



CC45 Transformation to Digital



Centres of excellence club

citi



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Introduction

Transition to digital is a topical theme for many businesses and organisations.

The opportunities offered by digital are driving many organisations to invest heavily in digital and this formed the topic of CITI's 45th Centres of Excellence networking event held at Lloyds Banking Group offices on London Wall. In attendance were many leading organisations, both private and public, giving rise to an interesting and informative day that looked at the changes required for organisations to transition to a more digital operating model and secure the benefits it offers.

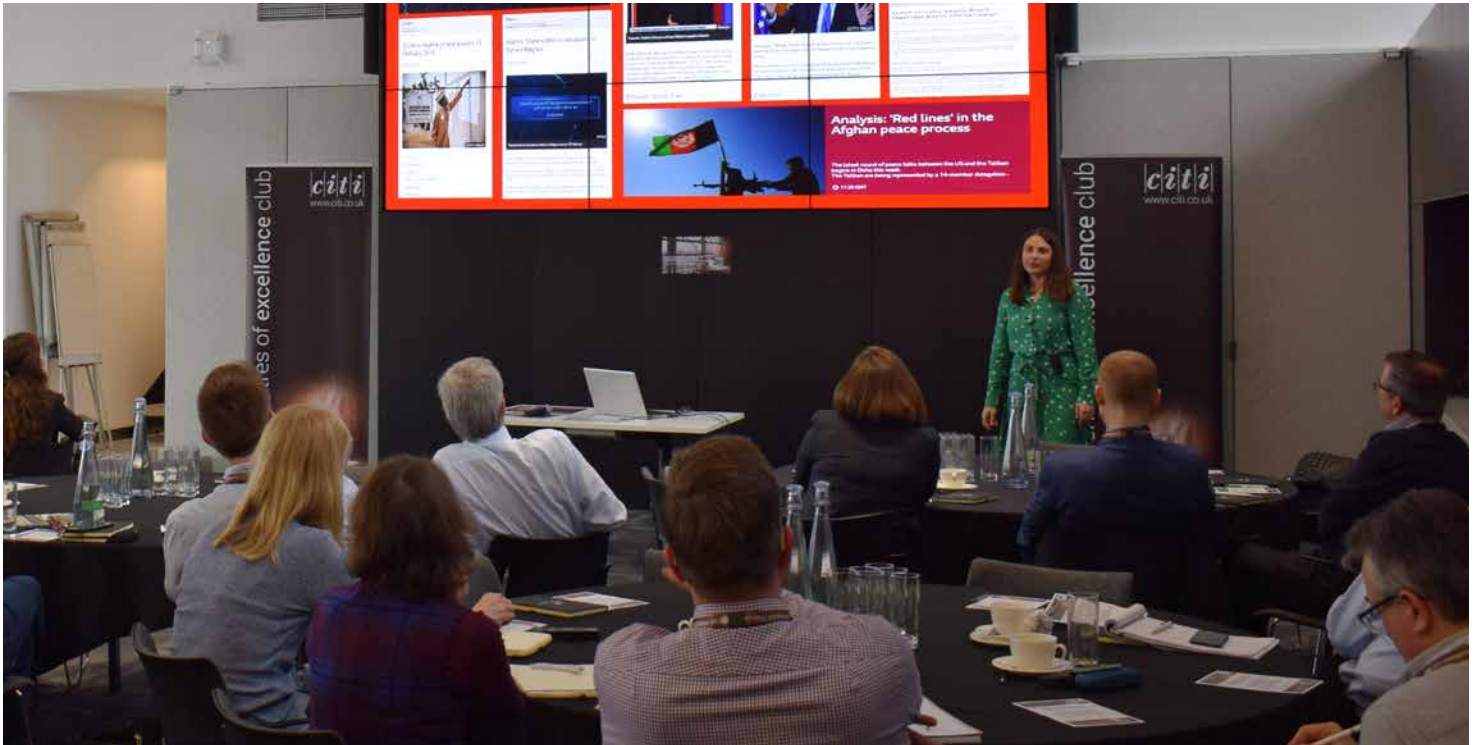
The day heard from Charlotte Eimer of the BBC who outlined a digital change programme undertaken in BBC monitoring. Justin Watts of Lloyds Banking Group explained the important role of the customer in designing digital solutions whilst Graham Jennings of CITI outlined an approach to managing the changes associated with a digital transformation programme.

Complementing the presentations were three workshops looking at different aspects of the digital transformation journey.

If your organisation is considering, or has started, its change journey to a more digital operating model then this summary document of the 'Transition to Digital' networking event should provide some valuable insights.



Steve Culy
Senior Programme Manager at Lloyds Banking Group



Going Digital: Bringing agile to the newsroom

Charlotte Eimer, BBC News

Charlotte presented “Bringing Agile to the Newsroom”. She explained how the BBC Monitoring service came into being during the late 1930s providing curated news reports on what the worldwide media is saying.

The challenges facing BBC Monitoring were; its legacy technology, competitors were growing and advances in technology meant that a wealth of information, deployed and presented in various formats was becoming widely available and accessible through new platforms and devices.

Unfortunately, BBC’s analogue operating systems, restricted budgets and cynical journalistic workforce meant change felt like “pushing a rock up a mountain”.

The BBC Monitoring service and the change team within it recognised that technological advances and evolution meant they were always trying to keep up with others and that there needed to be a shift in approach to see “change as a social movement” whereby they convinced early adopters of change to join them in their quest to change culture.

The use of Agile was important as it meant they were able to make smaller, iterative changes towards digital journalism and hold “show and tell” sessions within a very inclusive environment.

This compelled others to join the change journey and provided quick wins for senior executives to realise benefits quickly, which meant further funding was released. All changes aligned with the business objectives, strategy and vision ensuring people really bought into the change journey. <https://citi.co.uk/cc/45/CE>





Better digital from better method...

Justin Watts, Lloyds Banking Group

Justin explained that digitalisation is most usefully seen as an enabler. He quoted from the Standish Report which concluded that 50% of all that is delivered through Agile is never used. The reason for this is that the problems were never fully understood in the first place.

Successful transformation can only be achieved by people, not things.

Technology is seen as a silver bullet but this is to misunderstand what it can

achieve. Our problems have not been caused by technology - they have merely compounded our errors.

Justin discussed how use of new technology can often create work; for example, additional communications are required to provide clarity when initial communications and thinking were unclear.

Technology is often seen as a cost-reduction tool and not seen as

a value-add. The wrong use of, or discussions around IT, will compound wrong thinking.

Justin advised that it is important to:

- find out what the real problem is
- use the right method for the right project – using Agile may not be the most appropriate or only approach and remember
- digitalisation is only an enabler!

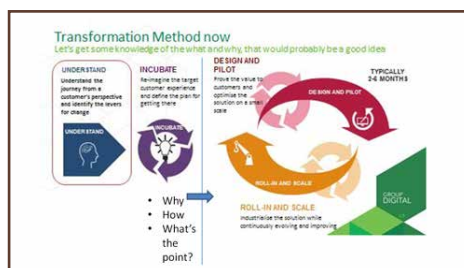
Click to view <https://citi.co.uk/cc/45/JW>

Our problems are the same as they have been

- Our problems have not been created by technology. (but it has made it worse)
- Tech has been a silver bullet for many years, but the wolf is not dead
- Tesla v Toyota... a direct correlation between automation and quality reduction
- What we have learned is every time you start with TECH it doesn't work

The transformation can only be accomplished by man, not by hardware (computers, gadgets, automation, new machinery). A company can not buy its way into quality.

Source: quality-deming.org/10138







Transformation to Digital: Managing Change

Graham Jennings, CITI

Graham looked at the management of change associated with digitalisation. With significant benefits being offered by a digital operating model many businesses are being compelled to undertake major change, often at levels unprecedented for the organisation.

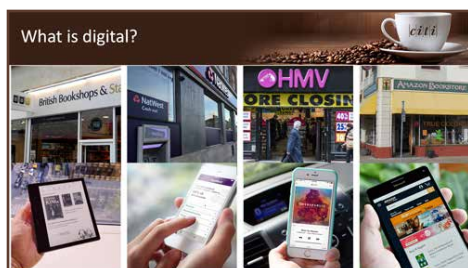
Effective management of all aspects of the change is critical to ensuring the desired digital operating model is achieved and, importantly, the anticipated benefits are realised. In transitioning to digital,

businesses can become too focused on technology, placing insufficient emphasis on the wider business implications.

Graham stressed the importance of considering the wider changes required, beyond just the technology, from outset, to ensure any digital transformation programme is successful. Managing the transition to digital as a wider business change programme requires a proven and pragmatic approach. Graham looked at the significance of understanding the

organisational environment to ensure the key dimensions of a change programme - the governance, people and delivery aspects are fully considered, planned and implemented.

His discussion was framed by CITI's Change Diamond® which ensures that the wider change journey from strategy to operations is managed – to ensure that it is 'wanted', 'happens' and 'sticks'. Click the following link to view the full presentation <https://citi.co.uk/cc/45/GJ>



Online polls

To further inform and enhance the discussions on the day, an online poll was undertaken to understand where the participants organisations might be on their journey towards digitalisation and the key drivers for embarking the change.

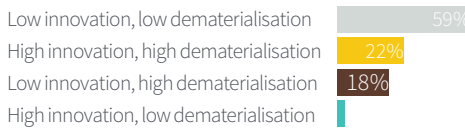
Poll one

Which method have you recently used for music?



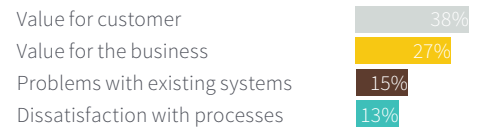
Poll two

How digital is your organisation now?



Poll three

What is the 'to be' position for your organisation

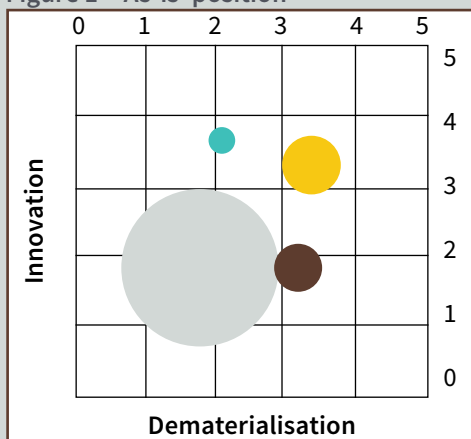


Question 1 was designed to set the scene and understand each participant's personal adoption of a digital environment. As can be seen, significant use is being made of streaming – demonstrating how when the benefits are understood and the 'what's in it for me' (WIIFM) is clear, change can be highly successful. So how can we replicate this in our organisations?

Question 2 explored the current (As-Is) positions of the participants' organisations using the parameters of dematerialisation and innovation, as two key characteristics underpinning decisions for considering digital transformations. The graph shows significant variability in current positions – with some organisations perceived as being further on their journey than others.

Whether this indicates that some have completed their major transformations and are now in continuous improvement

Figure 1 - 'As-is' position

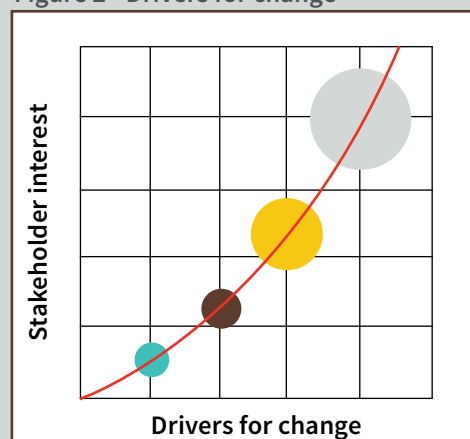


cycles or are still on their journey is another question. But, in either case, further change is inevitable!

Question 3 looked at the investment proposition and organisational motivation for embarking on their digital transformation change journey. Overwhelmingly the response was 'value', whether this was to add value to the customer or value to the business (regardless of whether this might be financial or non-financial). Internal problems and dissatisfaction with the status quo – although clearly critical to internal users - did not appear to be, in isolation, strong drivers for transformative change. They also tend not to attract the same level of senior stakeholder attention and interest – and consequently involve less complexity and management challenges. (see figure 2)

Understanding the underlying reasons for,

Figure 2 - Drivers for change

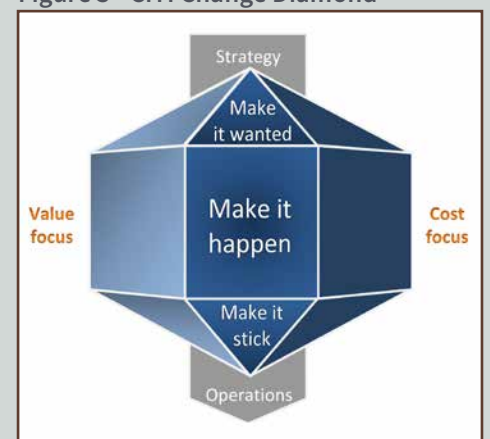


and extent of, the change and the value to be gained, ahead of embarking on the journey is central to achieving a successful return on investment and change. These are key drivers for the business and senior stakeholders – if achieving these involves fixing the problems with the current systems you have a core WIIFM for those involved with the change on a day to day basis. A win – win!

With the opportunities of increased value for the business and its customers being offered by digitalisation and scope for organisations to progress on their digital transformation journey, inevitably there will be a significant amount of management needed including, planning, stakeholder engagement, communications.

The three workshops, detailed on the following page, considered aspects of managing change.

Figure 3 - CITI Change Diamond®





Workshop one

Optimising governance, people and delivery aspects of implementing change

Transitioning to digital often involves significant amounts of change and this workshop explored the best way to manage that change using the organiser of Governance, People and Delivery.

Governance: The workshop reviewed the importance of governance for implementing change successfully and concluded that one of the biggest challenges often faced by programmes, especially those involving agile approaches, is alignment with organisational governance requirements. In the absence of alignment, for example, programmes often resort to translating reports so they can be recognised by organisational governance bodies. Not only

does this carry the burden of additional work but more importantly carries the risk of confusion during the translation process which is counter to the clarity demanded by good governance. In view of this, such translation can only be considered a temporary solution to the need to align organisational and programme governance.

People: The workshop was quick to unanimously assert that change programmes are heavily reliant on their programme teams for the successful implementation of change. It considered the key areas that need to be taken into account when building a change team, making use of the good practice being

shared by participants. This included a number of factors such as nurturing new teams, developing new working practices, blending skills from across the organisation and communication and listening. In conclusion, the workshop agreed that building successful change teams requires considerable focus on a number of key factors and cannot be taken lightly.

Delivery: The workshop was in strong agreement that demonstrating quick wins is a delivery priority for change programmes. It builds trust with stakeholders and strengthens their engagement, allowing the programme to undertake more ambitious change as it progresses.



Workshop two

Communicating digital opportunities clearly to senior executives

Senior Executives make investment decisions based on the information provided to them by key programme and project specialists. They need to understand the problem they are solving and the benefits that will achieve by solving those problems.

Effective and sustainable change can be supported by digitalisation but as part of the solution rather than the catalyst.

The groups within this workshop addressed how senior managers and sponsors are assured that they are receiving relevant and important information to support sound investment decision making and that there will be a

benefit from implementing technology or the change.

The general consensus was that understanding the real problem and its verification with subject matter experts within the business, potential end users of technology and those who work with current processes to identify and confirm significant improvements to the current state is critical. Ensuring there is buy-in from those individuals to ensure they are on board and willing to participate in the change journey is also essential.

All three groups decided that getting the message right was paramount, understanding the audience and

communicating adequately with them would also be crucial factors to ensure the change and technology would be well received and wanted.

A clear understanding of the business case and benefits that should be realised, ensuring that it continues to be valid is pivotal for senior executives decision making. “What’s in it for me?” is the key question. Therefore, a variety of messaging appropriate to the various audiences will help to endorse the change and gain early momentum with the end user groups.

Communication is key! Not only for senior sponsors but also for the wider community.



Workshop three

KPIs for measuring the true value of digital

The group considered how KPIs are used in relation to assessing digital performance. KPIs were considered from two perspectives as leading indicators which concentrate on preventive measures and future performance, and lagging indicators, which refer to events that have already happened. Although the latter are clearly easy to measure, in terms of future performance they are harder to improve or influence.

Technological innovation, competitive pressure and increasing customer expectations mean businesses are rethinking how to use key performance

indicators (KPIs) to lead and manage their activities. Consequently companies are using increasingly sophisticated data-driven and analytically innovative approaches to support maximising the impact of their KPIs towards benefits realisation.

The group considered that the best KPI to use is one that is related directly to your main business goal. If you are eCommerce, it is revenue. If you are B2B, it can be in a number of different measures. A key indicator can be viewed within the context of the customer preferences.

As KPIs should be actionable the group considered how it is important to understand the behaviours they drive. This was considered in terms of web activity, including, among others: hits on page, return visits, time spent on site, beneficial outcome, highly personalised/relevant, linking bookings (connections, flights, activities), increased user base, wider user validation.

Leading indicators can be tracked and influenced actively to improve business outcomes by providing early warnings for corrective actions or guidance for positive development options.



Summary of the day

CITI's 45th CofEe Club was held at Lloyds Banking Group's impressive offices at London Wall. It took place on the 17th floor with fabulous views across the city providing an impressive backdrop to the day's activity.

Our theme was "Transformation to digital". While flexibility and time-to-market advantages of digital working are clear and attractive, being able to achieve these at pace often presents its own significant change management challenges.

Our speakers drew on recent personal experience to illustrate a number of practical approaches. Legacy problems (both strategic and technological) create significant barriers to effective transformation and all speakers concluded that 'people' must be central to any vision. This people-centric model best supports the identification of the real problem and how, and when, technology can be used to address this.

Successful transformation can only be achieved by people. Technology is frequently seen as a panacea but, when inappropriately used, it can compound a problem. Without consideration of the whole picture, new technology can create work; for example, additional communications are required to provide clarity when initial communications and thinking were unclear.

In summary, the day explored how transformation to digital enabled new ways of working for customer engagement, innovation and new operating models. For example, Graham discussed the use of frameworks and approaches, such as CITI's own Change Diamond®, which consider

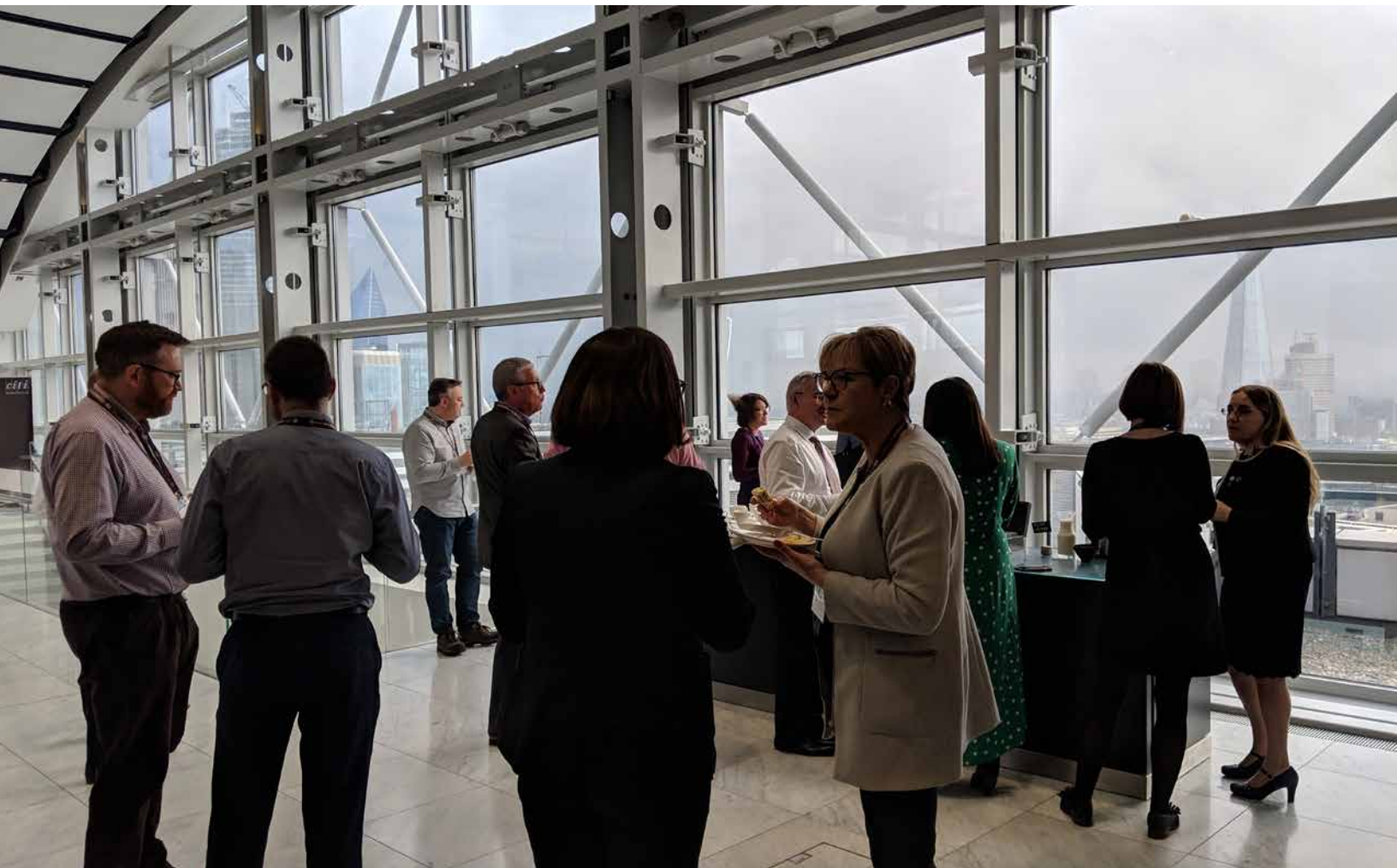
the whole journey from the strategic vision through implementation to embedding within operations. These are invaluable to ensure that all aspects of the change, especially the people, are considered from the start.

Once again, we thank Lloyds Banking Group for their hospitality and for making available such a wonderful venue. Our next CofEe Club will take place in the Autumn and will be in London. Details will be posted on our usual link page <https://www.citi.co.uk/cofee>



Richard Bateman

National Accounts Director



interactive
insightful
informative
journey useful inspiring
intriguing interesting

Thank you all for
attending!



CC46

UK Power Network 18th September 2019

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