

# Digital Transformation Implementation

## A Roadmap for Digital Transformation in 2023

A Special Report sponsored by **USTECHSOLUTIONS, INC.**

Ian C. Tomlin | January 2023



### Meet our expert digital strategy panel

Suresh Gupta, Chief Solution Architect, Simplify Workforce, Inc.  
Mayank Jain, Head of Digital Transformation, USTech Solutions, Inc.  
Andrew Lawrie, Chief Technology Officer, Encanvas  
Sid Vasili, Founder & CEO, Vasili Associates, ChatReact Ltd  
Chris Jones, Joint Chief Executive, Francis North Group  
Nick Lawrie, Chief Executive Officer, NDMC Consulting  
Julian Graham-Rack, Chief Executive Officer, PrinSIX  
Scott A. Aicher, Chief Operating Officer, USTech Solutions, Inc.  
Nigel Garner, Managing Consultant, Nimble Approach  
Bilal Itani, Chief Executive Officer, ModularCx



## The holy grail of digital

At the dawn of 2010, the New Year's resolution of many IT leaders was for their CEO to retire, to be replaced by someone who understood the importance of digital.

It was a period when digital technologies were youthful and appeared so numerous--**big data, cloud computing, artificial intelligence, sensor networking, the Internet-of-Things (IoT), and 4G communications.** Anything seemed possible. When it came to business evolution, everything was on the table.

Arguably the most complete research into the promise of digital transformation took place in these early years of digital experimentation. It led to a book authored by **George Westerman, Didier Bonnet, and Andrew McAfee** in 2014.

'Leading Digital' offered a glimpse of what the art of digital could deliver to brave business leaders.

Having first determined what '**digital mastery**' looks like (briefly put, they saw it as being companies that excel in the two key areas of *digital capabilities* and *digital leadership*), the authors took to the streets and conducted a survey of 391 companies in thirty countries.

Their analysis concluded that Digital Masters--i.e., those that have effectively implemented a digital transformation strategy--were likely to be 26% more profitable, with a 9% step up in revenue generation.

Nevertheless, while the stats might be persuasive, they weren't enough to convince every leadership team. This led many corporate CTOs to wish their leadership team had been plucked from the millennial generation and actually understood that business models and the way companies will be valued in the future were changing



### What almost a decade of digital journeys has taught us

What have we learned since 2014 when this "How to make digital transformation work" guide came out? These are some observations from the Newton Day team:

Businesses know what a digital strategy looks like today. At least, some do.

Irrespective of territory, most executives we've interviewed in 2022 have a clear appreciation of what digital transformation means in their organizations, but it's not a complete picture. The digital agenda can quickly become the plaything of promotion-hungry departmental leaders, lacking the enterprise-wide commitment and coordination needed to leverage their fullest potential.

Additionally, confusion lingers between the closely coupled topics of digitization (converting hard-copy documents and processes into electronic documents that computers can read), digitalization (taking human-powered processes and migrating them to machine-to-machine automation, and digital transformation (applying digital technologies to transform market structures, business models, capabilities and operating models).

Julian Graham-Rack is Chief Executive Officer of the FinTech Digital Transformation Platform company, PrinSIX Ltd. His company supplies a ready-to-deploy platform to augment customer journeys in financial services, utilities and consumer finance industries. Graham-Rack says, '*In the past, Digital Transformation has been dominated by...*



[cont.] *..technical change programmes to remove legacy system silos and replace them with far more open architecture solutions. This is certainly transformative, but it is not digital transformation. True digital transformation is not technical, it's about creating a digital culture.'*

Having previously held the role of CEO for a financial services company, Graham-Rack knows first hand the challenges of melding technology to fine-tuning customer journeys. He is a strong advocate of democratizing IT, and the empowering impact of placing digital technology into the hands of business practitioners. *'It begins with the customer. It is an obsession with making every journey as simply and easily as ...*

*..possible for the customer and as efficient as possible for the business. Technical change programs don't do that. They are expensive and slow, so the scope is always contained, compromising customer and operational experience. Backlogs of deferred initiatives grow, few ever get to the top of the queue.*

*This is what must change. Digital transformation in 2023 must become a business led change to a digital culture. It is a perpetual process of improvement and optimization. It cannot be dependent on technical re-architecture. The tools now exist to achieve this outside of IT, where the business controls the orchestration process to truly transform their digital relationship with their...*

*..customers across all internal and external systems.'*

No clear blueprint exists for a digital transformation journey  
There is no one size fits all strategy for digital that works for every company. Each will have its own legacy of IT and data issues, a unique jump-off point that puts digital evolution or revolution out of reach for some.  
Where to begin can be an unresolved question. While customer satisfaction, customer journeys, and personalized customer experiences rate top of the charts in terms of digital projects, many fall short in terms of breadth and courage.



Nigel Garner, Managing Consultant at Nimble Approach thinks the topic of digital transformation is itself experiencing an evolution.  
He says, *'Digital transformation continues to mature as deeper consequential understanding develops and the changing geopolitical and economic landscapes apply pressure to digital organizations. Previously Customer Experience (CX) was king, with secondary focuses on Data, Cloud and Mobility, however these have now very much come to the forefront in a more considered and significant manner. The result is a much deeper understanding around the consequences of historical and future decisions; ethically, environmentally, legally, and financially.'*  
This is partly because departments are driving most of the IT spending decisions, leading to siloed initiatives and step changes rather than root and branch redesigns of business models.

Chris Jones is Joint CEO of the Digital Consultancy, Francis North Group. He argues that having a mandate from stakeholders and a plan for any digital transformation strategy is key.  
He says, *'When embarking on a digital transformation initiative, it's essential there is a clear mandate that has been set at a board level that is then cascaded down to the business. With any major change, it's important that key decision makers from the business and technology teams are in alignment with the transformation roadmap. Decision makers should ask themselves "why and how" does this digital service help us meet the strategic objectives of the business rather than be a maverick that is trying to change the world when nobody has bought into your idea.'*  
The point of needing to have buy-in made by Jones is amplified by research conducted back in 2014 as a background to the book 'Leading Digital.'

The research found that 64% of organizations failed to share their digital transformation plans with their workforce.  
Setting up the leadership and delivery organization to harness digital transformation possibilities is 'tricky'  
A shortfall in resources, leading-edge digital tech expertise, and enthusiasm within the IT department has caused many business leaders to scratch their heads on what to do about digital.  
Consequently, some have buried theirs in the sand. Others have appointed a dedicated Chief Digital Officer, sometimes leading to out-and-out warfare between enterprise IT and digital teams.  
Even with the right leadership model installed, resourcing complex technology change projects can be a hurdle that's difficult for firms to navigate.

*'More recently, IT leaders have found smarter ways to retain centralized control over projects and bringing in must-have competencies from the external workforce. One way this is being achieved is by using Statement of Work (SoW) contracting as a vehicle to manage outcomes. Nevertheless, bringing in new teams of youthful, exuberant minds into a legacy organizational structure made up predominantly of mature 'keep the lights on' IT experts is inevitably challenging,'*

Scott A. Aicher  
Chief Operating Officer  
USTECH SOLUTIONS, INC.



Successful high profile digital transformation examples are less numerous than you'd imagine

Given its high agenda status, after eight years of implementing digital change, the number of noteworthy and game-changing transformative examples is relatively slight.

For every large-scale business model redesign, there are hundreds of examples of much smaller micro-automations in back-office systems, as organizations seek to sweep up low-hanging fruit economies achieved by transitioning from human-centric processes to machine-to-machine automations.

## What the experts say about digital transformation in 2023

We asked the class of 2023, what the outlook of digital transformation projects looks like to them in 2023. This is what they had to say.

### It starts with the customer journey

The customer journey. It's that magical thread that turns an unidentified human being into a customer, through a series of touchpoints, interventions, and events. In 2023, businesses are desperate to make theirs simpler and more personalized than ever.

Bilal Itani is a Co-Founder of ModularCX, a 3D tech company that's redefining customer journeys and experiences at point of sale. He says, *'The rise of e-commerce has forced premium and luxury brands to re-evaluate their digital strategies in order to stay competitive. One trend that has been gaining popularity among these brands is the use of 3D e-commerce technology. It bridges the gap between online and in-store shopping experiences.'*

A study by the Virtual Reality Society found that customers who interacted with a product in a virtual reality environment were more likely to make a purchase, with an increased likelihood of up to 80% compared to traditional 2D e-commerce technologies.

Itani adds, *'With 3D e-commerce, customers can interact with products in a more realistic and engaging way. By providing a 3D representation of a product, customers can see products from all angles, zoom in and out, and make customizations to their liking. Gucci, Louis Vuitton and Prada, are already showcasing products online in 3D today.'*

...converted from analog to digital, customer journeys begin on websites and portals, extending from front-office to back-office systems through self-service forms, transparent stakeholder reporting brought to life through data storytelling, and dashboards.

Graham-Rack thinks enthusiasm for technology innovation and new tools can distract executive focus from the common purpose of every business to win customers and the need to balance commercial and regulatory risk. He says, *'Every business will say that the customer is at the very centre of what they do, but that is rarely the case. Digital transformation can make that statement more attainable, but only if the foundations are properly laid as a cornerstone of strategy. One foundation is cultural. The other is data and analytics. Digitally native businesses understand the extraordinary resource that digital insights give, and obsessively use it in the interests of serving customers better.'*

Customer experience is a topic that is likely to sustain as a boardroom priority for 2023. While eCommerce is not a new topic, many relatively new technologies are being considered for introduction this year. Companies will be exploring the customer experience improvement possibilities of using AI, 3D, and the metaverse to fine-tune the steps in their customer journey and boost self-service options.

Itani adds, *'3D e-commerce technology can help to improve overall customer experience.'*

A study by Accenture found that customers who engaged with a product in a virtual reality environment were more likely to recommend the product to others, with an increased likelihood of up to 70%.

Human Capital is being reimagined with digital tooling

In 2022, Gartner reported that IT talent shortages had risen to the No.1 business issue for digital transformers. In answer to these challenges, the world of work is rapidly shifting away from full-time employees towards a blended internal and external workforce model that promises lower risk and operating costs, with greater workforce agility to adapt to changing skills needs, overcoming shortfalls in know-how.

An age-old industry that began in the Middle Ages with 'Free Lancers' has now matured into a multifaceted on-demand resourcing model, where talent portals bring job seekers and solvers into a common marketplace.

Suresh Gupta is Chief Solution Architect for Simplify Workforce, the Workforce Management Software company. In the past decade Gupta has pioneered the evolution of Talent Portals and Vendor Management Systems to their new stature as an answer to External Workforce Management. In the last year, Simplify has worked with Microsoft and...



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[contd.] ..a group of leading blue chips to launch a Neurodiversity Connector portal that allows neurodiverse candidates to join the workforce on their terms. It's transforming how neurodiverse people can engage with the job market. Before initiatives like this one, the 1 in 15 neurodiverse individuals that exist in most economies found themselves disenfranchised from work opportunities. This, because recruitment behaviors, policies, and processes inevitably default to a neurotypical work culture.

Gupta recognizes the appetite that exists for automation in 2023, stating—'*HR Tech is craving for disruption with Artificial Intelligence and Machine Learning (AI/ML) leading the way. While the opportunity for transformation exists, new tech tooling must be integrated deeply into existing client data and systems environments. Providers must nestle their solutions closer to native systems, integrating with existing interfaces and aligning with customer behaviors for simpler, faster adaption.*'

Decoupling data will be important  
Nick Lawrie is CEO of the Digital Transformation Consultancy, NDMC Ltd. As Regional CFO for the global medical technology company, Becton Dickinson, he pioneered Shared Service Centers and Enterprise Resource Planning (ERP) in the 1980s. For the past two decades, his company, NDMC Ltd, has specialized in enterprise technology implementation and business model re-design.



Lawrie sees a substantive change in digital transformation change happening in 2023 with the rise of what Gartner calls the move Composability. This, it describes as a business capability to reassemble data and applications building blocks from inside and outside the enterprise to meet new business challenges.

Lawrie says, '*Digital has always been about data—accessing it, leveraging it to make decisions, bringing empowerment to customers, etc. This year, the IT industry is waking up to the importance of decoupling the data they rely on from the systems that house it. Investing in data quality and accessibility has always been critical to Digital Transformation project success, but it's taken a string of sub-optimal project results over the past decade to have the industry you cannot step around your data problem, you must tackle it head-on.*'

Data storytelling and becoming data-driven--by making data accessible to digital workers and machine-to-machine automation--is a hot topic in 2023. Graham-Rack thinks that's right, and that storytelling with data forms a new digital culture. '*Businesses can develop a granular understanding of their economic relationship with their customers, and how small changes can create significant value for customers and the business.*

- *They can identify areas in customer journeys that are barriers to serving customers and remove them.*
- *They can micro-segment their customer bases and treat each one differently.*
- *They can create management information frameworks that can measure the performance of every department to measure how customers are being serviced.*

*The opportunities to understand and improve are endless. This is not an extension of finance, but a completely new capability, which will require new skills in the business. Without these skills, businesses should not start a digital transformation process.'*

Lawrie thinks finding digital solutions to 'get data right' will be central to data analytics strategies in 2023. '*Creating a decoupled data fabric and democratizing usability of data must feature somewhere in the top 5 priorities for 2023, if firms want to stay competitive.*'

### Cloud-Native computing has come of age but faces new challenges from an increasingly regulated operating environment

Cloud computing began as a means to harvest untapped computing resources, specifically underutilized servers spread across organizations. Cloud platform-as-a-service (PaaS) and software-as-a-service (SaaS) applications have substantively increased the value of the cloud to businesses.

The pace of cloud adoption has fuelled standardization in data management, interoperability, identity and access control. It's making it cheaper and easier to adopt Cloud-Native solutions.



Gupta says. '*With the top IT brands like IBM, Microsoft, Amazon and Google having poured trillions of development dollars into perfecting their cloud tech over the last decade, we enter 2023 with Cloud-Native solutions in a mature state. Cloud technology architectures are now well-equipped with abstraction layers to negate coding to rapidly deploy solutions that painlessly adapt to client systems, data sources, and processes. Using AI/ML to analyze customer behavior and provide tailored experiences will be key for long-term customer engagement and satisfaction.*'

Garner believes Cloud Computing offers untapped cost economies for many late adopters. He says, '*Cloud computing has the potential to offer significant savings...*

*..to reduce operational costs with relatively easy returns on investment being achieved. Nevertheless, those adopting cloud computing in 2023 face greater financial due diligence with significant considerations being given to cost optimization, SRE and solution security.'*

Regulatory pressures continue to mount on businesses and influence digital agenda. While some, like Basel, impact targeted industry sectors, others have implications for a much broader brush of organizations. Having encountered pressures to improve data security to counter cyber security threats, and data privacy--a result of the introduction of the General Data Protection Regulation (GDPR)--executives are now having to deal with consumer finance regulatory

frameworks, like the UK FCA's Consumer Duty, due to make its landfall in 2023.

Garner writes, '*Growing awareness of initiatives such as Green Coding acknowledge respond to the reality that the cloud is not infinite and that the behavior and structure of digital systems can have a significant impact on their CO2 footprint. Data ethics policies, geographical data sharding and greater data residency analysis of SaaS solutions represent the growing awareness of the responsibility and evolving legal landscape of operating the complex data stores created under Digital Transformations. International organizations face a wave of new GDPR esq rules designed to protect citizens data which means platforms can no longer be seen as a global solution be ever increasingly need to respond to the localised legal data requirements.'*





‘In 2023, businesses will shift toward a totalitarian definition of digital transformation...’

Another year when businesses will battle for the communities they care about. Whether it's investing in social media outreach to boost followership, or finding smarter ways to grow volumes of website clicks, the digital age can feel like a relentless battle for communities. Indeed, digital businesses know full well the importance of fine-tuning audience profiles and investing in growing brand trust and reputation across the communities they serve. 2023 is likely to be more of the same.

Sid Vasili is CEO of Vasili Advisory. A serial entrepreneur with a focus on FinTech and online business brands, Vasili successfully completed two profitable B2B payments industry trade sales before transitioning to become a seed investor.

Vasili is Co-Founder of ChatReact, a new business launching this year. ChatReact intends to fully outsource the activity of creating and winning communities for major brands and professional bodies.

Vasili thinks that winning communities should be front-of-mind digital priority for all company leadership teams in 2023. *'Ask most business people why they attend events and they will say it's to network with peers, pick up new ideas, and find answers to challenges. In contrast, people don't like to be sold to.'*

*No sales conversation can begin unless a brand has some way of tapping into its audience. Many of these sales conversations take place online these days through digital touchpoints and, in such cases, suppliers need to be seen as experts and trusted advisors. The best way to do this is to bring value to communities where potential clients gather and share their experiences. We're seeing digital transformation strategies extend further into areas of community growth, value creation and sponsorship.*

*In some cases, the digital platforms of online social groups, professional bodies and third parties act as qualifying gate keepers to communities. With market research and customer understanding being increasingly hard to source, tapping into active communities or building one yourself is going to be a strategic priority for many.'*

Vasili believes that businesses need to start to seriously look at dedicated investments into digital solutions to facilitate community development. *'Too many firms treat community engagement and development as an adjunct to their customer and partner marketing agenda. For this reason, digital initiatives for community development are often underprioritized. This is short-sighted. To be taken seriously by a community, a brand needs to invest in the digital platforms a community uses. Digital technology makes sponsorship of communities more possible, but only with a focused agenda.'*

In 2023, businesses will revisit the balance of power between departments and central IT on their digital spend

The last decade has seen a shift in the balance of power surrounding IT spending away from the IT core to the edges of the enterprise, the main beneficiaries being the departmental leaders facing all the data processing challenges and a longtail of demand for apps.

SaaS applications purchased off-the-shelf to solve niche activities and tasks have proliferated. Meanwhile, low-code and no-code application platforms like Appian, OutSystems, Encanvas, ServiceNow, and Mendix have brought greater dexterity and empowerment to agile development teams serving department needs for custom apps.

This focus on departmental priorities--putting digital into the hands of the people with the problems--on the surface appears to be a sound practice, but the consequences of doing it, in terms of data and systems management and evolution at least, are only now becoming visible.

The lack of centralized strategy governance means that businesses are:

- Finding data harder to access, having established estates operating hundreds of discrete apps controlling and managing their own data.
- Experiencing high costs in accessing data, because for every new system or data enquiry requirement, they...

- ..have to build API connectors, to then manually source, gather and crunch data into a format that makes it useful.
- Struggling to manage shadow data, as more applications are being produced by departments, or being fashioned by digital workers using spreadsheets and other accessible tools passed for use by IT.

Mayank Jain is Head of Digital Transformation at USTECH SOLUTIONS, a company that facilitates digital change through synergistic human capital partnerships. In the early days of the digital transformation evolution, Jain led pioneering digital customer experience solutions projects in Retail for IBM.

In 2023, Jain believes businesses will shift toward a totalitarian definition of digital transformation, stealing a degree of power back from department heads. He explains, *'Over the years we have seen components of digital technology being used by organizations to improve efficiency, increase agility, and stay competitive, as a result of which revenue is increased, costs are reduced, the customer experience is improved, and sometimes new business models are created. Recognizing the growing importance of data asset value and the need to be data-driven, we can expect a stronger play by central IT leaders to establish more thoughtful strategic plans to focus investments towards genuine digital transformations, shifting gear away from digitalization of processes.'*





# What digital transformation means in 2023

The outlook for digital in 2023 is more of the same, but with more rigorous scrutiny of value-for-money

Our panel broadly agrees that enthusiasm for digital transformation projects will continue through 2023, albeit with a greater focus on Return-on-Investment and opportunities to achieve cashable efficiency savings.

As Chris Jones, Joint Chief Executive of Francis North Group, puts it, *'We are not expecting to see any radical shift to Digital Transformation agendas in 2023. Large corporations in the main are still grappling with reducing technical debt, introducing modern ways of working, cyber security and automation – a fairly substantial to-do list.'*

A focus on automation through artificial intelligence

Jones says, *'Online businesses and companies with a higher degree of digital maturity are likely to consider embracing artificial intelligence into their processes to create a more seamless and tailored customer experience if they haven't done so already. The skills shortage in technology is still rife across the industry and with continued pressures to reduce costs, offshoring to lower cost locations are likely to be a major consideration for technology leaders in 2023.'*

He argues that over-communication of digital transformation goals is an important ingredient of project success. *'The prospect of embracing new technologies and introducing automation can be exciting, but there are often cultural, capacity and capability challenges to be considered when it comes to innovating services for a business as usual environment. Alignment and regular communication between business and technology leadership is essential for a successful outcome.'*

In 2023, digital transformation strategy will be more about people  
Back in 2014, the most common reason for project failure was data access and quality. Fast forward to 2023 and the hot topic on the minds of hard-pressed Chief Digital Officers is how to source project leads, data scientists, and the front- and back-end developers required to deliver projects on budget.

The weight of business-as-usual priorities, data security, compliance, and legacy systems place weighty demands on internal IT teams. Consequently, the only practical go-forward approach to resource digital transformation is to rely on outsourcing and staffing providers for top talent.

As Aicher points out, *'Every business in the world has plans to progress their digital agendas. This is not a one-time fix but a relentless march to embrace the next...'*

*.. wave of tooling. Yesteryear it was AI/ML, this year perhaps Metaverse. Full-time employment has a limited role to play in a change agenda that transitions skillsets every 12 months. It's perhaps no wonder that large enterprise clients are transitioning away from self-service agendas to facilitation partnerships with firms like ours with global reach and talent on tap through proprietary human capital databases that run into the many millions of pre-vetted, experienced STEM workers.'*

Successful adoption of digital solutions relies heavily on the attitudes of user communities and their willingness to embrace new tools and ways of working. A growing barrier to project success is the concern humans have over the relentless onslaught of robots and smart systems. Andrew Lawrie is the computing pioneer behind Encanvas, the codeless Platform-as-a-Service and Digital Document software. Recognized as being in the top 10 of computer experts of our generation, he sees a rocky future for digital solutions unless leaders take the human factor more seriously. *'The thing that is new in 2023 is more about humans than technology. Suddenly, our society is waking up to the notable impacts of artificial intelligence and this broadening awareness is creating both curiosity and fear surrounding its impacts. Recently, a robot delivered testimony to a group of MPs in the UK's Houses of Parliament. AI is biting at the heels of humans from all walks of life. In digital transformation projects, leaders will have to think hard about how they persuade humans to adopt leading edge technologies like AI and metaverse solutions. Users and stakeholders alike will want to be persuaded that adoption of technology is a good thing, both for themselves as individuals, and for society.'*

## Applying the learning lessons —7 Steps for planning and executing digital transformation

### #1 Have a strategy, not a plan

The absence of an actionable plan for digital transformation remains one of the biggest reasons why projects fail  
Before deciding on your digital plan, ask yourself if it will be practical. Most people don't know what a digital transformation is, or what benefits it brings.

Raise the debate on digital adoption with departmental heads and some obvious...

.. questions to arise, namely:

- What change elements should go into our digital transformation?
- How can we shape an agenda to balance long-term ambitions with quick-win returns?
- How can digital channels be transformed by digital investments?
- What synergistic skills do we need to turn ambitions into results?
- What are the critical people factors? e.g., are users and stakeholders likely to embrace change, or do we need to sell the benefits of change?

### #2 Know your jump-off point

No organization is a greenfield when it comes to data, systems, and resourcing. Project unknowns such as poor quality, incomplete and hard-to-reach data, along with shortfalls in knowledge and resources, etc. can mean your jump-off point is further back than you think. Knowing your current state of health by conducting a Digital Maturity Assessment or health check is a good first step.

### #3 Don't settle for doing things better

A notable catchphrase of [Dr. Martin Vasey](#)--one of the forefathers of the Knowledge Management industry--was this: There are only two things you can do to improve a business process--do things better or do better things.

In a search for cashable economies, many digital agenda have been downgraded to *digitalization* programs in 2022 to cut costs by harnessing artificial intelligence and machine-to-machine automation. This has resulted in too much spending on doing things better, and too little on root and branch transformations in business and operating models. While automation of process stages may be a sensible (and necessary) short-term priority, it falls far short of the ambitions many Chief Digital Officers have for their organizations.

Exposing the balance between projects that promise to do 'better things' and 'things better' may be an action you need to add to your list.

### #4 Track customer journeys end to end

The absence of effective operating insights--coupled with the shortcomings of fragmented organizational designs and departmental investment decisions on IT--can easily shroud opportunities to step up the quality of customer journeys. Strategic planning needs to embrace data-driven business ideals to equip business managers with the performance insights to drive customer journey improvement decisions. In some cases, this may require a rebalancing of IT decisioning and spending power back into the hands of the CIO.

## #5 Decide early what to build or buy

We enter 2023 with more ways to build, buy or hire digital solutions than ever before. Increasingly, the challenge facing digital strategy decision-makers is not a shortage of resourcing options, but having too many. A growing proportion of digital solutions can today be completely outsourced to platform providers, with both the technology tools and the skills to use them. This makes the adoption of new tech simpler.

## #6 Know your project constraints

It's common for departmental digital projects to compete for the resources of central IT teams. The last decade has seen a mass exodus of experienced talent in central IT teams. In search of operating economies, many organizations, have not sought to replace these roles, but instead rely more heavily on outsourcing partners to support activities like user helpdesk support and software upgrades. In consequence, businesses today are operating lean internal IT teams.

Whilst this might be okay for 'keeping the lights on' so far as it goes, it leaves IT leaders short-handed when improvement projects come thick and fast. With specialist internal skills in short supply, these resourcing bottlenecks have the potential to derail delivery timelines.

Irrespective of the digital building blocks chosen to fulfil your strategy, almost inevitably, the need to deeply integrate solutions into existing systems and processes will drive demand for enriching on-demand human capital to deliver projects on time and on budget. Establishing synergistic partnerships with talent providers able to offer 'right fit' talent may well become a priority for many IT leaders.

## #7 Honor *by design* principles

Since Nation State cyberwarfare became a thing and significantly managed to up the threat level facing corporate data assets, businesses have had to rethink how they manage compliance risk. Data privacy policy legislators have followed their colleagues in the data security discipline to insist that companies embrace good practice compliance behaviors within their operating principles by design.

By design principles are about adopting appropriate behavioral norms upfront rather than dealing with the consequences of inappropriate behaviors later. All go-forward plans should be considering how to install positive behaviors in data security, data privacy, and probably customer experience (particularly for consumer finance providers) in their digital strategy.

## Final thoughts

What, then, is the roundup of what our experts are saying about digital transformation in 2023? We think it comes down to these three points.

### In 2023, digital transformation will be more about humans

This year promises to be more about people, and less about tools; i.e., how to find talent to facilitate change, how to sustain enthusiasm for constant change, and how to persuade users that digital innovation is good for them.

### A new balance

Some core substrates of digital capability—i.e., To govern data and systems, present data and applications to workers in a useful format to democratize IT and bring data-driven decisioning behaviors to the enterprise—can only come from centralized IT systems architectures and leadership.

If these needs are to be met, strategists will have to find a new balance in IT spending.

### Yes, automate, automate, automate--but don't overbite on departmental project promises

The relentless onslaught of Artificial Intelligence shows no signs of abating in 2023.

While we can all get lost in the low-hanging fruit promises of AI automation and bots, it's not easy to balance these departmental automation needs into a common digital strategy.

When all projects need to be integrated with existing systems and processes, calls on internal data, internal systems, and IT staff resources will inevitably expose people resourcing bottlenecks that weren't there last year.



### About the author

Ian C. Tomlin is a management consultant and commentator on enterprise computing.

He has written books on topics of business agility ([Agilization](#), 2007), the future societal and business impacts of social media and cloud computing ([Cloud Coffee House](#), 2008), the rise of application platforms-as-a-service ([Social Operating Systems](#), 2010) and secrets to creating an outstanding brand experience ([Above and Beyond Brand](#)).

Founder and CEO of the growth engineering consultancy, Newton Day Ltd, and the digital publishing business, ChatReact Ltd, he also serves as Non-Executive Director for a string of technology and workforce businesses.



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