

# DIGITAL TRANSFORMATION IN 2019: THE GOOD, BAD, AND UGLY



A new survey by the Economist Intelligence Unit on the [current state of digital transformation in the enterprise](#) contains a few eye-opening results about the success of such projects, who's involved, and who gets the blame when something goes wrong.

The Economist Intelligence Unit polled more than 300 enterprise IT and line of business executives to get their thoughts on digital transformation within their organizations. Here's what they had to say:

## **The Good: Organizations are doing it and seeing some success**

With all that's been written about the need for businesses of all stripes to undergo digital transformation or be left in the dust, it's heartening to learn that 73 percent of organizations have had digital transformation initiatives for two years or longer. None of the respondents had initiatives in place for less than a year. Even better, 58 percent of them say they are achieving some or all of their digital transformation goals.

Naturally, these types of business-altering initiatives take time to start bearing fruit. Nearly two-thirds of respondents that have digital transformation initiatives in place for three or more years strongly agree their organizations are realizing benefits. That number dips to 42 percent for those projects that a couple years old or less.

Almost all of the organizations surveyed cited greater operational efficiency as the main priority for

digital transformation, but as their initiatives matured, the priorities of the IT and business sides of the house diverged.

## **The Bad: IT's purchasing involvement seems to be plummeting**

Gone are the days when all technology purchasing goes through IT. In the survey, a whopping 66 percent of respondents say they never or seldom involve their IT departments when acquiring IT solutions for digital transformation initiatives.

There are a few factors at work here. First, business leaders say the IT procurement process takes too long (37 percent of respondents) and that IT decisions are not flexible enough (30 percent). Second, the divergence in priorities after better operational efficiency is causing friction. The business wants to grow revenues and reduce costs, while IT is more focused on reliability and getting the most out of existing systems. It's also worrisome when 31 percent of non-IT respondents say IT decisions are not aligned with their digital transformation goals.

"Digital technologies are trivial to purchase," says Emer Coleman, technology engagement director for Co-op Digital. "Why would you go through all the pain of procurement? Digital makes it possible for departments to say, 'We'll just pay for it.'"

I've witnessed this as a marketer during my career. The growing MarTech arena contains a bunch of interesting tools and technologies for helping make us better marketers. But at times, IT teams at organizations I've worked at balked at potential purchases, even if our budget was paying for it.

## **The Ugly: IT is still on the hook**

While the business side of the house is happy to buy and implement its own technology, guess who they blame when things go wrong? Yep, the IT department. When something goes wrong with an application or service, 43 percent blame IT, 29 percent blame the CIO, and only 15 percent blame it on the relevant division head.

This feels a lot like when less technical family members make technology decisions, then expect you to fix the mess when they muck something up.

How can IT overcome this? According to the Economist, "IT departments of the future should be much more collaborative with other functions in their organizations and take into account the priorities of the rest of the enterprise before setting their own. In short, IT departments should become less of a gatekeeper and more of an enabler of their organizations."

More than a third of survey respondents with a higher degree of collaboration between IT and business are extremely confident they can overcome digital transformation challenges that arise. For the non-collaborators, the extreme confidence level is only 12 percent.