep control on the environment. However they are not management tools but tools for program/project managers to manage their detailed tasks. This explains why so many programs are failing and exceeding budget and time since they have no toolsets available specific for management to manage to complete cross-silo environment. Even the researchers are just talking about the right people to do the job and setting the right prerequisites to improve the results.
Management is in need of solutions that are capable to manage across silos, lift the boundaries, link the interdependencies, proactively manage high level deliverables, and have an automatic change process. These solutions should be flexible enough to keep up with the changing nature of project delivery and allow management to manage on the basis of a reliable overview and transparency. None of the researchers is talking about them since everybody accepts that there are no solutions available.

However there is one existing Boundary Lifting Management Application called ProActive®[6] that is just created for that purpose.

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[4] While there is no standard definition of a large technology program, more than $25 million in one-time investment can serve as a useful threshold.
[5] Michael Bloch, Sven Blumberg, and Jürgen Laartz, "Delivering large-scale IT projects on time, on budget, and on value," October 2012, McKinsey.com
[6] A Boundary Lifting Management Application is a Transparent Management Application which is lifting all existing Boundaries and has 24x7 dashboards with automated triggers, connecting all Portfolios, Programs and Projects Cross Silos into one single source of truth. ProActive® of All Effective Changes is such an Application https://proactive.global and https://effectivechanges.com/tools

Conclusion

It is clear and of great importance for management to be in control of the complete Cross-Silo Portfolio, Program and Project environment, in order to steer their Company effectively into the Digital Era and to narrow the $900 Billion Hole of failed Digital Transformations. Thus preventing that 25% to 40% percent of strategic Programs are exceeding timelines and budget with more than 50% or even worse fail. This is not only valid for large companies and corporations but also for small/medium companies, profit or non-profit, mature or not mature. Managers that are capable of making the Transformation to an Effective Digital Era Manager will save any company a substantial amount of money and will give the company a competitive advantage by being more sustainable and profitable.

The article range of 'how to effectively manage in the Digital Era', explains how management can make the shift in a pragmatic way, so that companies can achieve their goals needed for the Business to survive and grow. All of this supported by tools and aids based on a proven and practical methodology[7].
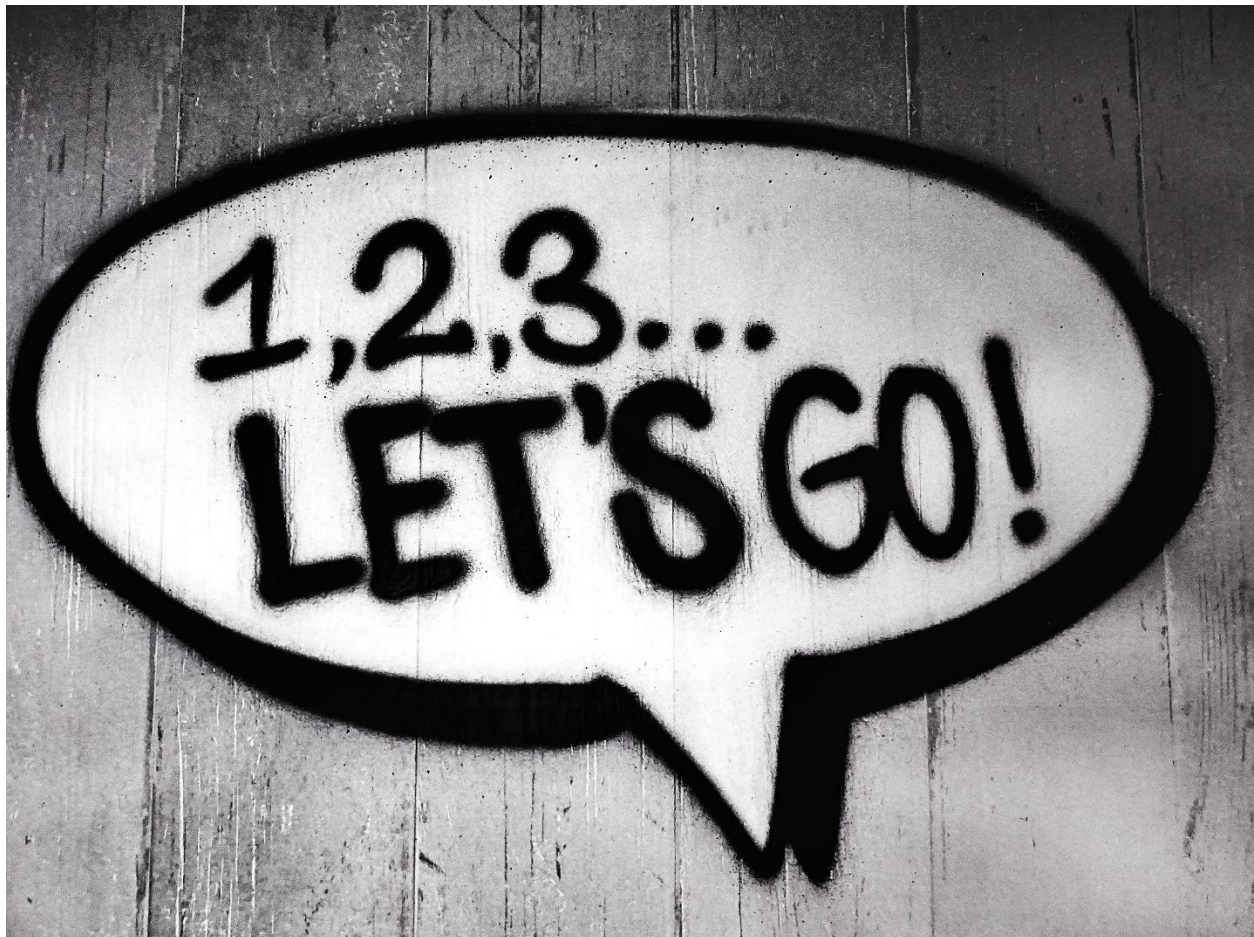

Photo: Pexels Sevenstorm Juhaszimrus

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[7] The book: 'step by step Realizing a Successful Digital Transformation to Industry 4.0' ISBN: 978-94-91779-14-5 describes the methodology. https://effectivechanges.com/book

Article range on: How to effectively manage in the Digital Era

1. **What needs changing to manage effectively?**

   This article explains the challenges for VPs and managers, why projects fail, what the frameworks are, what all projects have in common and what the real responsibilities are of management.

2. **Management based on trust and overview.**

   This article explains why management should be based on trust and overview. It also will show why details and micromanagement will not be successful and why empowered teams are key. Monitoring progress on high level management items is crucial to be successful.

3. **What supports the management with their challenge?**

   This article explains which key ingredients are needed to succeed and what management has to their disposal to support them with this challenge.

4. **How to start making the difference.**

   This article explains what can be done to change direction and bring in the structure needed to making the difference. These are pragmatic steps based on years of experience.

5. **Fixing the basics.**

   This article explains how to fix the basics in a company and where/how to start doing this.

6. **Effectively manage across silos.**

   This article explains the difficulties to manage across silos and the challenges it has. It also will explain what needs to be done to manage effectively across these silos.

7. **Effectively manage Agile environments.**

   This article explains the difficulties to manage Agile environments and the challenges it has. It also will explain what needs to be done to manage these Agile environments effectively.

8. **Effectively manage mixed environments.**

   This article explains the difficulties to manage mixed environments and the challenges it has. It also will explain what needs to be done to manage these mixed environments effectively.

9. **The Digital Era Manager.**

   This article is the last one of this range and it explains the role and responsibility of the Digital Era Manager, what is needed to be the right leader with the right mindset, what kind of Team does the manager need and how to manage in the Digital Era.