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The NextGen Transformation Playbook

Financial Executives International (FEI)

CFO University

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ABOUT SENSE CORP

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Powering Insight-Driven Organizations



OUR CAPABILITIES

Data

Digital

Transformation

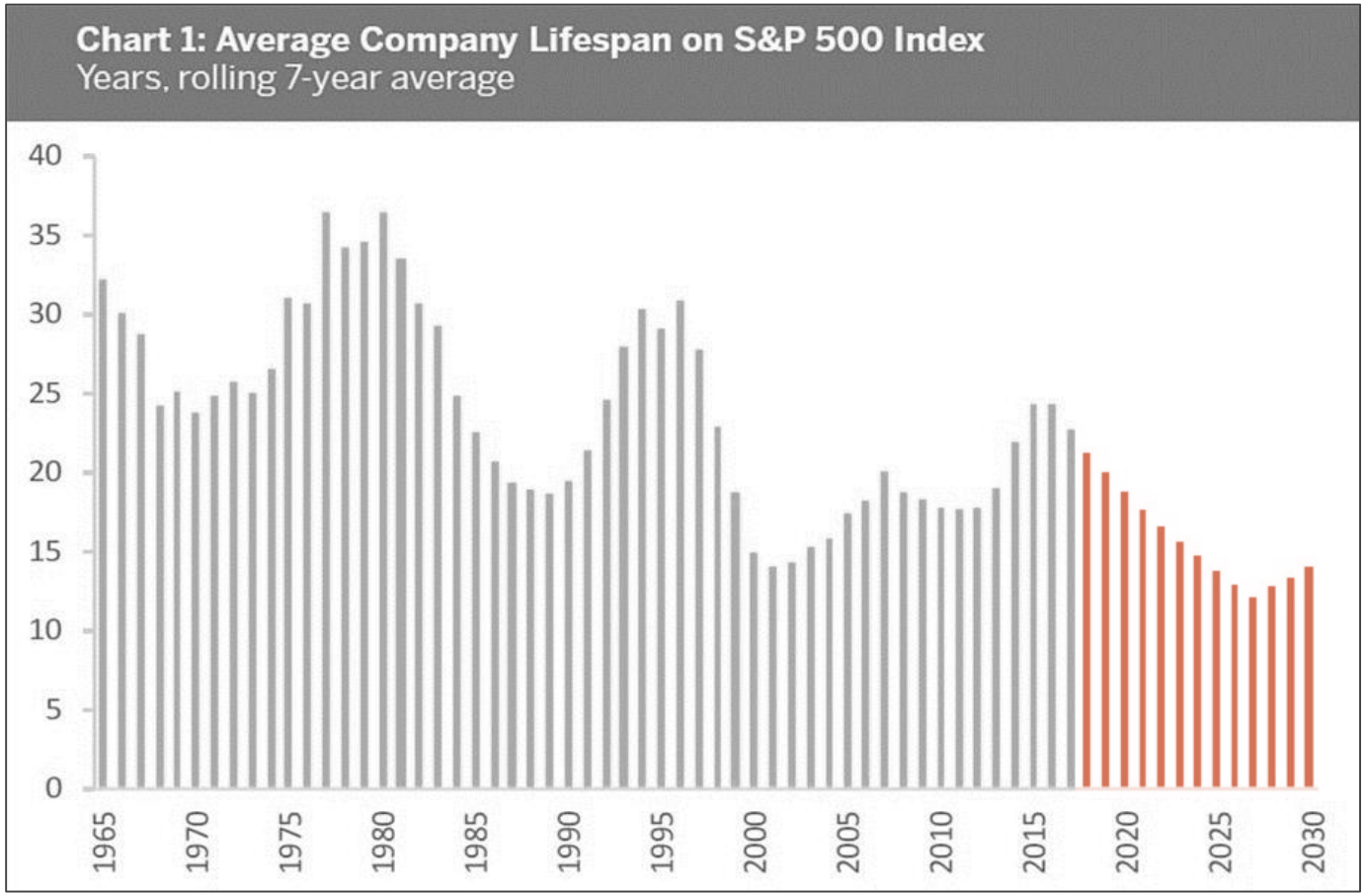
We turn data into actionable insights and transform organizations for the digital era.

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THE PROBLEM

50% of the Fortune 500 has been wiped out since 2000.

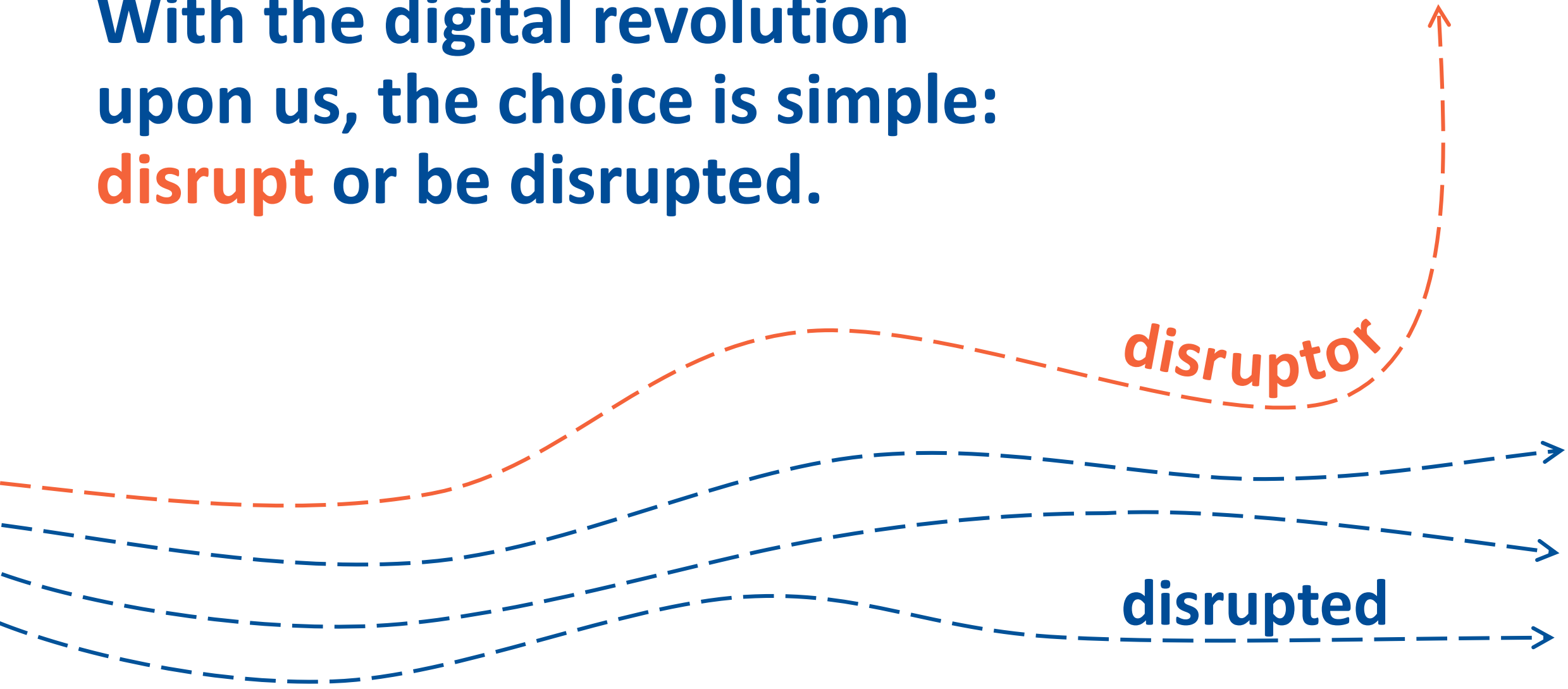
Projections show it continuing to decline through 2030.



Source: Innosight analysis based on public S&P 500 data sources

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With the digital revolution upon us, the choice is simple: disrupt or be disrupted.



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TRANSFORMATION IS EASIER SAID THAN DONE.

Companies are investing billions in transformation—and for good reason.
But delivering on-time, on-budget digital transformation projects still proves a challenge.



$2 TRILLION INVESTED

INCREASED TRANSFORMATION SPEND

3 IN 4 PROJECTS FAIL

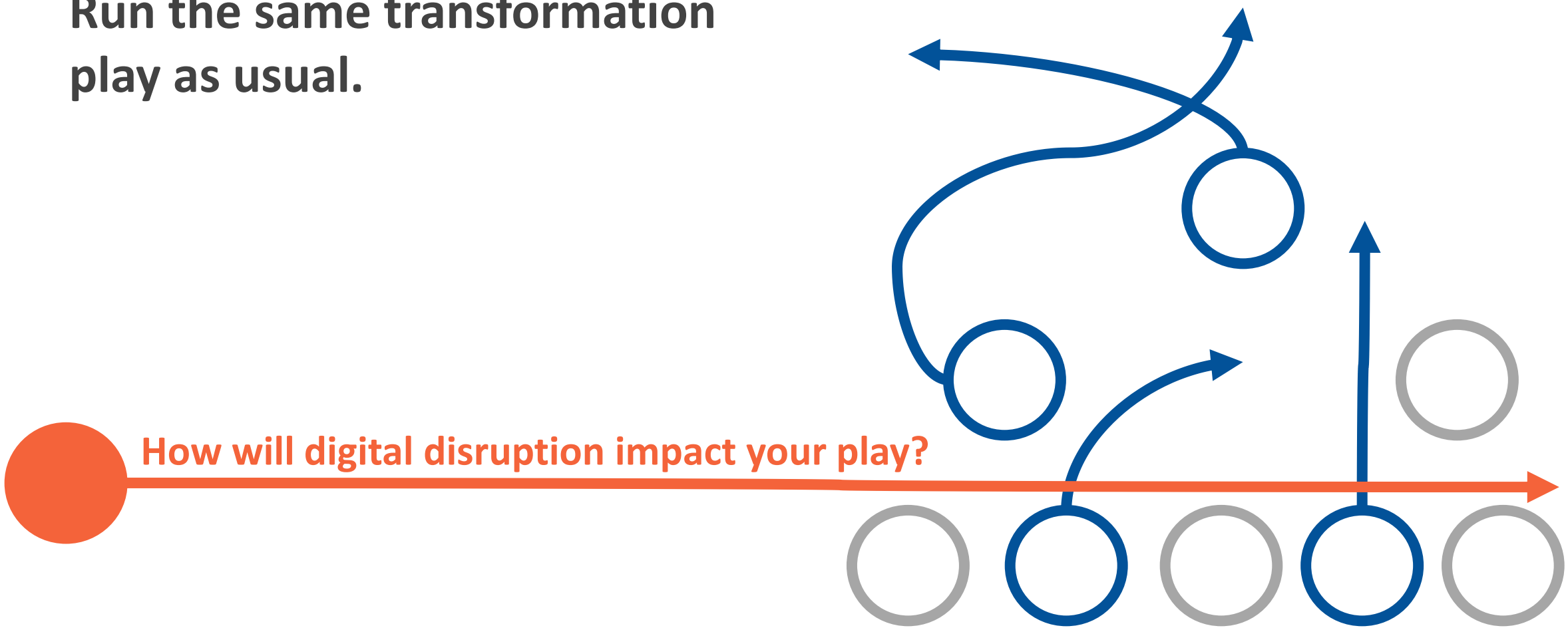


DECREASED LIKELIHOOD OF SUCCESS

Sources: International Data Corporate & McKinsey

THE OLD SOLUTION

Run the same transformation play as usual.



THE CURVEBALL

Yesterday's Transformation does not equal Today's Transformation

Then: ERP & CRM Projects

Then: Stable Workforce

Then: Customers as Passive Targets

Then: Siloed Systems

Then: Fast Pace of Tech Change

Now: AI & Digital Platforms

Now: The Great Crew Change

Now: Customers as Dynamic Networks

Now: Complex System Integrations

Now: Supersonic Pace of Tech Change



Today's Discussion: The NextGen Transformation Playbook

1. Embrace Rapid Experimentation & Iterative Planning
2. Build Your Change Plan Using Insights, not Instincts
3. Say Farewell to Waterfall and Hello to Agile
4. Trade In Role-Based Training for Stratified Learning
5. Build an Integrated Experience, not an Isolated System

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Embrace Rapid Experimentation & Iterative Planning

1980 1990 2000 2010 2020

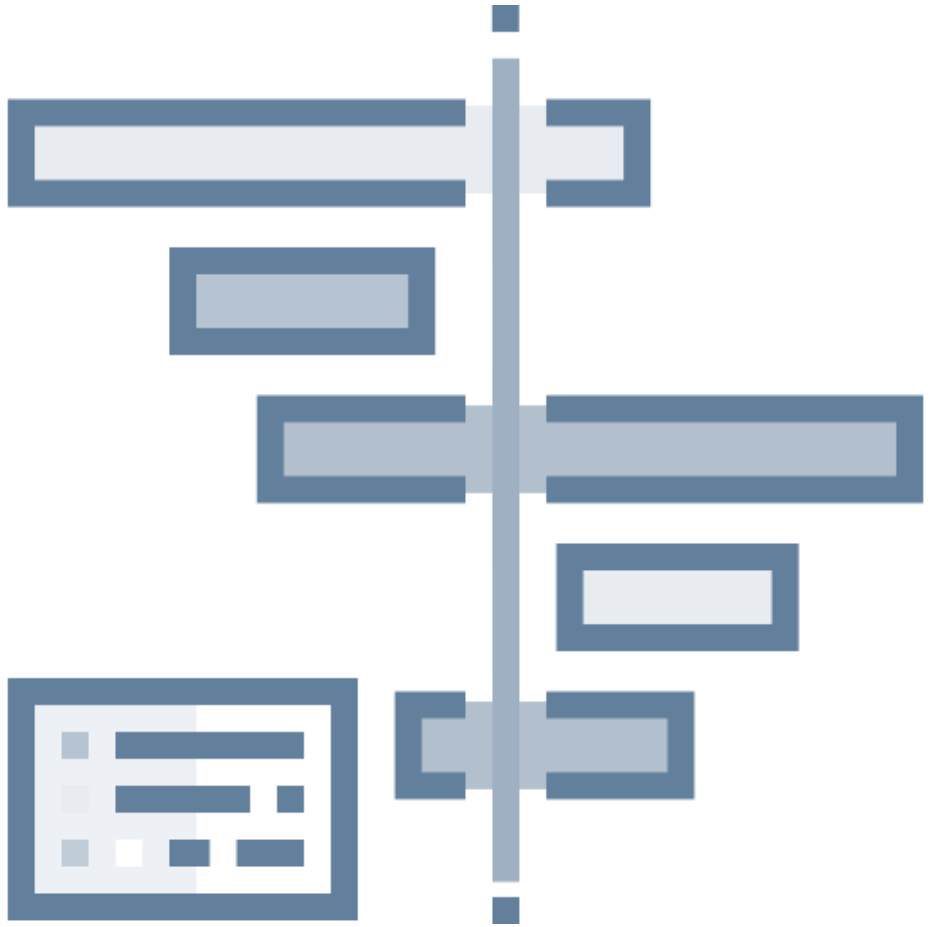
Then:
Upfront, Top-Down Planning

Now:
Rapid Experimentation & Iterative Planning

The Old Play: Plan Everything Up Front

“We have to go slow before we can go fast.”

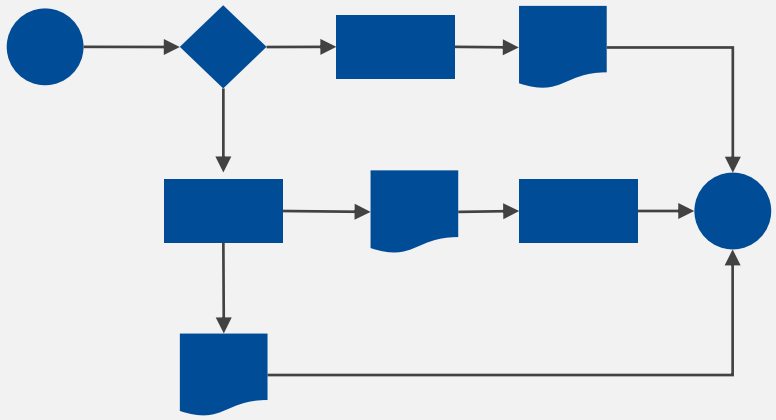
- → Long-Range Roadmap Development
- → Detailed Dependency Mapping
- → Resource/Capacity Planning
- → Upfront Risk Assessment



What's Changed (and What Hasn't)

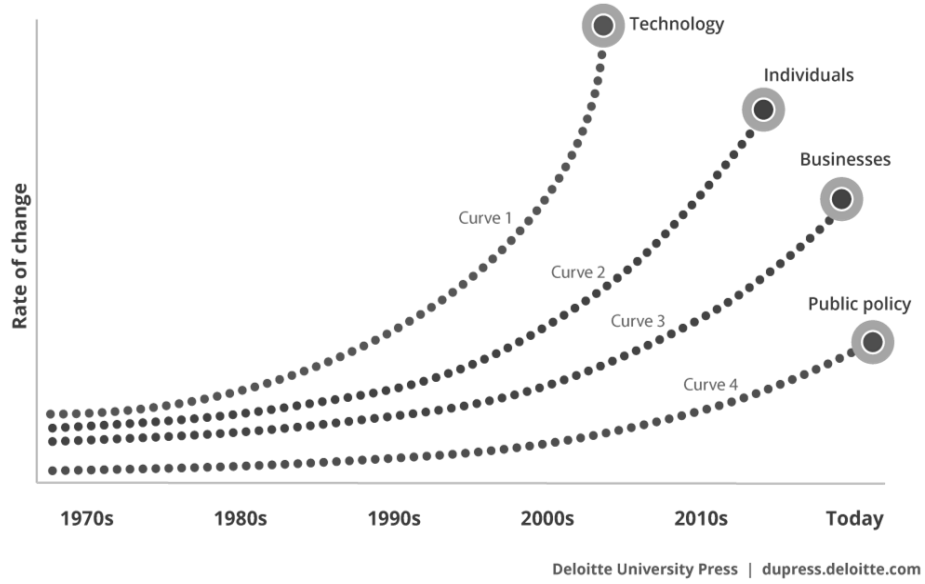
What Hasn't Changed:

Upfront planning is still a good thing. Taking the time to chart your course will reduce risk within your transformation.



What Has Changed:

Technology is developing faster than ever before. Customer needs are changing. The workforce is evolving. **The only constant is change.**



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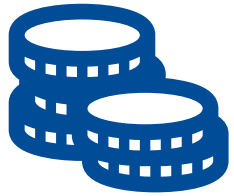
The New Play: Rapid Experimentation & Iterative Planning

Rapid Experimentation

An agile approach to the product development process wherein frequent experiments are deployed in an attempt to discover new, innovative ideas

Iterative Planning

Embracing roadmap changes and instituting regular, proactive checkpoints to look at the plan and determine if changes are required in light of current conditions



Activity-Based Costing



Artificial Intelligence / Machine Learning



Mobile App Development

Build Your Change Plan Using Insights, not Instincts

1980 1990 2000 2010 2020

Then:
Instinct-Driven
Change Management

Now:
Insight-Driven
Change Management

The Old Play: Instinct-Driven Change Management

1. Leverage a proven change framework.



2. Conduct a stakeholder analysis workshop. Get input from key players.

3. Build a change plan based on the feedback.

4. Communicate profusely and invest in training.

What's Changed (and What Hasn't)

What Hasn't Changed:

Identifying and empowering delegates to own change maximizes your probability of success.

Delegation Strategy vs. Edict Strategy



Source: Paul Nutt

What Has Changed:

There are now many more tools available to understand stakeholder sentiment and influence.



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The New Play: Insight-Driven Change Management

Leverage data to understand stakeholder sentiments and to identify key influencers who can communicate change within their informal networks.

People make sense of uncertainty by discussing and interpreting change with others. Understanding who your influencers are is key.

At Sense Corp, we use our Sentiment & Readiness Assessment℠ and our Organizational Network Analysis tool (*SENSE-making℠*) to identify influencers and leverage them for project communications.



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Say Farewell to Waterfall and Hello to Agile

1980 1990 2000 2010 2020

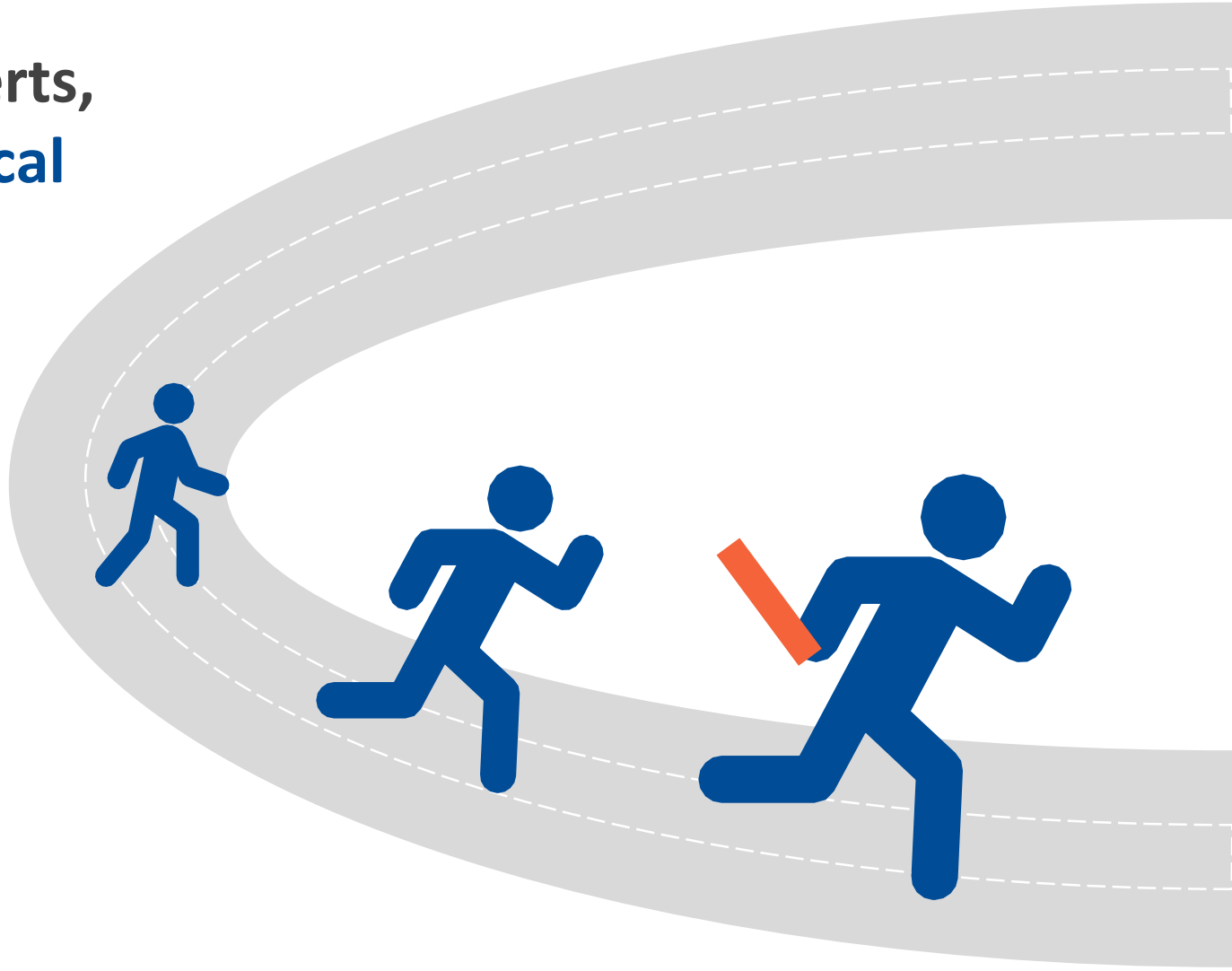
Then:
Waterfall Projects

Now:
Agile, Agile, Agile

The Old Play: Waterfall

Periodic handoffs between experts, from Business Analyst to Technical Architect to Developer to Tester

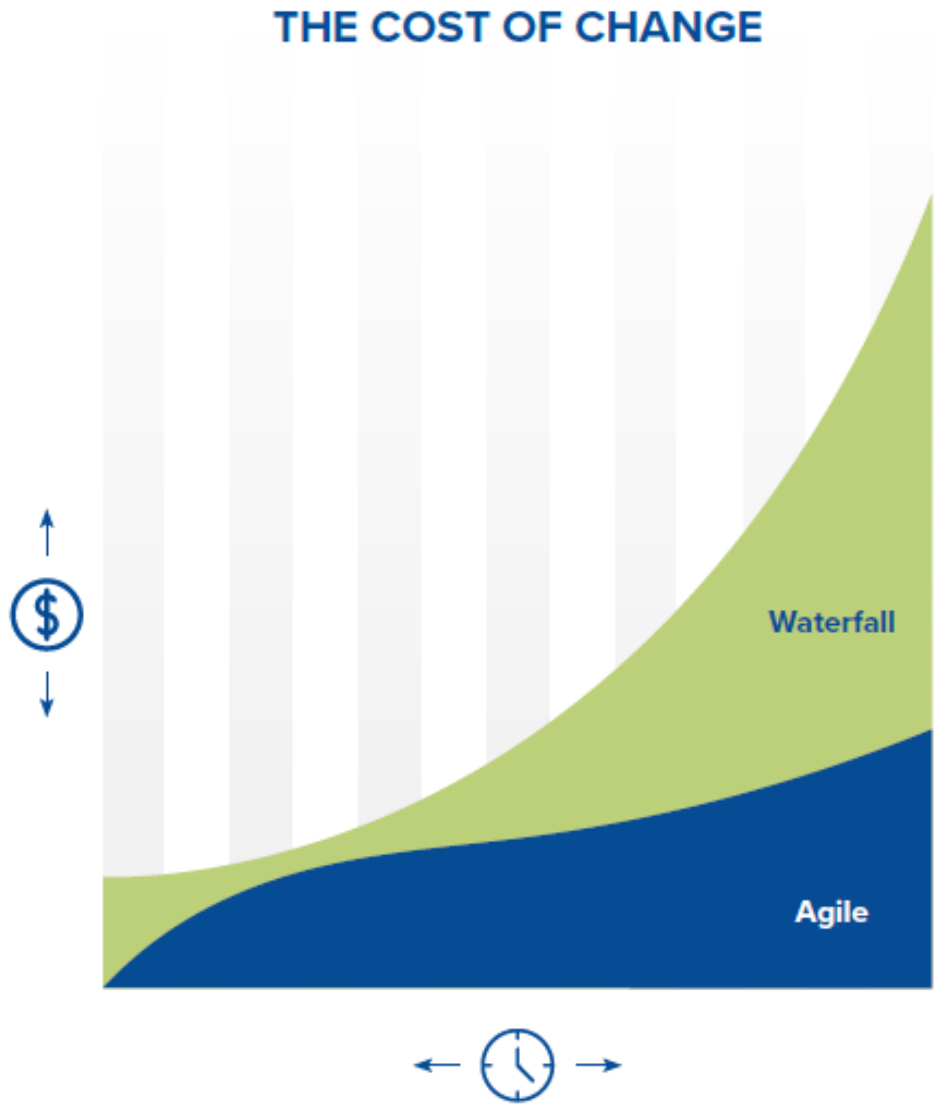
This approach requires endurance, assumes high efficiency, and places significant risk on each runner.



What's Changed

The waterfall approach makes a lot of sense, but it has its challenges:

- → Slow and Long
- → High Level of Risk
- → Siloed & Dysfunctional
- → Rigid and Unresponsive
- → Not Always Customer-Focused
- → You Get What You Ask For
  (Not Always What You Want)

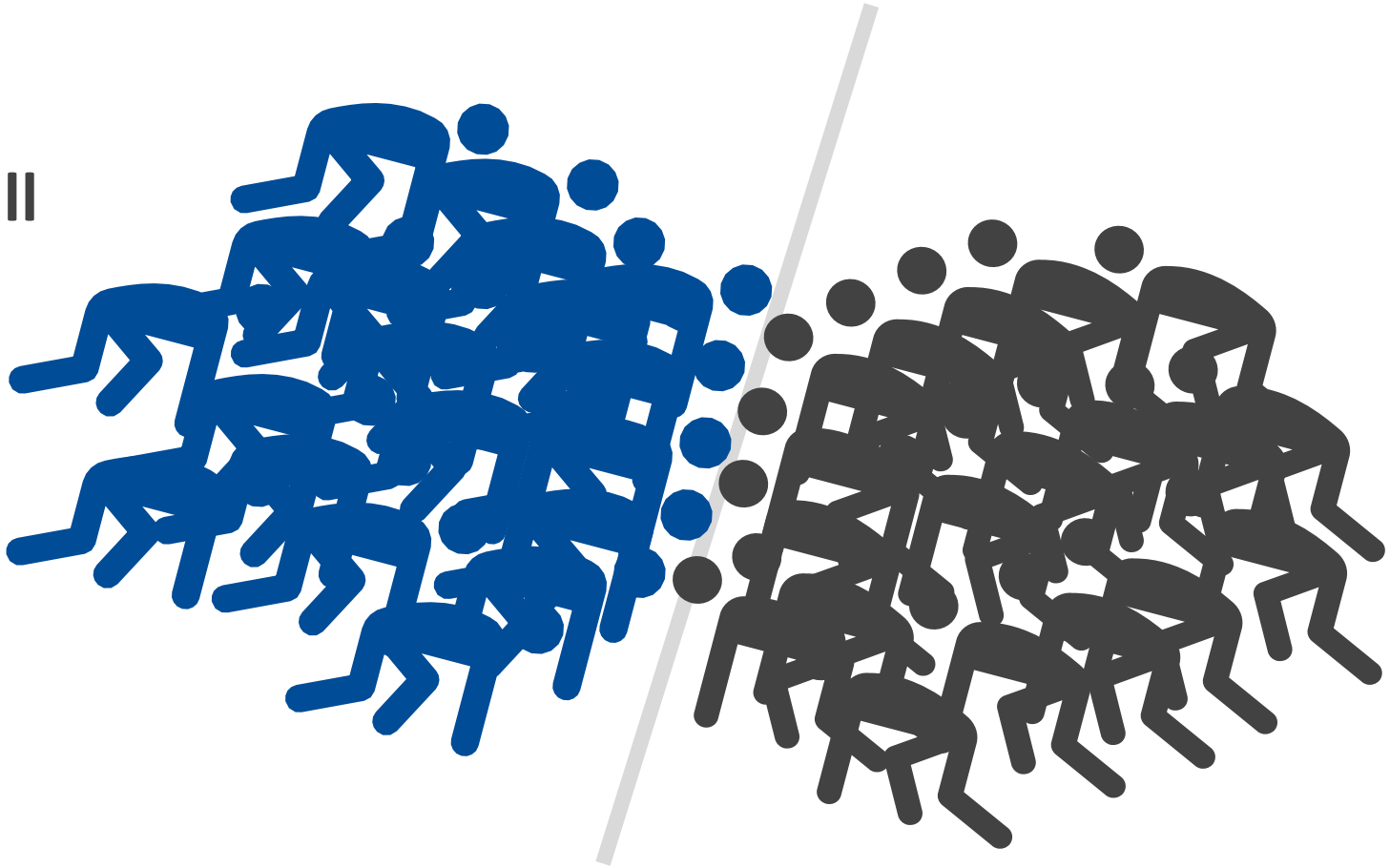


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The New Play: Agile

Imagine a Rugby Scrum: team members packed together so that everyone is involved with moving the ball forward at the same time.

This requires an entirely different approach from our relay (waterfall).



What Exactly Is Agile?

1. Agile is a set of **values and principles.**
   It is not a Methodology or a Framework.

2. Agile Frameworks include *Scrum*, *Kanban, & Extreme Programming.*
   These are different implementations of Agile concepts.

3. There is a difference between **Doing Agile** (incorporating practice of standups and user stories, etc.) and **Being Agile** (what you value and your mindset).

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Keys to Leveraging Agile Effectively

1. **Focus on value provided and not cost controlled.**

2. **Actively embrace change.**



STAKEHOLDERS

Represents the needs of the stakeholder wich are communicated to the team



PRODUCT OWNER

They maintain:

1. Product Backlog
2. Roadmap



AGILE TEAM

Conveys what the stakeholder wants and also shares their feedback with the team

Trade In Role-Based Training for Stratified Learning

1980 1990 2000 2010 2020

Then:
Role-Based
Training

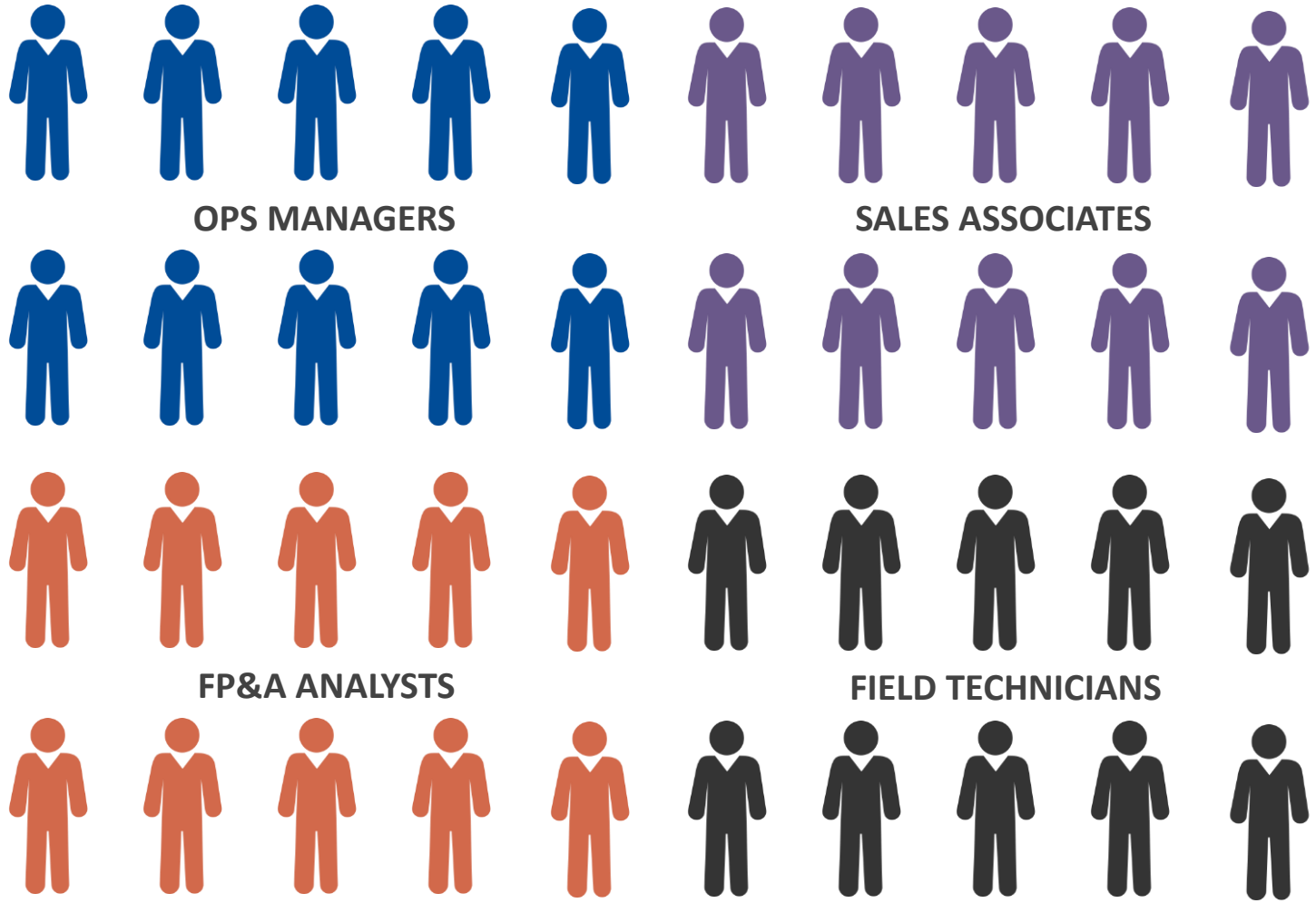
Now:
Stratified Learning Approaches

The Old Play

Role-Based Training

Each department employee performing the same role gets the same training.

Within each department, all employees are assumed to react similarly to the provided training.



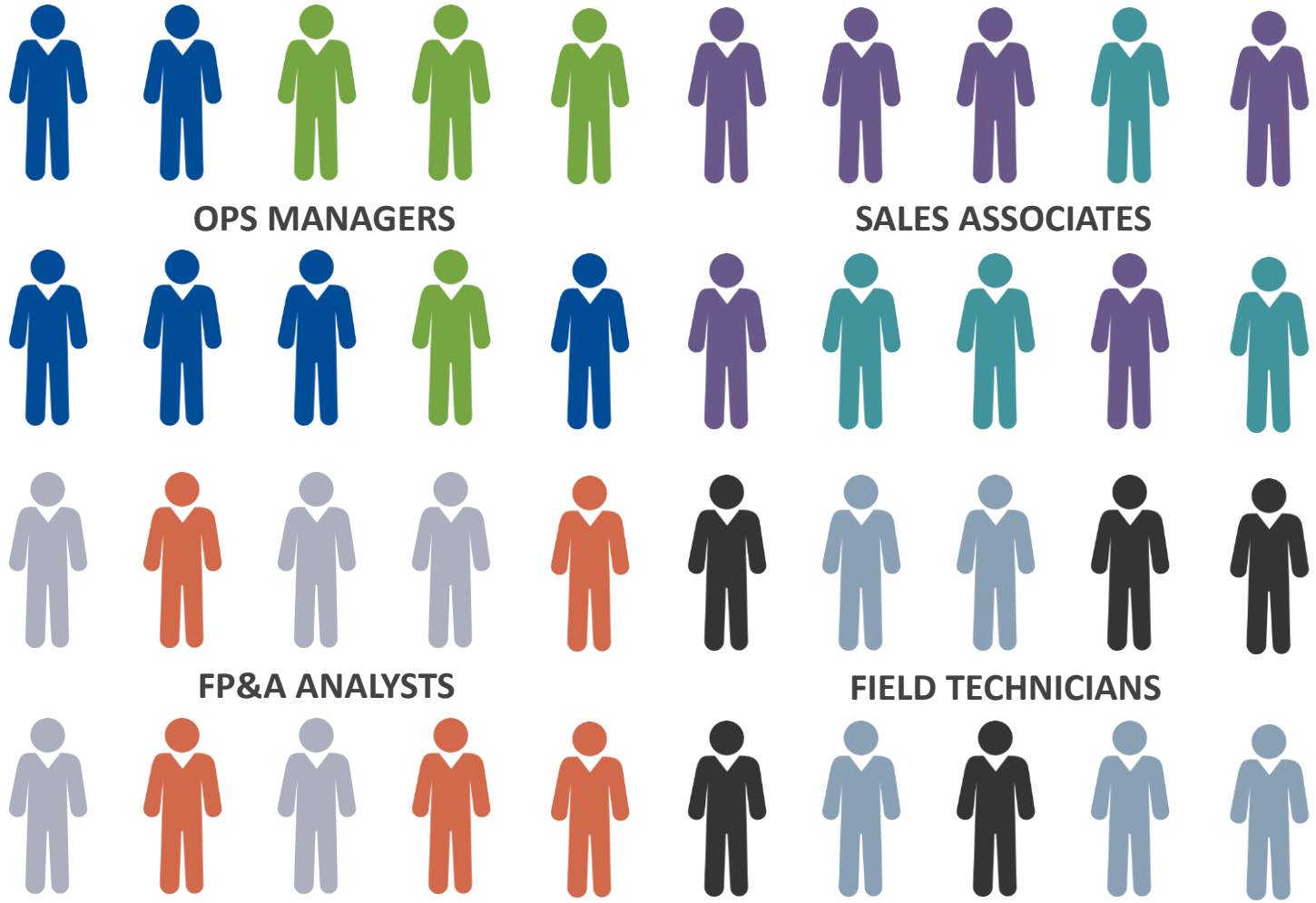
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What's Changed

Unique Identifiers

Departments look more heterogenous, consisting of different ages, experience levels, and cultures.

Within each department, stratified employee groups have independent training needs that cannot be satisfied through a single approach.

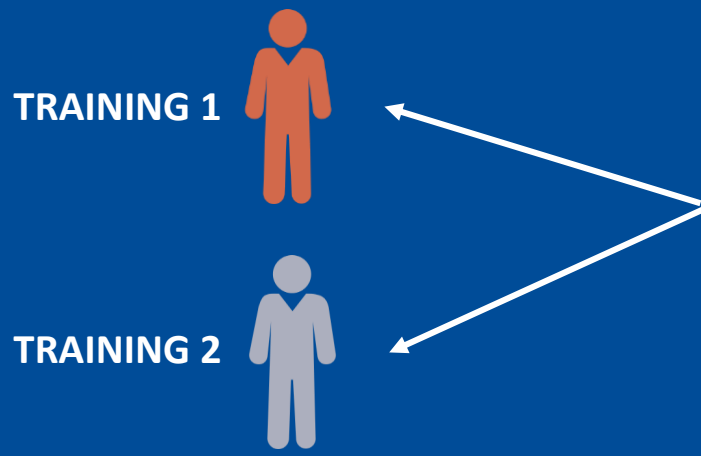


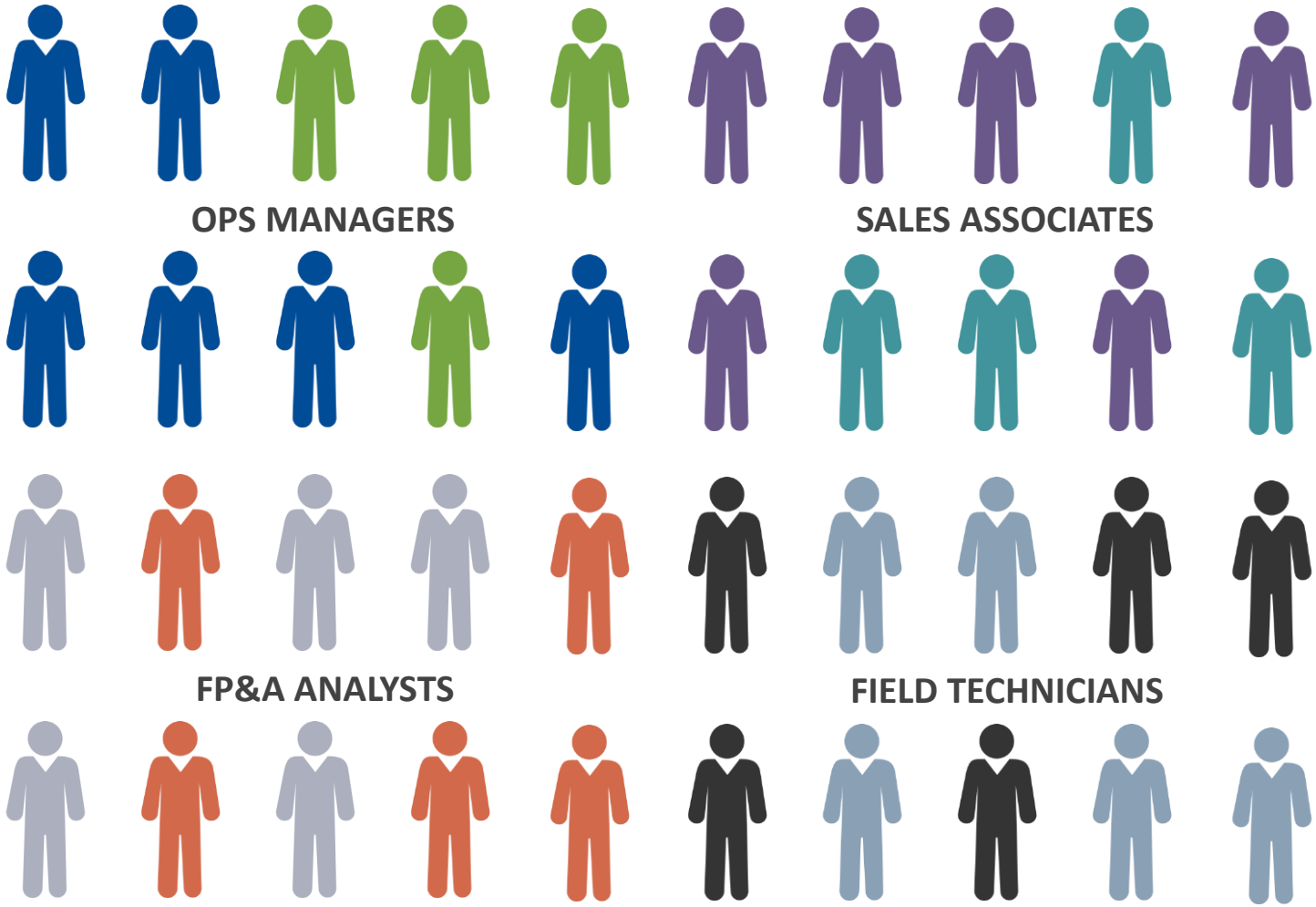
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The New Play: Stratified Learning Approaches

Stratified Learning

Use stratified learning approaches to train employees through styles and methods that best fit their needs.





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Build an Integrated Experience, not an Isolated System

1980 1990 2000 2010 2020

Then:
Siloed Projects &
Isolated Systems

Now:
Cross-Functional,
Integrated Experiences

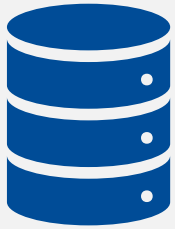
The Old Play: Execute a Siloed System Implementation

Each silo deals with problems individually, pursuing optimization of each component.

Organization-wide cohesion is near nonexistent.

Finance/Accounting

ERP Implementation



Customer Service

Call Center Redesign



Sales/Marketing

Website Redesign



Supply Chain

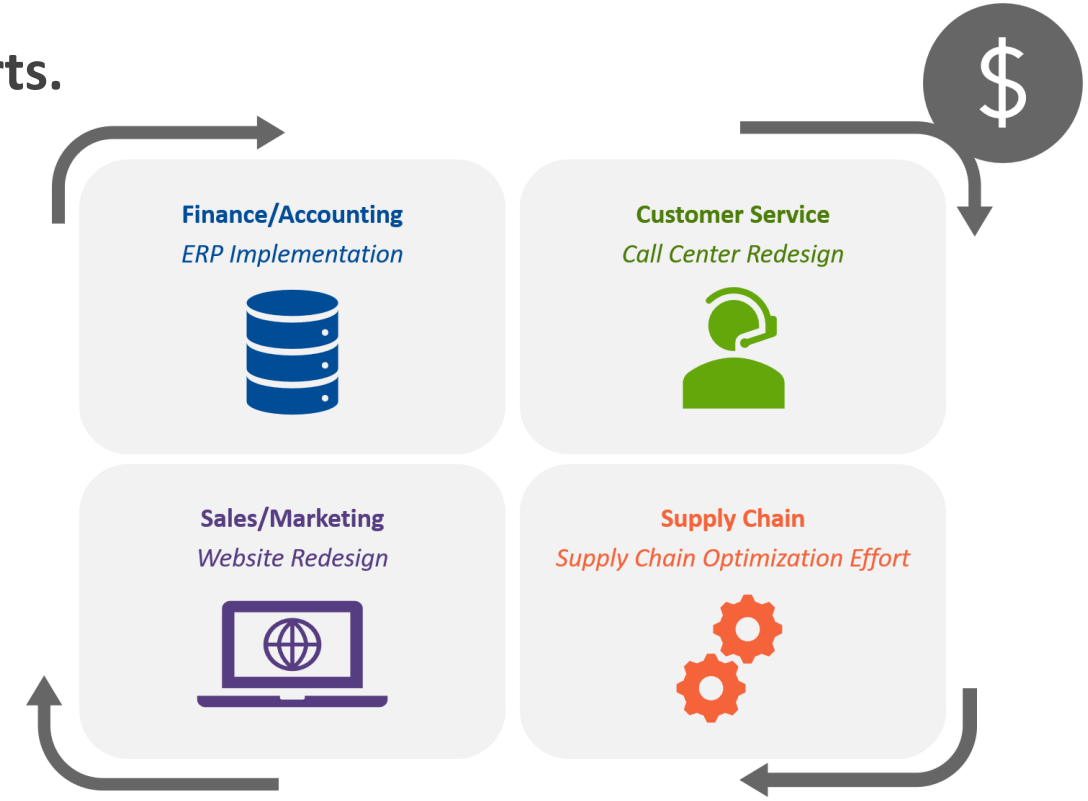
Supply Chain Optimization



What's Changed

Focus on optimizing the whole rather than the parts.

- Value lies in system integration and unified customer/employee experiences (multichannel, omnichannel, etc.).
- Solving for department-level problems is no longer a viable solution.



Taking a siloed approach to NextGen transformation is the quickest way to erode the ROI of your transformation project.

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The New Play: Build an Integrated User Experience



Case Study

Customer Experience Transformation at Fortune 50 Cable Company

The Challenge

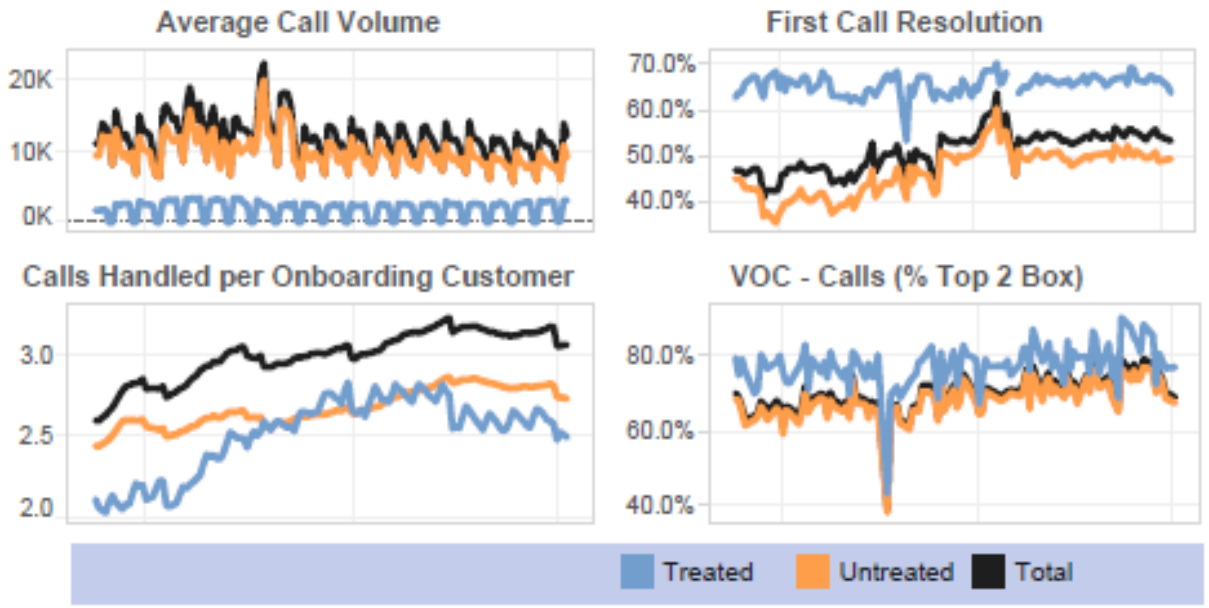
- Significant decrease in total subscribers
- Losing highest value customers at an alarming pace
- Customers complaining about long wait times and poor service

The Solution

- Customer segmentation methodology to enable white-glove service for high-risk, high-value customers
- Integrated technical solution (billing, call routing, etc.)
- Workforce transformation and stratified learning

The NextGen Transformation Approach

- Cross-Functional Team (Finance, Sales, Customer Service, etc.)
- Customer Journey Mapping
- Iterative Experience Design



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Recap: The NextGen Transformation Playbook

1. **Embrace Rapid Experimentation & Iterative Planning**
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3. **Say Farewell to Waterfall and Hello to Agile**
4. **Trade In Role-Based Training for Stratified Learning**
5. **Build an Integrated Experience, not an Isolated System**

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Questions?


Thank you!
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