Net Zero Technology Centre
Technology Driving Transition

Technology Leadership Board Event Report

Overcoming Barriers to Digital Implementation

Focus Group: Business Cases

Date: 12th June 2024

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Round Table Facilitation: Waqaas Zia

Introduction

When successful, digital transformation and digitally-enabled project proposals can revolutionise a business. Industry continues to talk of digital transformation and the significant benefits, but often only companies with a digital focus in the executive team will leverage the benefits.

Participants were asked to consider how we can reframe business cases that rely on digital technology to be 1) better understood by the non-digital decision makers and 2) increase the success rate of those business cases that are selected to progress?

Three questions were posed

- Problems: what is missing in current business cases related to digital tech?
- Solution: what information would you want to be provided to help better understand the proposal?
- How else can we increase the success rate when deploying digital technology to the business?

Outputs

Three sessions were guided through the questions. Open discussion and sharing of opinions in addition to collating post-it notes formed the basis of the information gathering process.

Outputs were collated on flip charts and, after the event, digitised into a Miro board. From there, themes were identified for each of the groups and these were then consolidated into an overall response for each of the questions.

The following sections summarise the findings from each question posed.

Q1 – What is missing in current business cases related to digital technology?

- **User perspective**: a lack of clear understanding and capturing of the users' needs.
- **Terminology**: over-user of terminology and excess technical detail within proposals.
- **Consideration of risks**: failure to highlight the major risks associated with the proposal.
- **Selling the business case**: technical people unable to provide business context.
- **Clarity of value:** not stating the business impact, value proposition and benefits.
- **Leadership**: leadership not understanding the technical solution and being risk averse.
- **Company value**: not aligned to company vision and strategy. Company value unclear.
- **Present options**: business cases often haven't fully considered alternative solutions.
- **Financials**: unclear pay-back period, requirement for returns in the same year as an investment.
- **Organisation**: unclear whether local/global solution plus not presenting holistic approach.
- **Decision metrics**: lack of clear evaluation metrics to ensure transparent decision-making.

Many of the discussions within the different groups centred around the business case content and presentation. There was a common concern that the technical details, terminology, and the presenter's ability to effectively communicate the business case's value were confusing. It was suggested that the language used should be aligned with the business context, company strategy, and vision.

Q2 – What information could be provided to better understand the proposal?

- **Leadership**: engage with a business sponsor ahead of presenting. Raise awareness within the leadership of the value of digital and the risk of doing nothing. Encourage clear decision metrics.
- **Value**: evaluation of value is needed. Start small, build the solution, gather confidence and demonstrate value over time as opposed to seeking to deliver a large step-change project.
- **Format**: simple 2-page visualisation is important. Clear statement of whether local/global solution is proposed. Show the overall vision and how the business case helps deliver the first steps towards the vision. Be clear about what will be delivered, and when, as well as costs.
- **Pitching**: allocate someone enthusiastic to pitch, potentially an end user. Prepare and advise on the story before pitching and use facts from suppliers/users to confirm potential value and engagement.
- **Organisation**: need to bring people on the journey. It is never enough to just implement a digital solution on its own. The wider organisational impact and engagement must be included.
- **Industry Awareness**: look to other sectors and identify shared industry approaches. Can the solution be collaborative with others to share the cost and maximise the impact?
- **Financial**: potential to allocate different funding mechanisms for shorter sprints, demonstration of proof-of-concepts, experiments and learning through fail-fast approaches. Will require different rules and evaluation for reporting over more traditional approaches.
- **Failure**: failure cases should be included and openly discussed. Failure should both be allowed for and expected. Often business cases seem 'too good to be true' and very optimistic so the business case should consider the way forward should the unexpected happen.

Solutions to the problems raised include careful selection of the presenter, clarity and simplicity of the business case with clear value demonstration, engaging leadership before presenting, identifying a sponsor, and including failure paths in the presentation to build confidence by considering potential failure early in the process.

Q3 - How to increase the success rate when deploying digital technology?

- **Collaboration**: no company wants to be the first to adopt new technology. Collaboration is supported in principle however, the mechanisms of collaborating and sharing data are not clear. Workshops under Chatham House Rules may help to break down boundaries and silos.
- **Communication**: avoid the use of the word 'Digital' and ensure the project title reflects the proposal outcome. Show demos that are relatable. Exploit those that are not supportive and work to address their concerns.
- **Vision**: When presenting to C-suite, restate the vision and show how the project will move the organisation forward. Show progress since previous presentations. Connect the vision to business metrics, strategy, etc. to strengthen the alignment with the organisation.
- **Leadership**: A digital strategy is not an IT strategy, and it needs to be led by the business. A sponsor is required at a senior level within the organisation to ensure alignment, business context alignment and organisational support, where required.
- **Value**: the impact of doing nothing should be stated to leadership as well as the impact of business cases that have not been supported, ie past decisions should be reviewed. Equally successful business cases should also be tracked to ensure that value is being delivered, recognised and recorded. Corporate memory can quickly forget how things used to be.
- **Risk**: all projects will be faced with decision points and unplanned events. Clear paths to take should failure occur should be communicated early to build confidence in the project team as well as reduce the 'too good to be true' perspective that can be associated with digital projects.
- **Financial**: organisations could identify a separate budget for digital projects as decision metrics may be different to standard business projects. In addition, business cases should be prepared to consider a reduction in scope and budget and therefore a phased delivery path.
- **Organisation**: digital projects must be led by the business, with digital teams incorporated into the business and not structured as a separate, standalone team. Training within the business to ensure expectations of a business case are well understood would drive consistency.
- **Delivery Partners**: when identifying delivery partners, it is worth identifying appropriate expertise for different stages (build, implementation, training) rather than having one partner do it all. Each phase has a different skill set. Delivery may be compromised by having one partner

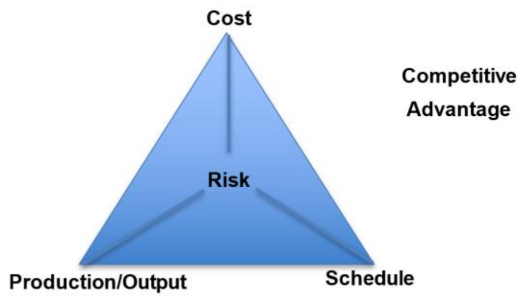
To successfully implement new technology, focus on collaboration, clear communication, and demonstrating value. Leadership should lead the digital strategy, allocate a separate budget for digital projects, and ensure training and consistent business case expectations. Identify delivery partners with expertise in different stages and communicate decision points and unplanned events early to build confidence and reduce skepticism.

Key recommendations to improve the success of digital business cases are:

1. **User perspective**: Ensure a clear understanding and capturing of the users' perspective in the business case to better align with the needs of the end users.
2. **Terminology**: Avoid overuse of technical jargon in proposals and simplify the language to align with the business context and company strategy.
3. **Consideration of risks**: Highlight the major risks associated with the proposal to provide a comprehensive view for decision-makers.
4. **Selling the business case**: Enable technical personnel to provide business context along with the technical details to emphasise the value proposition and benefits.
5. **Clarity of value**: Clearly state the business impact, value proposition, and benefits to demonstrate the value of the proposal.
6. **Leadership understanding**: Engage with business sponsors and leadership to raise awareness of the value of digital initiatives and the risks of inaction.
7. **Alignment with company vision and strategy**: Ensure that the business case is aligned with the company's vision and strategy to illustrate its value to the organisation.
8. **Presentation clarity**: Use a simple, visual format to present the business case, clearly stating whether a local or global solution is proposed, indicating the overall vision and delivery timeframes.
9. **Engaging stakeholders**: Bring stakeholders on the journey by demonstrating the wider organisational impact and engagement in addition to the digital solution itself.
10. **Industry awareness**: Explore shared industry approaches and collaborative solutions with other sectors to maximise impact and cost-effectiveness.
11. **Flexible funding mechanisms**: Consider different funding mechanisms for shorter sprints, proof-of-concepts, and experiments to enable a more agile and fail-fast approach.
12. **Openly discuss failure**: Include potential failure cases in the business case to prepare for unexpected outcomes and build confidence by considering potential failure scenarios.

By implementing these recommendations and solutions, business cases related to digital technology can be improved to better meet the needs of decision-makers and increase the success rate of proposals.

One participant proposed the following set of 5 metrics by which to assess business cases which was regarded as simple and effective, providing a transparent and clear metric for evaluation.

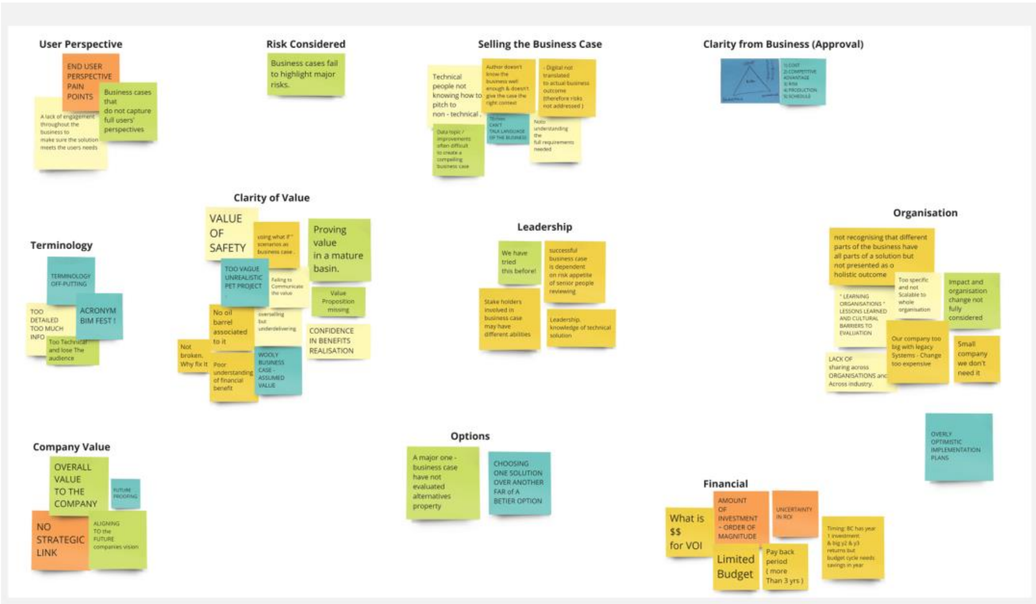


Conclusion

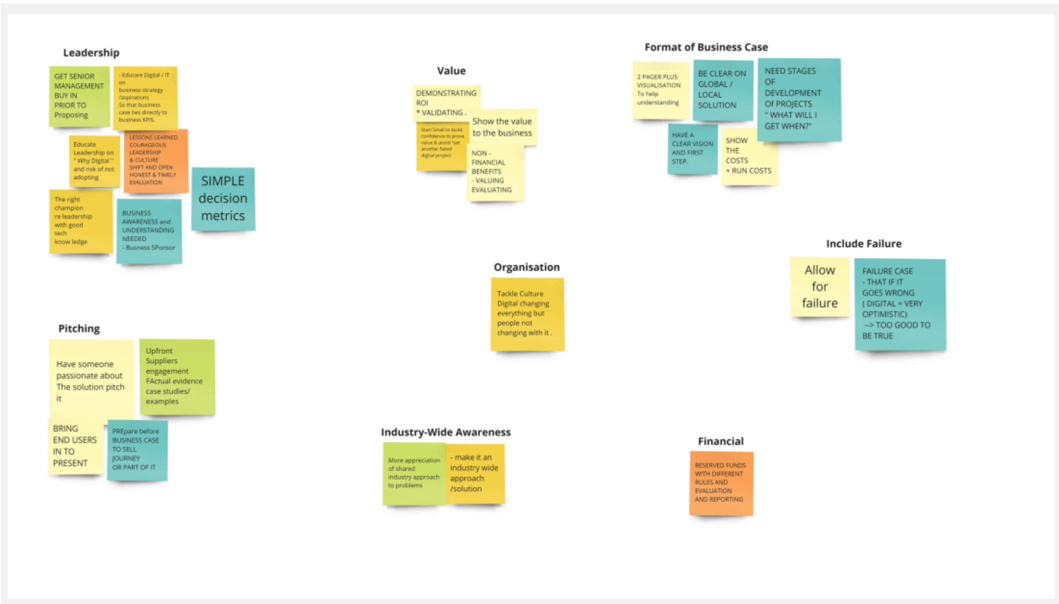
In conclusion, the event organised by the Technology Leadership Board provided a broad discussion with a range of organisations operating within the energy sector with various levels of experience either delivering or evaluating business cases relating to digital technology. Recommendations are presented to help improve the quality and success rate for business cases relating to digital technology.

Flip Charts

Digitised – Consolidated and Themed – Q1 Problem



Digitised – Consolidated and Themed – Q2 Solution



Digitised – Consolidated and Themed – Q3 Other Aspects