

How to Write the Business Case for Your Digital Transformation

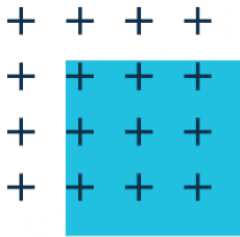


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Introduction

It is best to have a balanced and informed strategy to succeed when you have decided to invest in digital transformation. Here are some useful tips for writing a business case for your digital transformation journey and to help you move forward in the right direction.

Below are a few areas that you should focus on when writing a compelling case for your digital transformation. Begin by including your IT team and your relevant stakeholders. Digital transformation will have to be thoughtfully organized so that everyone can follow and walk the same path. The organization's culture can be one of the most challenging components, and the organization may need to prioritize change management for better results.

Risks of digital transformation

It is imperative to assess your organization's internal risks to ensure your digital transformation efforts are successful. In the event of an unsuccessful transformational initiative, remember that they may not fail permanently, but often fail for specific issues that can always be addressed on the next iteration. Though this may not be very encouraging, it's still possible to achieve successful digital transformation.

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Always ask yourself the following three questions when you write a business case:

1. Will this project reduce costs for my business?
2. Will this project indirectly or directly generate more revenue?
3. Will this strategic value help in project unlock?



Business case checklist

To win stakeholder alignment, try to include these three elements in your business case:

1. Cost-saving

Cost-saving is essential as stakeholders trust quantifiable results that can immediately impact your bottom line. It is economically beneficial to demonstrate the current cost of operations relative to the end solution savings.

Determining cost savings can be an easy process. It takes patience to identify and assess the specific areas of potential savings.

You should analyze one cost center at a time, understand the layers of expense, and branch out from there. Calculate your return on investment once you have broken out your cost centers.

2. Revenue-generating

Cost-saving is an important tactic to improve your business processes, however difficult a strategy may be. A new initiative would ideally produce more revenue in addition to operational efficiencies. Businesses should look beyond creating efficiencies for cost savings. They should focus more on outcomes rather than processes. A shift in organizational thought can occur if organizations start focusing on revenue generation.

3. Strategic value

Strategic value is non-quantifiable and can have a sizable impact on the organization's competitive edge. Companies should connect the dots between specific business objectives and their project to prove their case. Strategic value primarily includes the following:

Innovation: It changes the way of thinking in the organization and encourages new thought processes. It opens up new dialogues and enables creative solutions to complex problems.

Customer experience: It helps you provide a superior customer experience and encourages faster response time for profound customer satisfaction.

IT empowerment: It allows IT to focus and maintain record systems and work on single, short-term projects.

Operational agility: It gives you scope for continuous improvement and scaling projects with small investments.

Understanding data: It provides you with better data for improving your product's reliability and quality.

Writing the perfect business case for your digital transformation

For reasons unknown, many people don't write up business cases for upcoming projects. The reasons can be anything. It is essential to recognize the value of a business case to add up to a project's overall success rate.

The purpose of a business case is to give proper justification for the digital transformation. It must outline the details of the project and estimate the ROI. However, a business case can be so much more than that. It should add more value and benefit to your project, which includes the following:

1. Ascertaining that your business case is realistic and accurate:

Understanding ownership cost is key. For example, there will always be other indirect costs related to the actual software integration other than the one quoted to you from your prospective software vendors. A business case will reveal the big picture and help determine the ROI for your project.

2. Identifying the benefits for the organization:

Evaluate the right technology for your organization. For example, many benefits come after implementing a new ERP System. If yours is in the manufacturing industry, you can cut costs through inventory reduction. Make everything transparent from production statuses to raw materials and more. The right system can help you close more business and drive top-line revenue growth for the organization. There are innumerable benefits of integrating new systems ranging from increased employee retention to enhanced customer experience because of the simplicity and transparency across the organization.

3. Aligning organizational change management strategy with a business case:

The framework set with the project's objectives and goals will also speak to the right organizational change management strategy when the time to go live comes. The areas of the magnitude and impact of organizational change should be listed in the business case. You can utilize the business case as a roadmap for implementing new training sessions once they are identified for those roles or departments impacted by the changes.

4. Incorporating the realization plan:

Dialing in on critical metrics will ensure the success measurement of a project. It will also create accountability and focus within the team. It will also ensure that everyone is doing their bit to support the transformation. Recognizing where you are achieving the benefits and where you are falling short is essential. Understanding the areas you are lagging in can help you analyze the reasoning to find the solution.



Tips to understand why it is essential to have a clear strategy that will act as a roadmap for future reference:

1. Begin Assessment

Transformation is difficult if you do not have a clear picture of where you are starting from. You can start doing this by performing a current state analysis. This will help you to build the rest of the strategy by giving insights into the culture practiced by your staff and leadership. Your current team's technical skills will impact technological change like existing processes, roles, and structures and how they relate to the organizational goals. State analysis is vital for understanding what it will take to move your business from where you are to where you would like to be in the next few years.

2. Make way for transformation

Your digital transformation effort will get the organizational support you desire if you can clearly state its benefits to your business. The key is making a story that shows transformational goals that align with the organizational goals. You should convince your top management that these changes will improve the products and services and not just replace them with new digital versions.

3. Connect strategy with relevance

Strategies impact the entire organization, and everyone affected by them must see the value in it. Consider the effect of this digital transformation from the workers' perspective. For instance, what is its impact on daily work, how will this transformation make the job easier, how will it empower the workers to focus on essential tasks, and how will it automate low-value and necessary tasks. For example, your marketing team may change many of its processes and resist adopting new technology. However, if you can show how these changes can improve their ability to use digital marketing to get more leads, they may be more receptive to such changes.

The right strategies involve education and onboarding team members to see what is happening and how it can benefit them. Create accessible, relevant content that explains the transformation and what it means to the organization. Engaging content including visual content instructional videos, dissertation writing services can be helpful. Digital transformation may sometimes feel like nothing more than a forced change if teams don't understand what is happening and why.

4. Identify desired skillsets

It is okay if your IT staff has the collective skill set required to plan, implement, and support the changes. Consider which skills need to be nurtured when you write your strategy and who will be the most appropriate candidate to execute your plan

5. Justify funding

At this point, you should have received upper management support, your team members should have understood the value of these changes, and they should have identified your needs too. Assuming all this is achieved, you should also know how much money you need to make these changes and how you would secure it. Digital transformation usually involves multiple projects and affects all areas of the organization.

6. Finalize a budget for this

This kind of transformative change is challenging. Still, it is important to show value and keep stakeholders involved at every stage.

Final word

It is not an easy task to create a digital transformation strategy. It is a huge undertaking that will take several attempts to perfect and will involve multiple business areas.

It would be wise to view your business case as a roadmap to success for a project and not merely a justification tool for the project's approval. It will still help write up a business case, even if you are in the middle of a project. You will be one step closer to a successful transformation if you follow the steps.





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