



How to Prepare for Digital Transformation Initiatives: Part I

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I recently read an interesting study published from LNS Research on digital transformation called, *Understanding Industrial Transformation Today: Digital Readiness is the Foundation for Success*. It analyzed the results of a global survey conducted in December 2018 on the state of industrial transformation programs in manufacturing companies. They collected 302 completed surveys across a wide range of industries and geographies. Responds came from executives, management, and operations personnel. It was particularly interesting since it highlighted the point of view and the behavior of our customers, giving several ideas on what a system integrator should take care of to be prepared to support the digital transformation initiatives that are already in place or approaching.

It's important to analyze the results since the approach of industries to digital transformation is different from the way we're used to when thinking of automation. Digital transformation is not advanced automation—it requires a significantly different approach.

One of the first things that comes out from the survey is that all digital transformation initiatives are not driven by technology. They are mostly business initiatives empowered by the usage of collaborative technologies. This reflects in a different approach from the organization standpoint. Most of the initiatives are corporate driven by the board of directors and managed by CEO, COO, or CFO. They are then rolled out to the various areas or plants involving plant, operation, or supply chain managers. It results in a mixed top down and bottom up approach that is slightly different from the approached normally used in automation or manufacturing execution system (MES) projects.

This is a very critical aspect that system integrators need to take into consideration from the beginning. It requires a different sales approach and the ability to speak different languages. The arguments system integrators are used to use with operational people are not sufficient anymore. For example, I've seen data collection projects driven from human resources (HR) and it's clear that you can't talk of bits, bytes, communication protocols, architectures with an HR manager. System integrators need not only to discuss and sell operational value, but business value as well. The full selling cycle is different in times and methodology and this is something that need to be considered very carefully. As multiple roles are engaged on the customer side multiple roles need to be engaged from the system integrators side as well. This potentially requires a different

sales organization and to engage the right person at each stage of the selling cycle.

Strictly related to the previous point is the very frequent full integration of multiple departments in the project team. Engineering, information technology (IT), operations, quality, and supply chain representatives belong to the team supporting the digital transformation projects. This is something not completely new. Even in traditional operational projects like MES and automation the engagement of multiple departments is becoming more frequent, but in many cases is still struggling. In all the digital transformation projects I've been involved with instead, the collaboration between the various representatives—and especially between IT and operational technology (OT) is full. Independently from who is leading the projects, these groups are fully aligned and constantly engaged.

Again, this requires a different approach from the system integrator, who needs to bring multiple competences and engage multiple subject matter experts to the table. Just as an example, he needs to have very advanced IT skills and be able to discuss and manage complex architectures: cloud solutions, virtualization, broadband connectivity, cybersecurity, etc.

As you can see, the different ownership and engagements of the digital transformation projects requires a different approach from the system integrator. Its role—especially in the pre-sales and sales phases—is more business oriented than technology oriented, it's closer to consultancy than to technology integration. Having the right approach from the beginning is not only required to win the project, but it's key to implement a successful project as well.

Check back next week for Part II of this blog post.