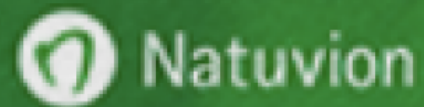


Study: 60 % of Digitalisation Projects are Initiated by Management

With its latest study, Natuvion documents top executives' strong understanding of the benefits of digital transformation and their readiness to invest in it.

www.IssueWire.com



Transformation Study 2022

Transformation 2022 The Study

More than 200 companies responded to a structured survey which investigated experiences from latest transformation efforts.

*Which challenges caught organizations by surprise during their transformation?
Would they approach anything differently now than? Have goals been reached, and if not, why?
Learn from the experience of more than 200 survey participants who responded. Improve your
own planning and avoid mistakes that others share in this study.*

Sydney, New South Wales Nov 9, 2022 ([IssueWire.com](https://www.issuewire.com)) - Natuvion, a leading consulting firm for the transformation and migration of data and business-critical processes, conducted a study in the German-speaking region (DACH) to gain insight into digitalization initiatives and digital transformation processes in mid-sized companies. The questionnaire addressed 201 decision-makers who have already gone through a transformation or are currently running a transformation project. One of the objectives of this survey was to find out what actually motivated and impacted the transformation. Furthermore, the intent was to learn more about the effects it has on a company when moving core processes to a new technology platform.

Digital Transformation: it is not always about strategy

The study reveals that a digital transformation process is, in most cases, triggered due to strategic reasoning. However, there are other important reasons as well. Only 30 percent of respondents consider the strategic direction as the only motivation to start such an initiative. The majority at 67 percent named other motives as equally important such as organizational changes, improved and faster decision-making, cost reduction, or the introduction of new business models.

These results are not surprising given the fact that in more than 60% of the cases, the digital transformation is initiated by the management or the board. Therefore, it can be assumed that strategic considerations play a major role.

Such a high degree of strategic management topics as digital transformation drivers reflects the goals set for the respective transformation projects: increase in quality and reliable processes (65 percent), future readiness (58 percent), and cost reduction (48 percent). Only 22 percent indicated a reduction in the workforce as an important goal.

Digital investment: you snooze, you lose

Having relevant current processes and processes which are ready for future challenges is the foundation for the business now and then. A particular focus lies on technical and organizational challenges and the constant cost pressure. This focus is confirmed by a set of questions that targets the potential negative impact of a delayed or omitted transformation. Besides cost, the respondent rated poor process maintainability (45 percent) and incompatibility with technology innovations (41 percent) as frequent negative consequences that raise concerns. The multiple-question section also mentioned the slow decision-making and the increasing time pressure (both 32 percent). A decisive argument was and still is the cost explosion, with 70 percent checking this problem together with at least one other category.

This insight corresponds with the investments of larger medium-sized companies and corporations. With management as the leading force behind the transformation, strategy in the center, and a disadvantageous lack of investment, companies are willing to invest in what is necessary. The transformation budget alone without additional software costs and licenses is said to be in the range of EUR 100 to 500k for most companies surveyed. Just 12 percent invest below that. More than 70 percent of the transformation projects generate costs of up to one million euros, with the rest above that number. The breakdown shows 26 percent with a budget between 500k and 1 million, and 16 percent

above 2 million.

Digital risk-taking: transform and take chances

Companies balance investing and cost-cutting with appropriate risk mitigation. In this context, digitalization initiatives require taking into account many variables. This task does not only stay with the initiators, typically the Management and IT, but it involves the business to further evaluate any risk and make the right decisions. Down the road, both Management and IT stay involved in the decision-making process with 73 percent and 56 percent, respectively. Notably, the involvement of IT significantly increases from 26 percent at the beginning of the initiative.

The study also shows that Finance and Controlling are often (38 percent) an integral function in ongoing projects and decision-making processes. This mix of those involved in transformation initiatives and their role in the organization explains the different appetites for taking on risks in the project. 40 percent emphasize security, and 29 percent accept a higher risk level to raise or accelerate project success, whereas 30 percent try to optimize the balance of security and risk.

Reasons for increased risk-taking are often linked to serious pressure to achieve cost savings and to meet a specific timeline.

Holger Strotmann, founder and Managing Director Natuvion concludes that “Our study concurs with our experience from transformation projects which we executed for our clients. It is exciting to see that companies have a clear picture of what is on the line if they do not act timely and modernize their processes.”

About the Study

For the study, a total of 201 decision-makers from medium-sized and large companies were surveyed who either had already completed a transformation project or were currently in the execution phase. The answers were expected to provide insights that would help provide specific support for the digital transformation.

Download Study: [Transformation Study 2022](#)



Media Contact

Nativion APJ

christian.schroefl@nativion.com

+61 0411766764

2/7 Grosvenor Pl, Brookvale

Source : Nativion

[See on IssueWire](#)