

# It's people, not technology, that deliver digital transformation reality

by Nkosi Kumalo, Managing Executive BCX EXA

Digital transformation has become an operational necessity. It is the roadmap to process, the journey to digitalisation success and the GPS coordinates the organisation needs to shift gears into the future. It is the step taken by the public and private sectors to invest into customer experiences, improve profitability and redefine market strategy. It is also failing 70% of the time. The reason, according to Managing Executive BCX EXA, **Nkosi Kumalo**, is because organisations don't realise that digital transformation is defined by the people, not the technology.

"It is very important in South Africa to continuously invest into the digital economy and into solutions that allow the country, and the continent, to thrive," he adds.

"We are seen as a developing country, so we need to focus on how we can improve

service levels, efficiencies and productivity through the use of digital and technology. But these improvements need to be about more than just growth and progress, they need to be about the people and a clearly defined strategy."

From a strategic perspective, digital is only as valuable and relevant as the business strategy that drives it. What's the ultimate goal of the sector's transformation process? Is it to become more efficient or more productive? Is it about fundamental improvements on a business level? Success depends on a vision and that vision has to be built on realistic foundations.

"Aim at your ideal operating model as an organisation and then look at what technological capabilities are required to get you there," says Kumalo.



**Nkosi Kumalo, Managing Executive BCX EXA**

"Ask the hard questions. Really unpick the capabilities of the technologies on offer to ensure that they have the answers to your company aspirations. Don't leap onto technology trends that promise to change the world until you're absolutely sure that your business needs them."

These conversations are about defining and refining the investment that the organisation makes into digital and its transformation. But they serve



## PEOPLE ARE KEY

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## CHANGE THE CONVERSATION

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another purpose. They also shape how the organisation approaches digital transformation from within, how it engages with its people. Without people, digital transformation is just an expensive investment into a failed solution. In 2019, it was estimated that around \$1.3-trillion was spent on digital transformation initiatives and yet around 70% failed. According to McKinsey & Company, the reason behind this failure was the fact that many companies overlooked one critical component – people.

Not because of people refusing to engage with the technology, although that is a legitimate challenge, but rather because of the organisation failing to communicate with its people. If employees don't understand the 'why' or the 'how' of any digital transformation initiative, then they will be resistant or unable to cope with the change. As Kumalo points out, technology is designed for people and its role is to help them achieve more and succeed in their roles, so they need to be instrumental in its implementation.

"Applications drive experiences, that's their sole purpose. They drive experiences for people," he explains.

"These applications are informed by process and that process is supposed to change the behaviour of either the

organisation or the employees within the organisation. If there's no clear communication around the application and no explanation around the value it brings to the people, then it will fail. There is no way you can have digital transformation without first engaging with people."

How can the organisation pull the people into the digital transformation process? The answer lies in finding the truth about the company. There are many case studies of organisations that have successfully navigated the digital transformation shift thanks to their hands-on approach to employee engagement. Get to know the real processes and problems, understand exactly what the real challenges are in the company, and then build in the technology.

"If you embrace digitisation from a clear proof point then it will work. If you have invested time into understanding how digital can revolutionise processes at every level, then it will deliver what you need," says Kumalo.

"The fundamental mistake that many organisations make is to lead every change conversation with a focus on technology. Don't. Lead the conversation with a focus on how technology can help people."

There will always be detractors and naysayers, but the trick is to spend time

with those who are committed to change and who want to effect real change. As they show results and experience the value of digital transformation, the others will follow. Transformational leaders look for the reasons why, not for the cracks that highlight the reasons why not.

"Sometimes organisations can be weak at winning the hearts of the people," says Kumalo.

"They're quick to talk about how they're going to start the digital transformation journey, but they forget to give people the address. To really transform, take away the fear that people can legitimately have and instead pull them on board and take them with you. Perhaps the most successful way of ensuring that your digital transformation strategy will work is to be honest. Your people will respect you for that, and your digital investment will thrive," he concludes.

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