

# **DISRUPTED OR DISRUPTOR:**

Which side are you on?

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# Introduction:

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When iGrafx called to say they wanted to investigate the nature of disruption, the conversation could hardly have come at a more timely moment.

'Disruption' is the latest euphemism for 'change', and unlike 'transformation' has a distinctly negative connotation. 'Disruptors', though, are a breed apart. There is definitely a love-hate relationship with disruptors: on the one hand, we make celebrities of those who carve out a new world for themselves. On the other, companies and industries can be extremely conservative when it comes to new ideas.

The enthusiasm and number of respondents told us that disruption is an issue that many of us are thinking about – wherever we are in the world. The importance of these topics has captured the imagination of respondents from all over the world, giving us a broad cross-cultural perspective that we weren't expecting when we began the survey. Large picture to one side, as we look ahead to 2019, we need to see where we fit into the picture as individuals.

- What do people expect from their efforts at transformation?
- How do people measure the success of their actions?
- Is technology growing to become more important than people in an organization?
- We cover many of these issues in the research that follows.

Whether you find the results below surprising (we all have our own reality), we think they'll prove to be valuable ammunition as you deal with disruption, whether it's coming from within your organization, or happening in the wider world. Every business is different and although it isn't for us to provide unequivocal answers, we don't mind sharing thoughts and posing the occasional follow-up question.

If you have answers you'd like to share, or additional questions of your own, please let us know.

# The questions

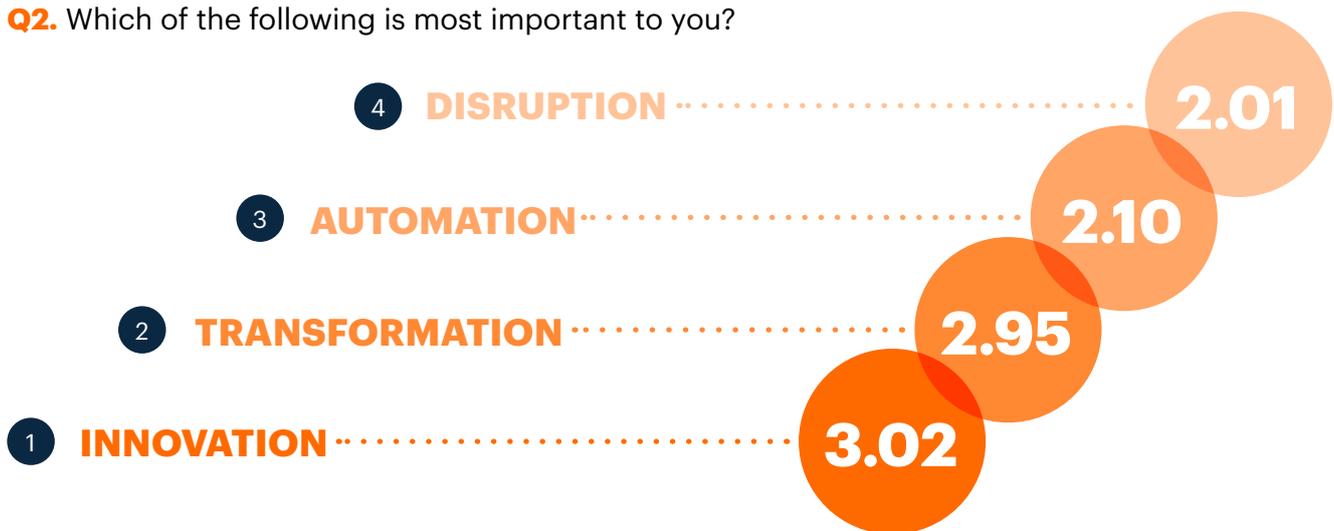
**Q1.** Digital transformation has most strongly affected my organization's...



**PEX:** While the term 'digital transformation' points to technology causing disruption, the effect is not on the technology itself - the impact is most keenly felt by the people in the organization and the processes they carry out. Historically, organizations have tried to address digital transformation through technology - sometimes unwittingly impacting on people and processes. If the key to success of a project is getting people on board, consider the high number of digital transformation initiatives to date that have been less than successful, and draw your own conclusions...

- Where does digital transformation have the greatest impact in your organization?
- What are you doing to make transitions easier, sustainable, and profitable?
- How are you engaging people and assessing impact on operations before layering on new technology?

**Q2.** Which of the following is most important to you?



**PEX:** Answers to this question highlight the overlap (and confusion) around these buzzwords... We were curious to see which rose to the top of the buzzword soup, and arguably the amount of crossover makes this too close to call. However, even with the tight margin between answers,

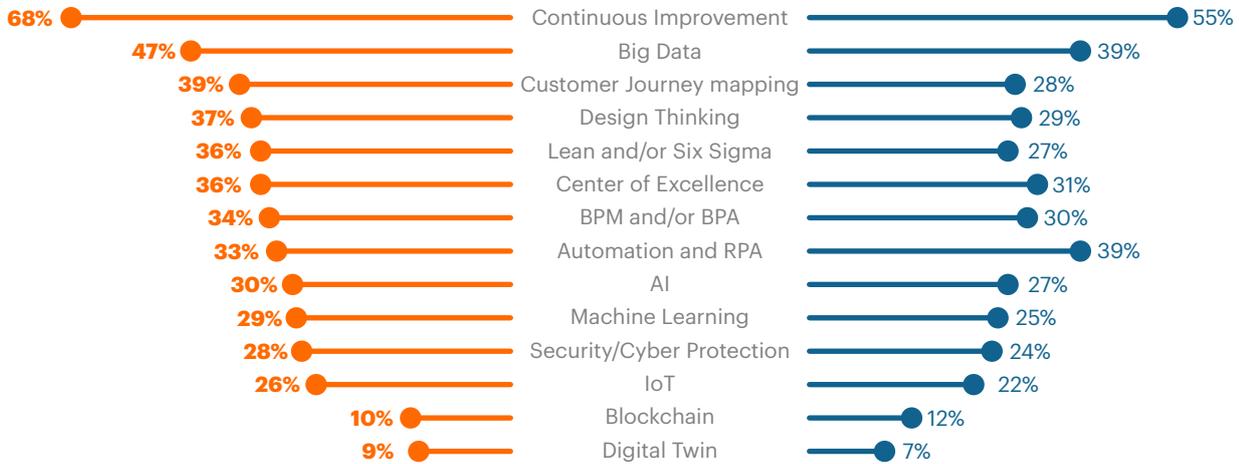
it is telling that "innovation" - the outcome that enables "disruption" - ranked most important as we can see by the survey results in total, people care most about the business impact rather than the technology in itself.

# The questions

**Q3.** What transformation projects are mission critical to your organization today?

**Q4.** What transformation projects will be mission critical to your organization in the next 18 months?

Respondents could choose multiple responses



**PEX:** Allowing respondents to choose more than one option has given scores that add up to more than 100%.

Continuous Improvement is far and away the most important to organizations today, and over the next 18 months. And this makes sense since “taking the cost out of the business” has been a crucial driver for businesses. However, over more time, it may find itself edged off the top spot if the trends here continue. And this makes sense since “taking cost out of the business” has been a crucial driver for businesses.

Observing a fall of the importance of CoE at 18 months was unexpected given that the rise of new technologies such as automation and blockchain is likely driving the increase in importance of the CoE. This is especially true in the context of driving compliance initiatives. Unfortunately, the survey didn’t specifically ask about “compliance” as a current and future driver.

Customer journey mapping also drops a number of places. Our observation and best guess is that there’s a detachment between it and the impact to the business. Today CX efforts yield more more observational benefits. However, tying CX into the impact to the business will eventually show the real value of customer journey mapping and other CX initiatives.

At the bottom of the list are IoT and Blockchain – ideas that promised big disruptions when they first appeared, but which few regard as mission critical today or in the future. Things can change quickly, however; the low ranking of security/cyber

protection seems at odds with customers’ concerns about the safety of their information in the wake of highly publicised data breaches and the threat of cyber attack. Perhaps we’re all guilty of not worrying too much about it – until it happens to us?

Automation is generating a lot of buzz at the moment, and for good reason: customers are being told that they can simply purchase a few bots and their problems will be solved. Unfortunately, this isn’t always the case today, since many RPA projects fail, or don’t achieve the promised results. We believe that RPA still holds tremendous promise, especially when processes governed by a CoE ensure that the automation initiatives are selected appropriately and remain compliant.

As both Automation and Blockchain are the only answers making upward progress in these questions, maybe the lesson here is: beware of over-promising and under-delivery. if you’re going to incorporate new technology, do it carefully and be aware of the pitfalls before you start.

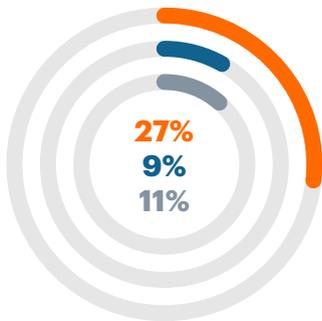
- What can you do to ensure the success of your automation projects?
- How will you make sure automation projects are done in a compliant fashion and overall compliance is maintained.
- Do you have a method of prioritizing automation projects and ensuring effectiveness/success?

# The questions

**Q5.** When it comes to new technology, how do you think you are perceived as an individual?

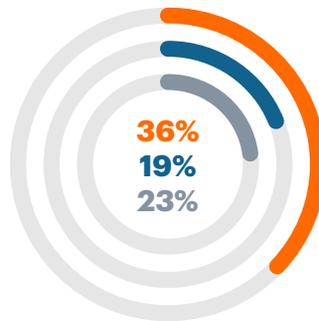
**Q6.** When it comes to new technology, how do you think your company is perceived?

**Q7.** When it comes to new technology, how do you think your industry is perceived?



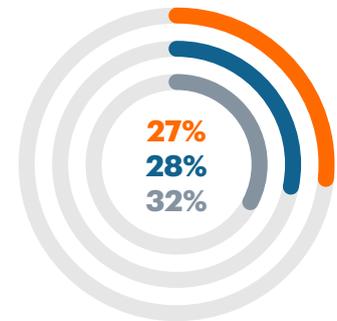
### Innovator

Well ahead of the curve



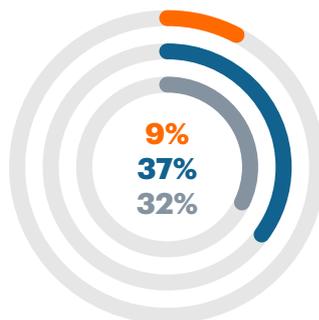
### Early adopter

Eager to try any promising new technology



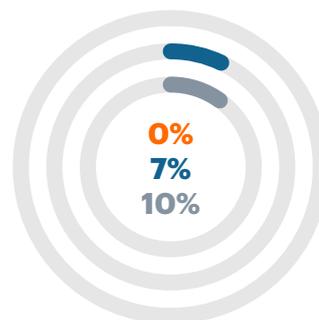
### Early majority

Cautious of fads, but quick to move on technology that has been shown to have practical use



### Late majority

Will sign up to technology that has become 'industry standard'



### Laggard

For whatever reason, uninterested in new technology

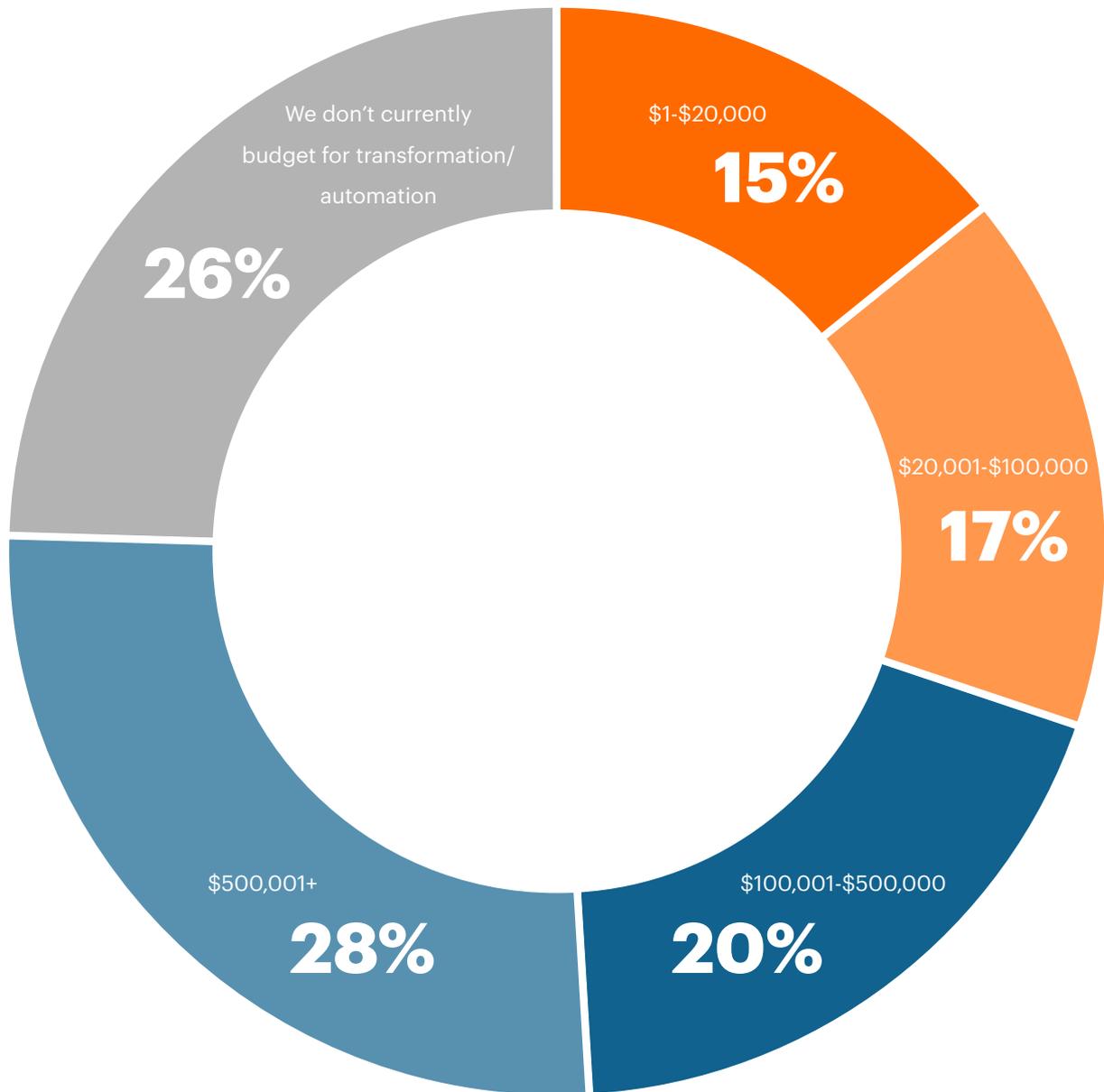
**PEX:** Respondents clearly feel that they are innovators in businesses and industries that are more cautious in adopting new technology. Whether their businesses are moving faster than the industries they work within remains a bit more open to discussion: this might be a matter of perception that the industry is moving ahead leaving the business behind, and that the pace of change is not all that the individual answering the survey would wish for.

Inevitably, there will be some impatience from disruptors who want to get on and try new ideas out in the real world, but this is causing tension between the two. Question is: how healthy is this tension? The reluctance to embrace new tech too quickly may be a useful check on disruption – or it could be holding businesses back from being in charge of

the change. Change has to happen, but not everyone can control what happens – or how quickly. Companies and industries are often risk averse unless there is a very clear path to positive ROI and business impact.

- Take a reality check: where does your business really lie against competitors?
- How do you ensure that innovation projects are costed and moved forward?
- How are you predicting and validating ROI on transformation projects? Is your boss buying that story?

**Q8.** How much does your organization budget for transformation/automation projects?



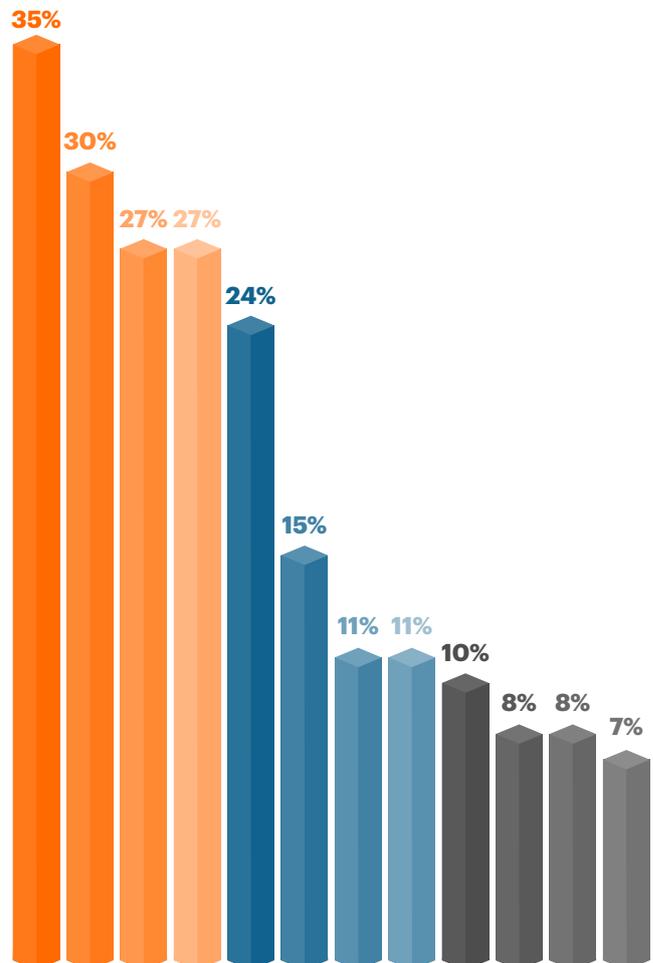
**PEX:** It's a fairly even spread of responses here – with the highest percentages in the highest and lowest budget options available. Perhaps the reality for many businesses is that they spend what they have to keep up with the others, while others are trying to throw money at the problem. Still others are looking at ways of making changes without spending anything at all... but these may be the organizations most vulnerable to wider change catching them unawares.

- Is your spending level appropriate? ✓
- Are you spending more or less than others in your space?
- How do you map projects to ROI in the context of business results?

## Q9. How do you decide / prioritize which projects to automate?

Respondents could choose up to three responses

- Choose the most menial and repetitive tasks
- Choose the lowest hanging fruit (most bang for the buck)
- Select the most expensive to perform manually
- Discover/map/model/simulate to analyze automation project for outcome
- Choose the tasks with the most regulatory/compliance risk so we can prove compliance
- Choose the easiest workflow/process to automate
- We haven't planned for any automation projects
- I don't know
- Use process discovery tools
- Select the cheapest workflow/process to automate
- The automation vendor suggested project(s)
- Create a digital twin of the organization/business process



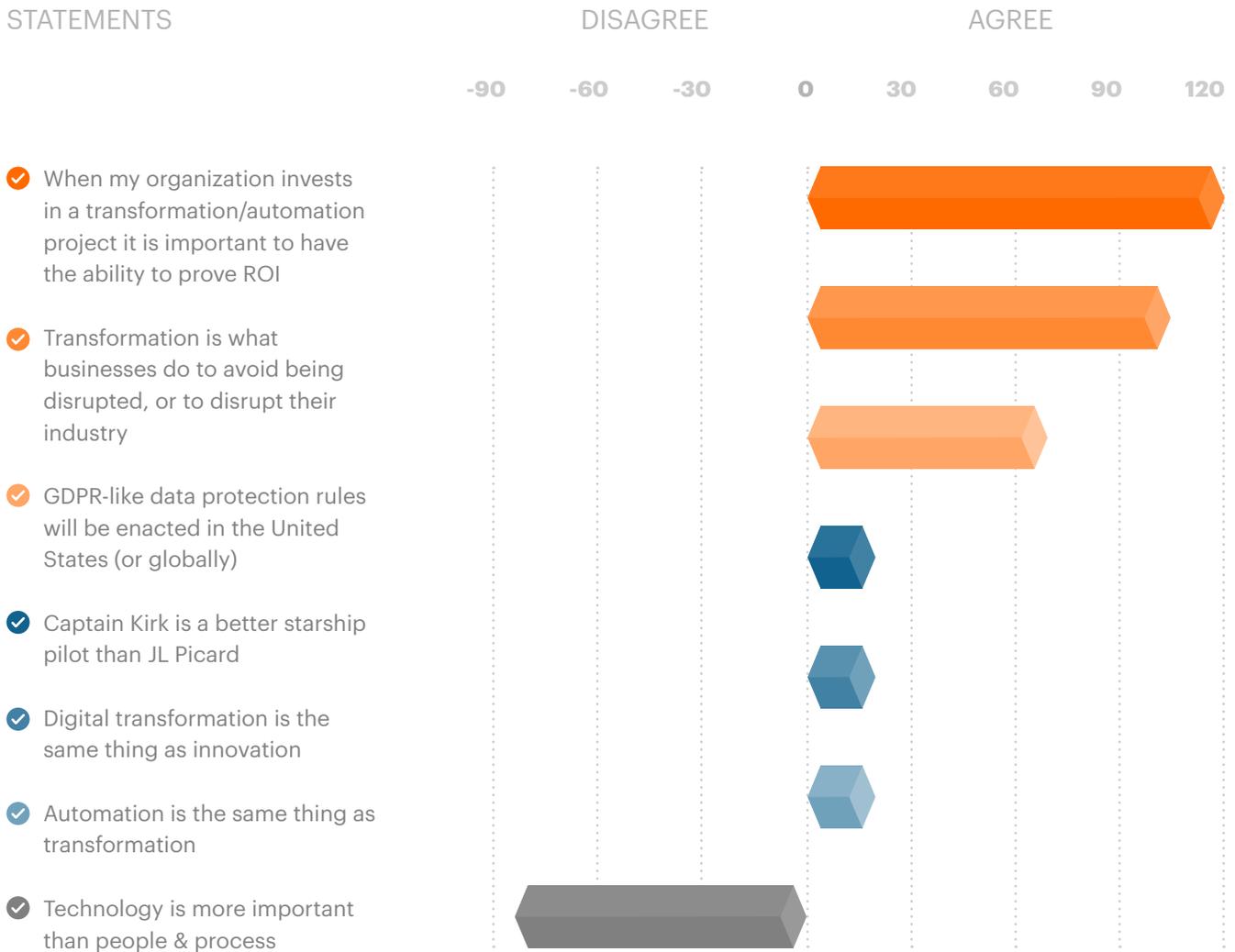
**PEX:** Finding the right work for the robot is important – but so too is finding the right work for the people. Understandably, the machines are going to do what they do best: repetitive tasks in a predictable environment. That said, a calculation has to be made to decide whether some tasks are worth taking extra time over automating – because the returns from doing so will be that much greater. Knowledge is definitely something you need to pursue, and that knowledge needs to go beyond understanding the technology you are hoping to introduce: it includes knowing your own strengths and weaknesses as an organization and how to overcome resistance to change.

- Identify where resistance to change is coming from. Is there a good reason for this resistance?
- What small-scale automations can you implement at low risk?
- How are you involving others in the decision making process about automation?
- Is there a general consensus - or dissent - on the reasons for automating?
- Where there is disagreement is there a way of testing both sides?
- Can you agree on what success looks like?

# The questions

## Q10. Do you agree or disagree with the following statements?

These sentences have been ranked from strongest agreement at the top to strongest disagreement at the bottom.



**PEX:** This points to a very clear desire for transformation to happen that benefits the bottom line – and not just for the sake of it. The exact relationship between transformation and disruption is open to question – as we said in the introduction, ‘transformation’ is a more positive word than ‘disruption’... could an organization see itself as transforming in order to disrupt? Happily, there is a nuanced understanding of the difference between automation and transformation, and even more encouragingly, technology is not being put ahead of the needs of the people within an organization: the only hard disagreement with any of the statements we put to the respondents.

While there is some support for Kirk’s captancy, we wonder which is the greater disruptor - but perhaps that’s best left for another time.

✓

- How are you establishing ROI?
- Do the people in your organization feel they are in second place to technology?

**Q11.** When your organization invests in transformation and/or automation projects, what is the most important ROI measure?

- Increased process efficiency **38%**
- Decreased costs **29%**
- Customer satisfaction / NPS score **15%**
- Increased quality measurements **6%**
- Employee adoption **5%**
- Employees RIF'd **1%**



**PEX:** Respondents were keen to take the shortest journey from intervention to measurable ROI in automation projects. Increased quality measurements feels surprisingly

low – but perhaps it is one of those measures that kicks in when efficiency has been demonstrated.

**Q12.** ROI is measured from transformation/automation projects via:

- Real-time performance KPI dashboards **45%**
- Manual reports **24%**
- We don't measure ROI from Transformation/automation projects **14%**
- Gut feeling/anecdotal evidence **6%**
- Monitoring company share value **4%**



**PEX:** According to the results from these questions, ROI is judged by efficiency and measured objectively: in other words, by clear and quantifiable means. Those that take

a gut feeling or monitor share price are arguably looking at the effectiveness of their efforts through a lens with the capacity for heavy distortion.

# The questions

**Q13.** In your organisation, who is chief decision maker on the following projects?

## Transformation



## Digital twin



## Automation



## Process excellence



## Compliance



## Risk mitigation



## Customer journey



**PEX:** Transformation is in the hands of the CEO - therefore you would be safe to assume that transformation is the most important endeavor. It's about careful change to maximize cost effectiveness and competitiveness. Most of

the other projects are either facets of transformation (eg. customer journey to ensure the view of the customer is incorporated), or are important governors of transformation (eg. risk mitigation and compliance).

**Q14.** In up to 5 words describe how you feel about...

## TRANSFORMATION

Necessary Exciting **Difficult**  
**Required** Essential Good  
Essential **INNOVATION** Difficult  
Exciting **Necessary**  
**Good MUST SURVIVE**

## DISRUPTION

Exciting **Important**  
**CHALLENGING** **Exciting** Need  
Avoid Hard **Change** Important  
**Change** **Need** **Avoid**  
Hard CHALLENGING

## AUTOMATION

Efficiency Opportunity  
Better **Interesting** **IMPROVEMENT**  
Opportunity **Better** Interesting  
**NECESSARY** Makes work easier  
**Needed** **NECESSARY**

## Q15. Where do you go to gather information about solving transformation & automation challenges?

Respondents could choose multiple responses



● Search the web	<b>66%</b>	● Check online reviews	<b>33%</b>
● Industry analysts	<b>55%</b>	● On-line peer forums	<b>31%</b>
● On-line industry resource	<b>52%</b>	● Related blogs	<b>28%</b>
● Tradeshows/conferences	<b>48%</b>	● Printed industry periodicals	<b>19%</b>
● Transformation/automation vendors	<b>37%</b>		

**PEX:** The internet is a huge source of information, but the trade show and conference remain great places for information – experts and thought leaders, as well as peers who might be undergoing similar transformation projects and learning by their mistakes.

‘On-line peer forums’ seems unexpectedly low - unless ‘search the web’ includes these.

Trust is likely to become a bigger issue in future as we begin to raise awareness of the echo chambers we risk

building online that only tell us the information we wish to hear. Finding sources that tell us reliable truths instead of palatable falsehoods may be an ongoing task.

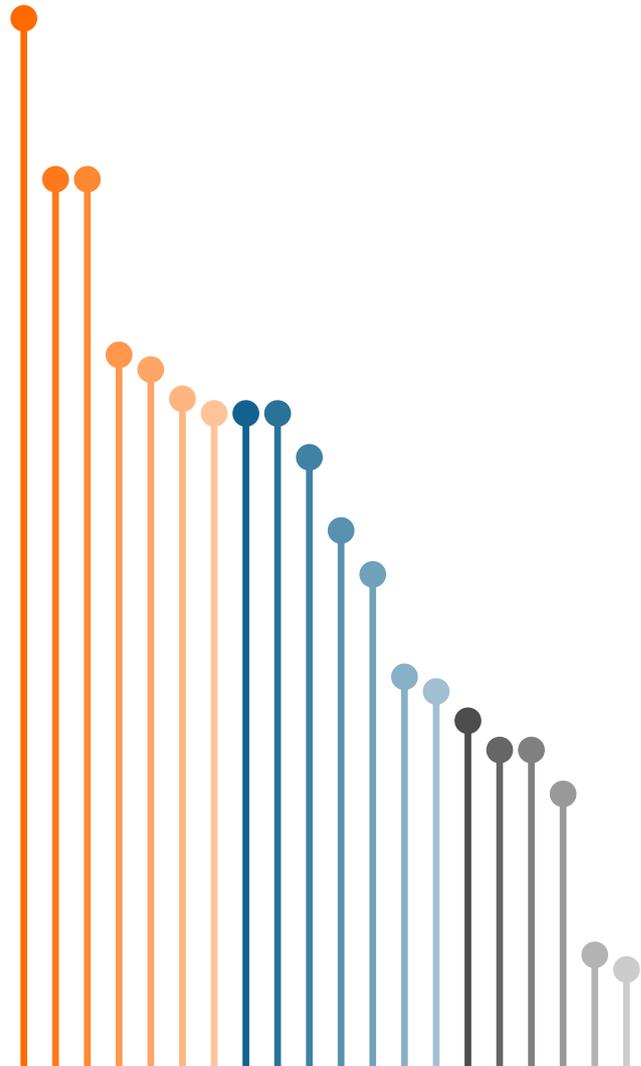
- Who are your sources for information?
- How much do you trust them - and why?
- Do you make your decisions based on a diverse range of resources?

# The questions

## Q16. If you could design the ideal, easy to buy transformation platform, it would include:

Respondents could choose multiple responses

● Real-time KPI performance reporting	<b>71%</b>
● The ability to easily map & model all business processes	<b>60%</b>
● The ability to push workflows to automation	<b>60%</b>
● The ability to collaborate	<b>48%</b>
● The ability to prove ROI before committing to an enterprise -wide implementation	<b>47%</b>
● The ability to achieve and maintain compliance	<b>45%</b>
● The ability to assess and mitigate risks associated with business process	<b>44%</b>
● Predefined best practices, templates, glossaries, reports	<b>44%</b>
● The ability to prove ongoing ROI	<b>44%</b>
● Process discovery capabilities	<b>41%</b>
● The ability to plan for automation and RPA	<b>36%</b>
● In-line, on demand training	<b>33%</b>
● Hosted/SaaS solution	<b>27%</b>
● Professional services	<b>26%</b>
● On premises software	<b>24%</b>
● Unlimited live training	<b>22%</b>
● In-line, guided learning (like Microsoft's "Clippy")	<b>22%</b>
● A fixed price	<b>19%</b>
● Short term (<1 year) contracts	<b>8%</b>
● A fixed configuration	<b>7%</b>



**PEX:** Monitoring the effectiveness of the solution is of top importance and emphasizes the theme that projects only make sense if they prove ROI and have positive business impacts... Planning, collaboration and simulation are favorites for respondents.

Anybody designing a transformation platform ought to regard this as a shopping list from potential end users.

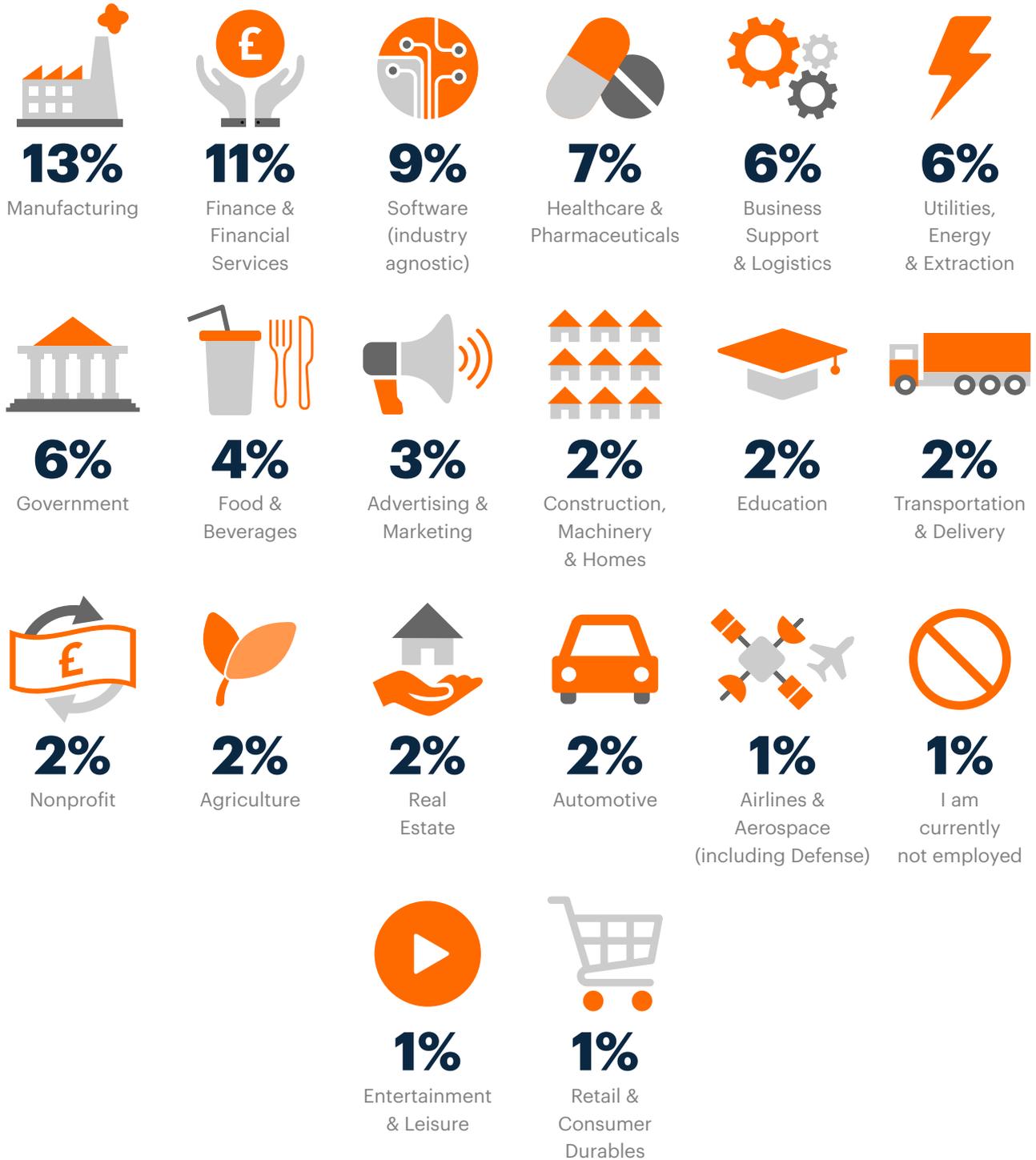
Automation is a three stage process: deciding on what to automate; implementing automation; measuring success.

✔

- Are you confident that you could select the best projects to automate? If not, what information or help do you need?
- What are the barriers to successful implementation? Do you have a strategy to overcome these?
- Does everyone in the organization share your vision of what success looks like?

# About the respondents

**Q17.** Which of the following best describes the principal industry of your organization?



**OTHER:**  
TIC, Safety Science  
Online Travel  
Media & Entertainment  
Consulting

mining  
Tourism  
Chemical Distribution  
Safety equipment and services

Professional services  
textile  
Recruitment and Training  
Brand Advisory  
Consulting

Human Capital Management  
Automation

# About the respondents

**Q18.** How many full-time employees are in your company?



**Q19.** In what country do you work?



● USA	<b>28%</b>	● Italy	<b>2%</b>	● Romania	<b>2%</b>
● India	<b>8%</b>	● Germany	<b>2%</b>	● Saudi Arabia	<b>2%</b>
● UK & Northern Ireland	<b>7%</b>	● United Arab Emirates	<b>2%</b>	● South Africa	<b>2%</b>
● Canada	<b>5%</b>	● Portugal	<b>2%</b>	● Spain	<b>2%</b>
● Mexico	<b>4%</b>	● Australia	<b>2%</b>	● Netherlands	<b>2%</b>
● Peru	<b>4%</b>	● Poland	<b>2%</b>	● Costa Rica	<b>2%</b>
● Brazil	<b>3%</b>	● Belgium	<b>2%</b>	● Other*	<b>21%</b>

**OTHER\***

New Zealand  
Colombia  
Nigeria  
Norway

Venezuela  
Philippines  
Croatia  
France  
Benin

Russian Federation  
Austria  
Singapore  
Ireland  
Barbados

Sri Lanka  
Sweden  
Switzerland  
Turkey  
Kenya

Chile  
China

# Conclusion

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Regardless of the buzz word chosen - **transformation, disruption or innovation** - it's crucial to consider your projects in the context of your business processes, and ensure that you can measure current and future business impact. Ideally, you will be ahead of the wave, you will be the disruptor and in generating positive ROI and you will become the disruptor of your industry. The alternative? You risk being Blockbusted.

## A note from iGrafx, the sponsor of this research

**Thank you for taking the survey and for your interest in the results. We have been thrilled to work with PEX Network to collect the primary research insights gleaned by the survey, and, in fact, we have already begun incorporating feedback into product development.**

At iGrafx, we are passionate about enabling our customers to survive and thrive in a world where technological developments, regulations, risks, opportunities and buzz words seem to propagate at an unprecedented pace. We give our customers the tools to understand their business, evaluate transformation scenarios, ensure ROI and then push processes directly to automation. KPIs are established and results are monitored to ensure ongoing compliance and to prove success.

iGrafx is the backbone of the CoE. We were established in 1991 and currently help 2/3 of the fortune 100 and more than 10,000 customers around the world achieve ROI-proven business transformation.

**A weekly demonstration of the iGrafx platform is available here:**



**A free trial of iGrafx solution is available here:**



**Five key tips to avoid disruption are available here:**



**More about iGrafx here:**

