

## Why IT Transformations Fail

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This is volume 1 of 137. (Just kidding.) But the reasons why IT Transformations fail are as numerous as grains of sands on the beach. In this article, I will cover some of the more common reasons why IT Transformations fail and also provide some guidance on how to avoid the major pitfalls.

In a previous article (Finding a Transformation Partner), I discussed how companies chose a Transformation Partner. But what causes companies to decide to transform? It is almost always an external event: (i.e. regulation, competition, new leadership) that triggers a transformation, but no matter what the cause, all Transformations have the same basic premise:

- **WHAT** needs to change
- **WHY** the change is necessary
- **WHO** is impacted by the change
- **WHEN** is the change complete

So, what are some of the common reasons IT Transformations fail?

### Success is a Shared Vision

One of the first reasons is lack of a common shared vision. This vision should include the business objectives, desired end state, and how this change will improve the business. Often a leader has clear and concise vision of the change required, but is not able to articulate it to the rest of the organization. Communications between the leader and the troops gets lost in the middle layers of management.

When you are trying to significantly change an organization, every person needs to know the vision, understand it and accept it. One way to solve this problem is to step outside the chain of management and communicate directly with the troops. This can be accomplished via a number of venues: town hall meetings, newsletters, emails, voice mails, etc. A key aspect is to ensure that everyone is hearing the same message and it is not being distorted by layers of management. Real Estate Agents say the most important thing is location, location, location. Well, for Transformation Leaders, the most important thing is communication, communication, communication.

### Communicate, Communicate, Communicate

Another common cause of IT Transformation failures is what I will call passive resistance. What do I mean by that? Too often the reason WHY a change is necessary is kept at the executive level and not shared with the troops. Or, only some of the reasons for a change are shared. Even when this information is shared, it is often not understood by the troops. They do not have the same access to other sources of information as the executive team and they also do not have the same perspective. The reason for the change must be put into terms that **everyone** can relate to. Without this understanding, the troops will just “comply” with the “orders” to change and never truly accept it. No one will actively oppose the change, but you will not have any active supporters or change agents to assist you. One approach to avoiding this pitfall is to involve **people at all levels** in two way communications. Give the troops a chance to ask questions about why this change is necessary and allow them to come to the same understanding as the leadership team. This understanding does not happen overnight, it will take time. So you need to communicate, communicate, and communicate.

### Metrics Make it Happen

Another problem that most transformations efforts face is that no one is really tracking the improvements. Yes, I know

that every effort has a project plan and timeline and this is reported on, but **HOW** are the changes improving the business results? Too often, the project plan is used to determine how well the project is progressing and people don't really know if the improvements are having the effect desired.

The development of **metrics** is viewed as just a sub-component of the project. In reality, it should have the same importance as the development of the Business Objectives. The designing, collecting and tracking of these metrics is often done by the project team. If there are multiple teams making changes, each team usually takes its own approach to metrics development which results in a set of disjointed metrics. What happens when the project is over and the teams disband? Who owns the metrics? A much better approach is to view metrics development as separate effort, but tightly linked to the change teams.

A separate group should be gathering the requirements based on the business objectives and ensuring these **same** metrics provide useful information to all levels of management. After agreement is reached that these are the "right" metrics, this team should implement the metrics and provide ongoing analysis and oversight. Since these metrics are showing business improvement, they must continue after the project team disbands. Baldrige says if it is not written down, it does not happen. ISO states if it is not tracked and measured, it will not happen.

## The 80/20 Rule

The last topic that I will talk about that kills Transformation efforts is time. All proper Transformation efforts will take between 12 and 24 months to complete. All too often, the business improvements are not evident until the program is almost over. That means that at least a year has passed since the change was required and the time it was implemented. In that year plus, the environment is no longer the same and the impact of any changes are less than expected. Most likely, the people waiting for this change have implemented temporary measures and workarounds to get better results. Why does it take so long to see results? Well, almost all transformation programs are trying for perfection. This is a very large, visible program and they want to get everything right for everyone. So what can we do to fix this?

By nature, Transformation Programs are big, complex and long. But this program can be broken up into smaller, simpler, shorter sub-projects that have concrete deliverables within 90 to 120 days. And most importantly, these deliverables do **NOT** have to be perfect. We use a philosophy of getting it **80% right**. After all, an 80% improvement in 90 days is better than no improvements for over a year. The first few sub-projects should pick low hanging fruit; things that are easy and quick to implement. In this way, your change team instills confidence in your customers, senior leadership and most importantly themselves. This will be a long effort and feeling good at the beginning will carry you a lot farther.

## Summary

To summarize what we have discussed, you need to:

- Have a clear shared vision of the change that is continuously communicated to everyone.
- Ensure understanding and acceptance of the reasons for the change by everyone.
- Create and implement metrics linked to the desired business results.
- Be quick and nimble with interim deliverables that are 80% right.

There are many other factors that can derail a Transformation effort, but if you keep these four simple concepts in mind, you will stand a much better chance of success.