

Don't Fumble Your Digital Transformation

Reimagining new ways to do business and serve customers is a hallmark of Digital Transformation (DTX). Many projects become enamored with the techniques and technologies surrounding Digital Transformation but then stumble when it comes to important foundational concepts. Transformation requires not only a systems shift, but



a new way of thinking about measuring business or mission results. Just as in football, measurements are critical to plan success. Situational awareness, driven by real-time 'down and distance' measures, dictates your options.

We had the pleasure of hearing from IRS, CMS, and Social Security leaders who shared their front-line experiences during the *Making the Business Case for DTX, Selecting Business Challenges for Transformation* panel at the ACT-IAC Digital Transformation Summit. The message 'focus on measurement' was echoed from several of these thought leaders. Here, we will highlight some tools they shared that helped their organizations stay on track and deliver results. We will also share our own experiences.

Figure 1, Measuring at every step of transformation

Successful Digital Transformation is measured right from the beginning and at key junctures along the way, as pictured in Figure 1 above. Organizations must start with a clear understanding of their desired mission outcomes, then identify the appropriate performance measures and data to assess progress. For this reason, maturing data at every step of the transformation is imperative for success. Establish a measurement plan to keep your transformation in the "field of play". Determine what data is available and assess if your assets are sufficient to keep your transformation on track. If not, adjust your measurement plan to address the gaps. Use what you have to get started. It may not be perfect at any stage of the transformation, but commit to adjusting the plan and improving the data as you go. As Dave Ellison, SSA Associate Commissioner for Digital Transformation noted, it's about "freeing the data" at every level. SSA is exploring ways to link data previously locked in separate systems via Application Programming Interfaces (APIs). "We use technology to deliver better business outcomes and services".

As IRS panelists mentioned, cost avoidance, such as the reduced hours needed to process forms, becomes a proxy measure. Focus on what can be accomplished in a short time and work horizontally.

Examples of Outcome-based Measurements

- Active usage metrics
- User engagement and participation levels
- Adoption and performance metrics
- Workforce productivity

Pilots validate technology and generate critical data. They should be used to improve measurement, too. Select and test your transformation measures intentionally while understanding that those metrics may need to evolve and change as you progress. Many projects use the same measures throughout the project even though the

Bobby Saxon, CIO, CMS sees pilots as a tool to build organizational confidence and to gain more data. Staff will become more comfortable and efficient, customers can provide valuable feedback along the journey, and greater agility will result.

circumstances have changed. Harrison Smith, Director of Enterprise Digitalization, and Molly Cain, Associate Director at IRS talked about understanding the data necessary to select the right processes to digitally transform. Once selected, they matured their data through pilots. For example, the IRS wanted to explore ROI as an important measurement but didn't have sufficient data at the outset. In the interim, they used proxy measures, such as cost avoidance, to work

toward ROI. IRS leaders focused on what could be accomplished in a short time and worked horizontally across functions to gain results.

In order to have successful business transformation, measures should be evaluated and adjusted over time. Evaluate your metrics and mature them along with the progress of the overall transformation. The measures that support an early phase will likely not be present later as larger implementations arise and the project evolves. Establishing a process early on that consistently and concretely measures desired business outcomes over time will help achieve desirable results. Defined measures should represent the accomplished objectives, including both transactional process metrics and value-based mission outcome metrics. As Stuart Wagner, Chief Digital Transformation Officer, USAF, noted in the ACT-IAC Digital Transformation Summit, "It's worth investing in instrumentation to measure reliability, performance, and UX." Since data is one of the driving forces behind Digital Transformation, teams should look to automate the acquisition and analysis of data to drive action whenever possible. This data could be anything from influencing user interface design and enhancements to adjusting for scalability and system performance.

Measurements that support the Digital Transformation business case must mature and transform throughout the program. The proxy measures that were sufficient to launch a project may evolve to become more robust at each stage of the process to justify full program implementation. Throughout successive phases of implementation, prioritize maturing the quality and reliability of the measures themselves. Test your assumptions along the way without trying to force the data to fit your use case. Let the measurement data guide you and provide transparency in your findings.

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