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# A Worksheet for Overcoming Challenges to **Digital Transformation**

## Introduction

One of the most frustrating situations at work is undoubtedly trying to convince a hesitant leadership team to make necessary changes. Whether you're looking for support in the form of time, money or just general buy-in, it can be incredibly demotivating to continually be pushing against resistance.

For many teams that want to launch a digital transformation initiative, this is the challenge they face. While it's clear to everyone on the frontlines that the future of the company is in a tech-centric strategy, getting the entire leadership team to agree is difficult.

There are many reasons why building consensus fails. Amongst others, you might see:

- ✅ A lack of urgency - why now? We have other priorities.
- ✅ A lack of available resources - this sounds expensive. Can it possibly pay off?
- ✅ A lack of knowledge - how do we manage the change in strategy?

In this guide, we'll help you overcome the challenges in jumpstarting your digital transformation.

## Building a Persuasive Argument

Have you ever tried to win an argument on the sheer strength of logic alone? It likely didn't go very well. Hard facts aren't very persuasive, even to the most data-driven of executives. Instead of starting with numbers, start by understanding the motivations behind each of the individuals on your executive team. Are they driven solely by profit? They likely each have their own passion projects that point to their underlying motivations.

For example, one executive might always be looking to your competitors for inspiration. Will your new project elevate your services over their biggest enemy? Another executive might feel strongly moved by individual customer stories - make sure to load up your argument with qualitative evidence in support of your initiative. Yet another might be driven by creating a positive workplace culture. Can you show how digital transformation will improve the lives of employees as well as the lives of customers?

Combining logic with emotional appeals makes your argument stronger and more persuasive. Just be sure to personalize your pitch for each stakeholder for maximum benefit.

Ask yourself the following questions:

- ✅ Who do you need to convince? List as many people as you'll need on your side.

- ✅ What motivates each of these stakeholders in their career? List projects they are proud of.

- ✅ How will a digital transformation project move their projects forward? Identify the benefits of your plan that will resonate with each stakeholder.

Being persuasive also requires driving urgency. Paint a picture of what will happen if you don't embrace the digital age. What will you leave on the table? How will your competitors surpass you? You need to answer the question "why now?" with information that shows exactly what your company will miss out on if you wait.

The key is developing an argument that moves beyond "it's the right thing to do" and inspires everyone with a vision of the future.

# Identify the Return on Investment

Money is at the root of all business. Without making a profit, businesses would fail to survive. This is true even on investments in customer service, so as leaders we need to be sure that the money we invest in new projects will bring in a profit. Even if a new initiative is "the right thing to do", we still need to prove the financial feasibility.

To calculate the expected financial benefit from your digital transformation proposal, look at every impact it might have both in cost saving and revenue making. For example:

- ✓ Identify common reasons customers churn. Will any of these be abated by moving towards a digital-first service strategy?

- ✓ Can you charge more for new services or offerings? Could you deliver a brand new value-adding service to customers after digital transformation?

- ✓ How much more effective will your customer support team become? If customers are able to find information online before calling your call center, how many fewer agents need to be hired?

Calculate the total cost of the investment needed to complete the project, and how long it will take your company to break even after investment. Is all the cost required up front, or is it a month by month increase in operating cost? If executives can see where they start to turn a profit on a new initiative, it makes it much more appealing to invest now.

If you need to make assumptions, be sure to use a conservative number that no one would disagree with. While pie-in-the-sky estimates might sound more attractive, they also decrease the credibility of your proposal.

## Make a plan to start small

Rome wasn't built in a day. Sometimes a complete digital transformation might seem like an unachievable goal, with a cost that's far too high for something unproven. Instead of shooting for the moon, especially with a hesitant management team, start smaller and build momentum over time.

Try breaking your project down into stages. For each stage, track metrics religiously so that you can show the impact of any actions taken. Use the success of the first stage to drive momentum for increasing the budget and the resources available. It might even be possible to make changes with no additional budget at all - start there. If you can show that a small amount of change already made a big difference through success stories and metrics, it's much easier to convince the doubters.

You can start the prioritization effort by ranking every planned change on two aspects: effort and return. High effort projects include a lot of moving parts, many people or departments and often heavy investment. They would be difficult to get stakeholders on board for because they will be a lot of work. Low return projects are not as attractive, especially if they take a lot of effort to accomplish. Finding those low effort, high return projects is the key to getting momentum starting. By measuring your success with a guaranteed win, you'll have evidence to bring for the next project.

As you continue to make changes and move towards a complete digital transformation, you'll reach critical mass and everyone will be forced to get onboard.

# Worksheet

# Build Persuasive Arguments

Complete the following table to start thinking about what angle to take to convince each individual.

| Stakeholder | Driven by | Benefits to focus on |
|---|---|---|
| Eg. CMO | Company culture | We can recruit employees who are looking for a more innovative work environment. |

# Calculate the Return on Investment

Time to start doing some "back of the napkin" budgeting for your project proposal. Collect all possible costs and benefits in this table and you'll be a step ahead when your finance team starts asking for numbers.

**Costs**

| Investment | Cost |
|---|---|
| Eg. cloud storage for documentation | $29.99, plus the initial investment of time for migration |

**Returns**

| Benefit | Estimated Return |
|---|---|
| Improve the number of customers that can find their own resources | Reduce incoming customer support volume by 10% |

## Make a plan to start small

Identify the projects that will have the biggest payoff with the smallest amount of effort. Note that effort is ranked with 3 being the easiest. Choose the projects that have the highest total ranking to start with.

| Project | Effort (1 - difficult , 3 - easiest) | Potential Return (1 - low, 3 - high) | Total Ranking (Effort + Return) |
|---|---|---|---|
| Migrating documentation to a cloud platform | 3 | 2 | 5 |

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