Project Management Institute. Kingdom of Saudi Arabia

The Ecosystem of Digital Transformation Projects

Mohammad Ali Shalan

PMP®, PMI-RMP®, CSX®, CRMA®, ITILF®, CISA®, CGEIT®, CRISC®, CXO®

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Mohammad Shalan

- The Editor of “Innovative and Agile Contracting for Digital Transformation and Industry 4.0” Book.
- Business-technology interpreter focused on Digital Transformation, industry 4.0, Smart Cities, Technology Governance, and Innovative Contracts.
- A practitioner, author, guest speaker and researcher with published chapters, articles and presentations.
- Holding Master’s degree in telecommunication engineering, and many professional certifications (PMP®, PMI-RMP®, CSX®, CRMA®, ITILF®, CISA®, CGEIT®, CRISC®, CXO®)
- PMO Director- E-Enterprise @ Omar Kassem Alesayi Group, and Director for Digital Transformation @ Project Management Institute (PMI) - Saudi Chapter.
- Worked out major operational assignments, portfolios, programs and projects spanning in more than 50 countries and worth more than 50 Million US Dollars.
- Assignments include distributed activities, numerous dependencies, heavy correspondences, multiple vendors, and multi-discipline contractors.

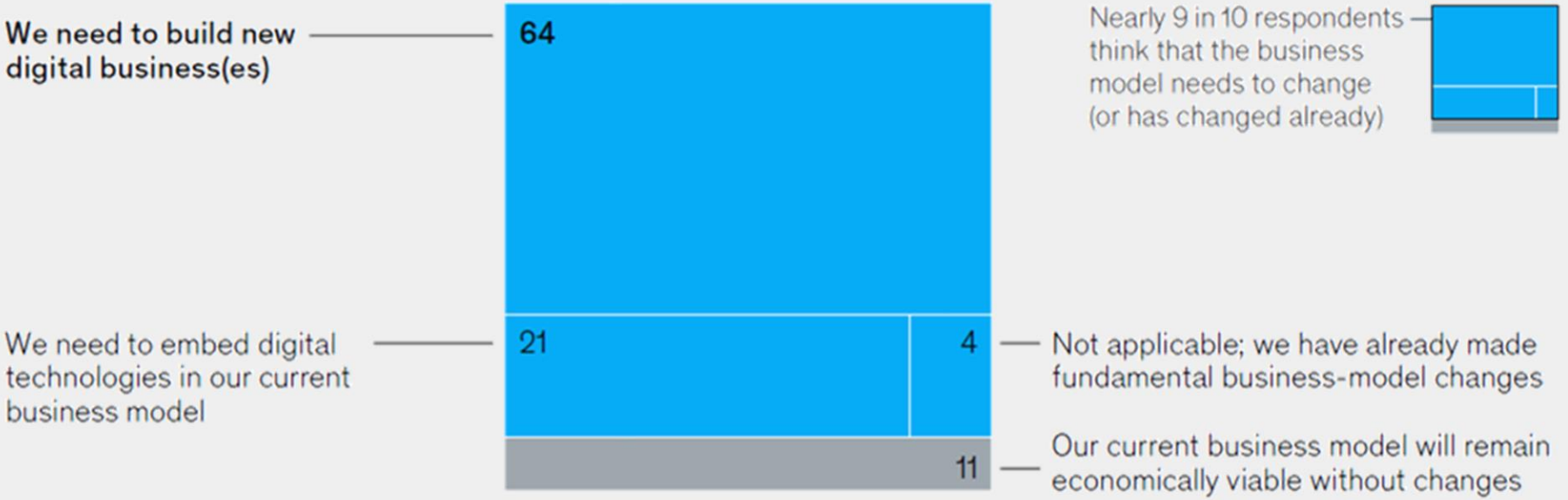
The Objective

- We believe in Digital Transformation
- Our dilemma is how to plan and execute a successful Journey.
- And to get the originally planned value or exceed it

Building New Digital Business

Looking toward 2023, most companies will need to build new digital businesses to stay economically viable.

Changes needed to make company's business model economically viable by 2023, % of respondents[1]



[1]Respondents who answered "don't know" are not shown; n = 1,140.

McKinsey & Company

https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/the-new-digital-edge-rethinking-strategy-for-the-postpandemic-era

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Agenda

1- TERMINOLOGIES AND DYNAMICS

- We Believe
- Let's agree
- Terminologies
- Dynamics

2- SHIFTING THE CHALLENGE

- Agile PM
- PMO flavors
- The Project Ecosystem

3- DIGITAL ECOSYSTEM

- Transformation Dynamics
- Value Generation
- The Future

4- ON THE WAY

- Digital Transformation Roadmap
- Assumptions and Planning
- Transformation Objectives

5- GOVERNANCE

- New Business Risks
- Digital Transformation Governance

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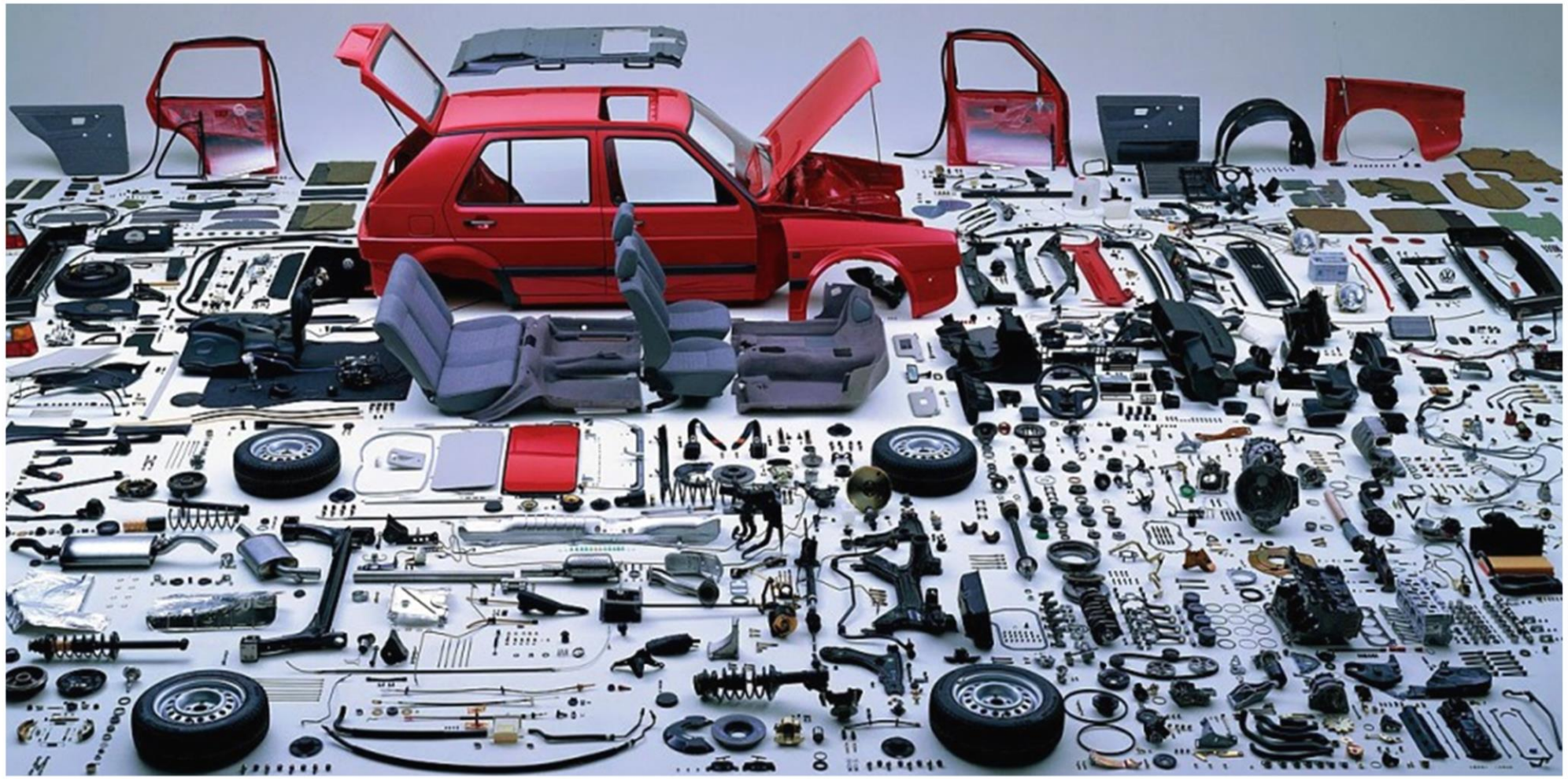
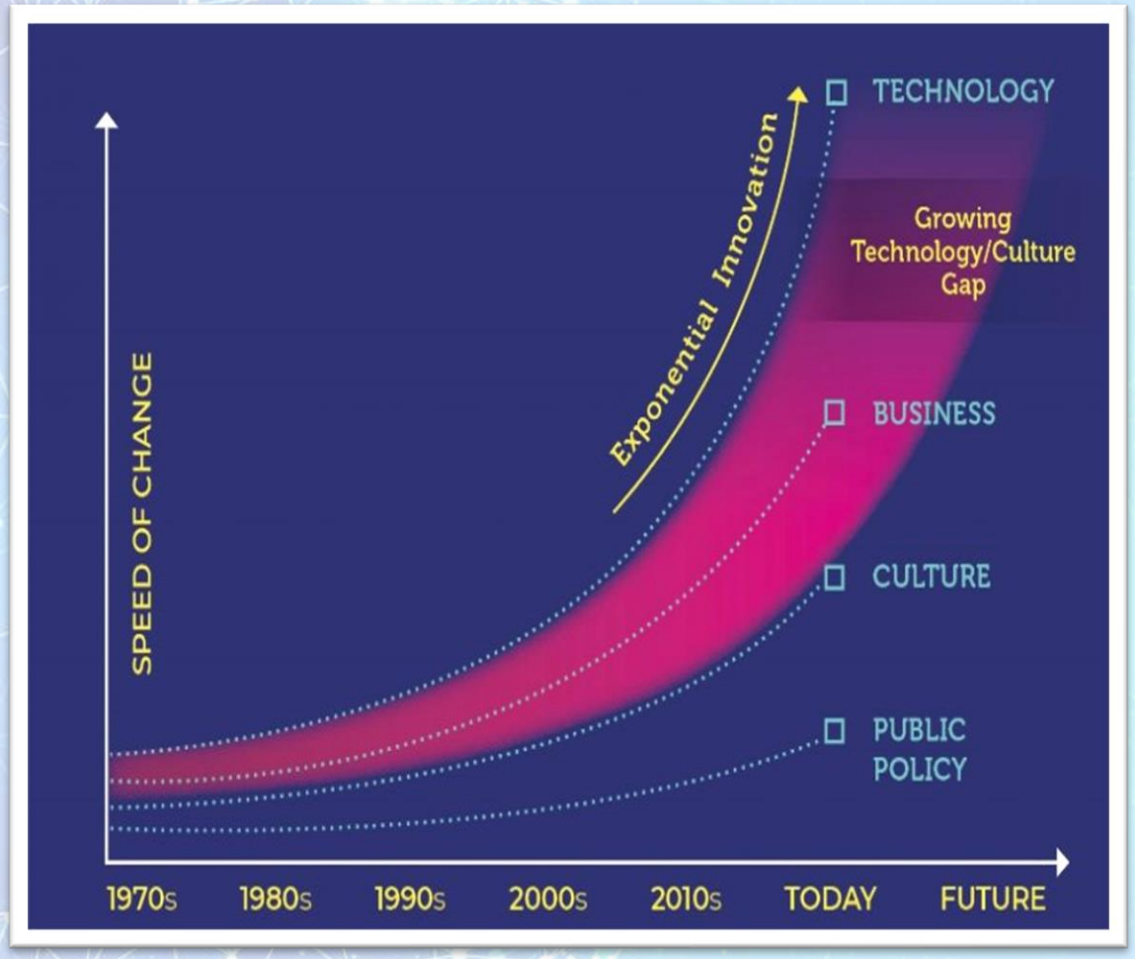
The Iceberg Analogy

- Someone give me a contract for a digital transformation program,
- I went through it, Then I asked him,
- Do you have full trust in your partner?
- It is a Win-Win Journey
  - Business, DX Team, Partners
  - or Loose-Loose

Digital Transformation has Many Components



The Widening Gap



- Because technology is innovating at an exponential speed
- A Gap is generated between technology from one side and business, culture and public policies from the other.
- The gap is increasing as illustrated by European foundation graph.
- **It will be impossible to depend on the normal behaviors to fill such growing gaps.**

Source: The technology/culture innovation gap. (C) THE ARTS+/ Frankfurter Buchmesse GmbH
https://medium.com/neemz-innovation/how-technology-impacts-and-changes-businesses-the-case-of-digital-d6a023d0c61e

The Desire Path – Room for Innovation

“You’ve got to start with the customer experience and work backwards to the technology.” Steve Jobs

▲ Michigan State University didn’t put in pavements when new buildings were created. Instead, it waited for students to create their own paths. Photograph: USGS © 2011 Microsoft Corporation

The Value Proposition: Who are You A ?

- Startup company build on an idea?
- Government Institution applying for Digital Government Authority (DGA) Ranking?
- Large business enterprise looking to keep its market position?
- Premium brand that need to keep the image?
- Private sector organization applying for digital transformation awards?

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5 Concepts : Avoiding the Illusion

Digital Transformation (Industry 4.0)

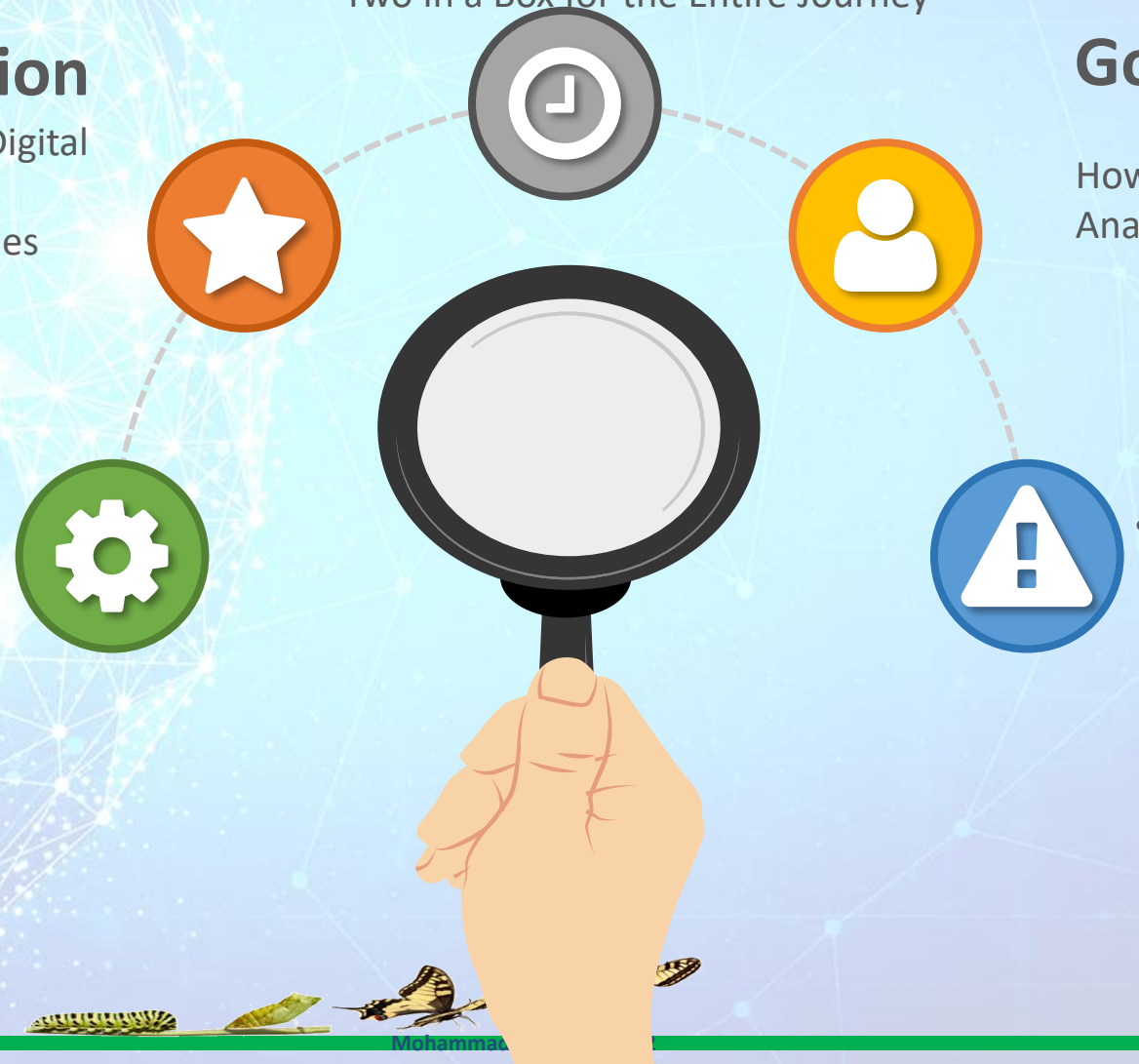
- Building a new business future
- Two in a Box for the Entire Journey

Digitalization

- Changing a Process into Digital Process
- Automating Certain Activities

Digitization :

Changing a Sources to Digital Format



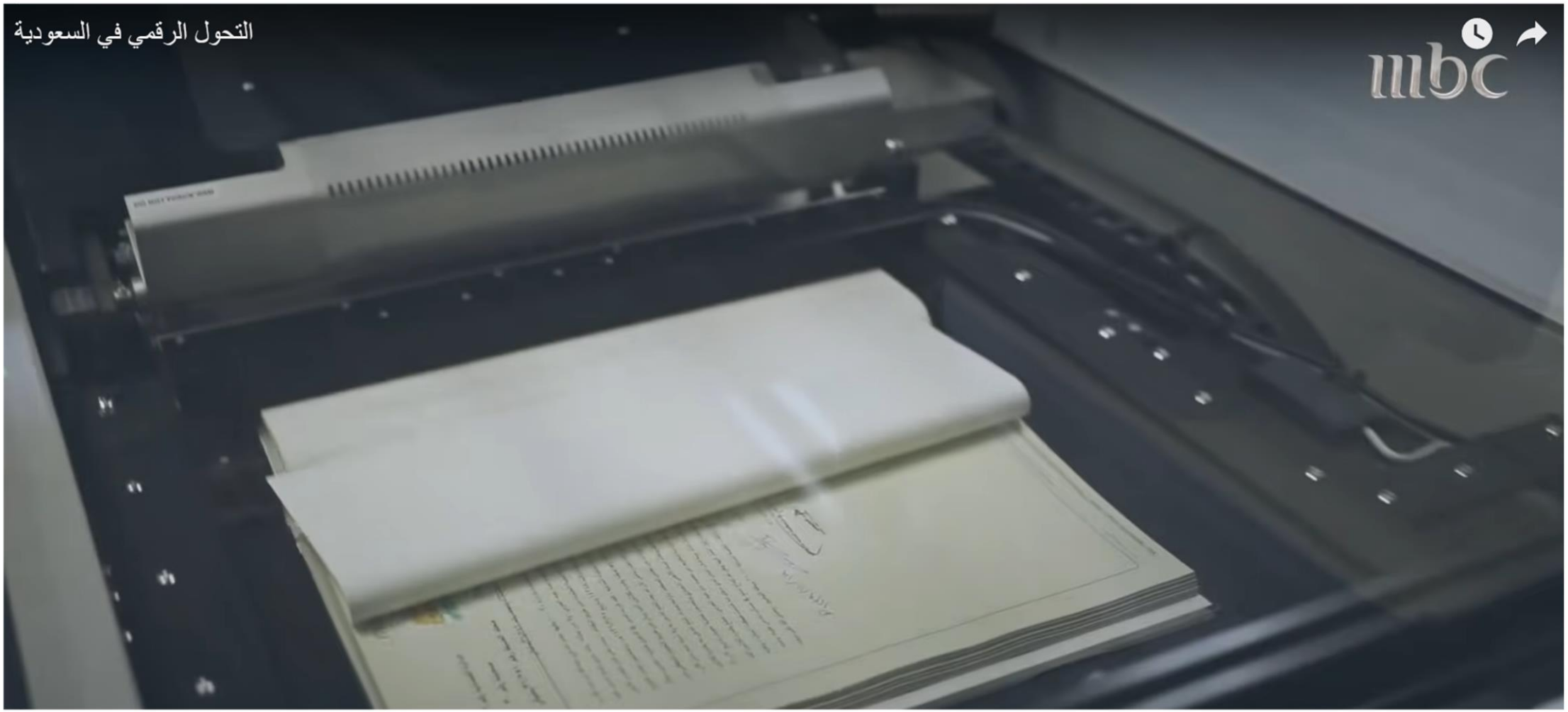
Going Predictive

How The Power Of Predictive Analytics Can Transform Business

Being Cognitive

- Cognitive technologies are products of the field of artificial intelligence. They are able to perform tasks that only humans used to be able to do

Digitization : Changing a Sources to Digital Format



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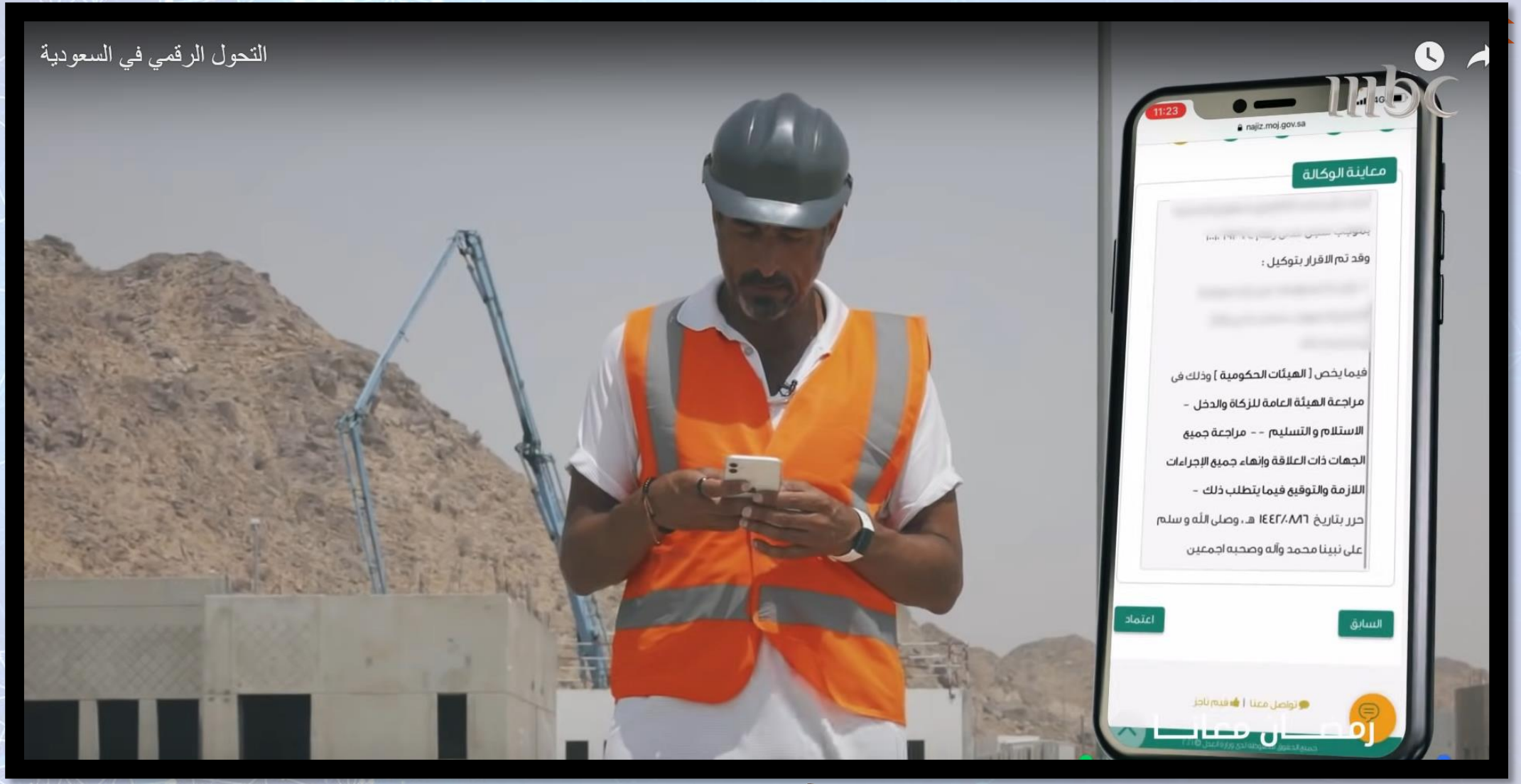
Digitalization : Changing a Process into Digital Process



Digital Transformation: Two in a Box for the Entire Journey

Going Predictive : Utilize your Data Sources

Interact: You interact directly with the visualizations to select values, columns, or other items of interest.

Predict: predictive model & suggestions
Automatically, user selections trigger queries into the predictive model. Data, metadata, and the selection of it effectively define queries of the predictive model.

Present previews Whenever the step to take is selected or subsequently modified, the anticipated results of that step are displayed as a preview overlay on top of the data. This method allows for easy development, rapid undoing, and a clearer understanding of the impacts of each step.

Visualize : A critical component of Predictive Transformation is the visual representation of the data, including items of interest for selection. In larger data sets, the visual cues around items of interest and the tools for interacting with them provide information on the meaning of each type of interaction and are critical for a productive and pleasant user experience.

https://docs.trifacta.com/display/DP/Overview+of+Predictive+Transformation

https://www2.deloitte.com/us/en/insights/deloitte-review/issue-16/cognitive-technologies-business-applications.html

Being Cognitive : Hire more Humans

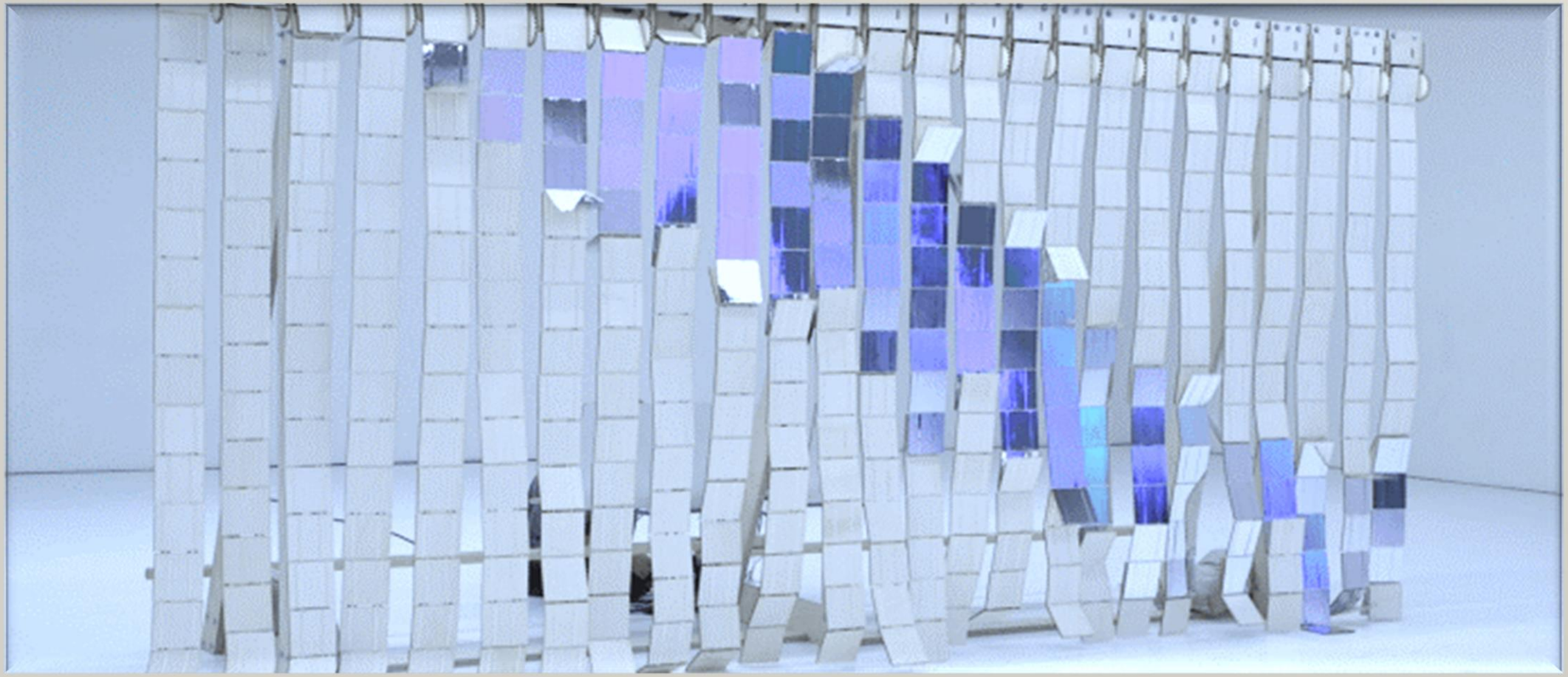
Screen	Cognitive technology indicators	Application examples
Viable	All or part of a task, job, or workflow requires low or moderate level of skill plus human perception	Forms processing, first-tier customer service, warehouse operation
	Large data sets	Investment advice, medical diagnosis, oil exploration
	Expertise can be expressed as rules	Scheduling maintenance operations
Valuable	Workers' cognitive abilities or training are underutilized	Writing company earnings reports; e-discovery; driving/piloting
	Business process has high labor costs	Health insurance utilization management
	Expertise is scarce; value of improved performance is high	Medical diagnosis; aerial surveillance
Vital	Industry-standard performance requires use of cognitive technologies	Online retail product recommendations
	A service cannot scale relying on human labor alone	Fraud detection
		Media sentiment analytics

Biosphere and Infosphere

http://www.interactivearchitecture.org/analog-future-materiality-in-the-digital-arts.html

Biosphere and Infosphere

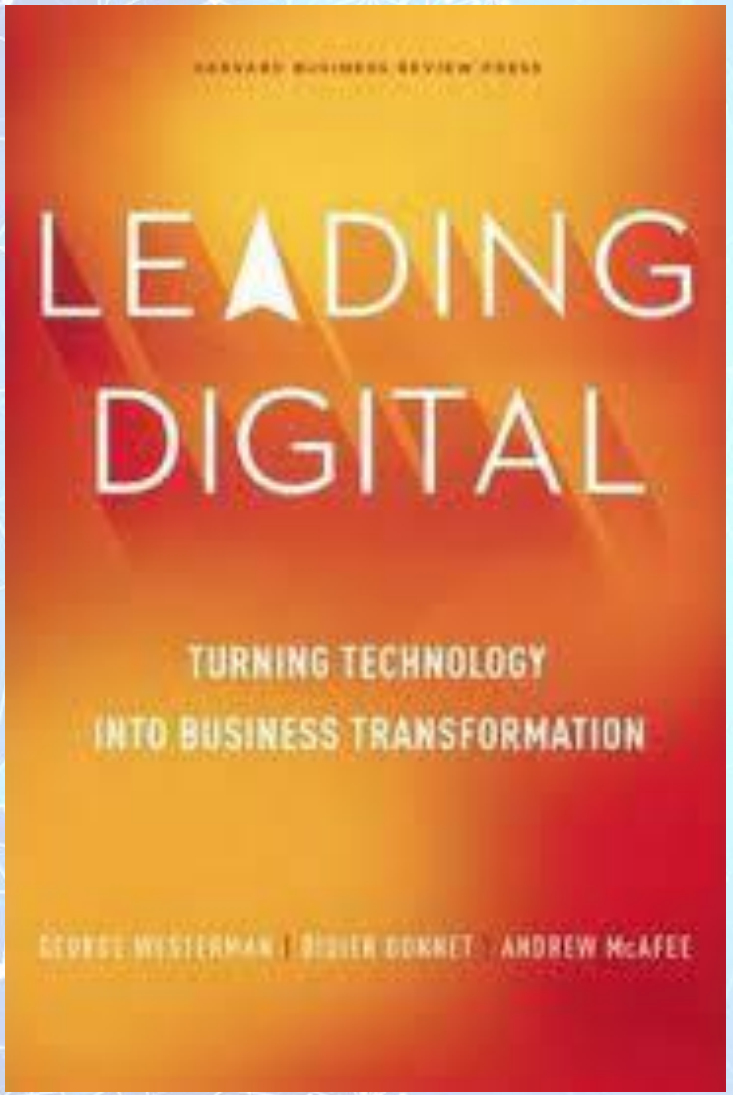
Blurring the lines between Physical and Digital



http://www.interactivearchitecture.org/analog-future-materiality-in-the-digital-arts.html

Business Silos' Elimination

Technology Role: Leading Digital

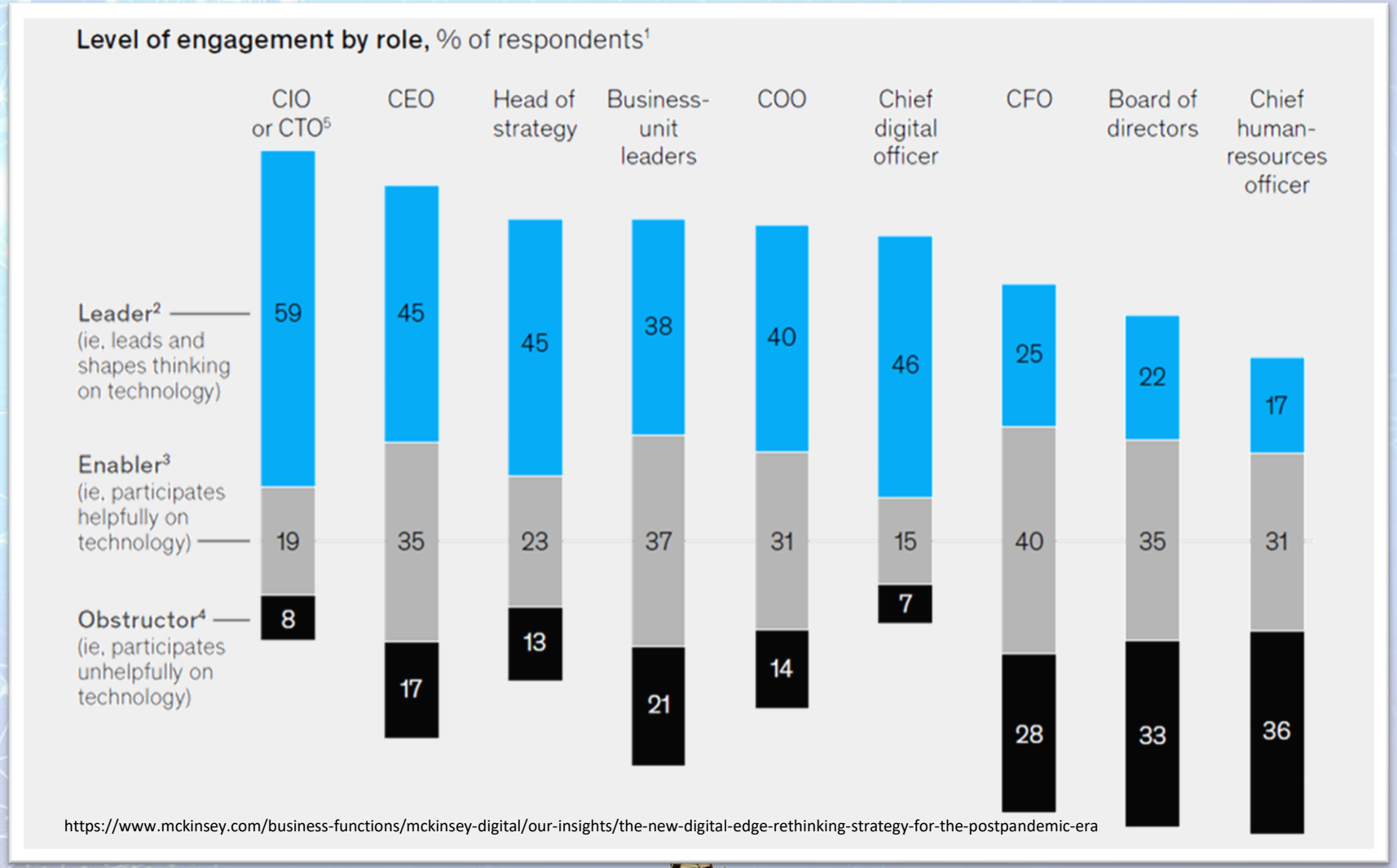


There is “Zero”,

“absolutory zero” successful digital transformation journey without the support and collaboration of Information Technology Teams

Tech Savvy for Top Positions

Across the leadership team, the call to become more tech savvy is urgent —even for roles that have typically engaged very little with technology.



https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/the-new-digital-edge-rethinking-strategy-for-the-postpandemic-era

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Shifts in the Roles of Technology

From Service Delivery to Value Delivery

- Automation, cloud and As-a-service are there and ready
- Delivering value rather than delivering a service

From Business operator to Business Co-creator

- Continue operational maintenance
- Business and Technology are entwined
- Efficient Delivery of low friction capabilities

From Cybersecurity as an IT Risk to Business Risk and Resilience

- Usually, CIOs look at the technology Risks and cybersecurity
- Now it is a matter of business risk and disruption handling
- Now a combined Business Technology strategy to be in place

From cost center to revenue Engine

- Usually IT team spend 56% of budget maintain systems
- Technology teams need to work today to increase revenues

https://www2.deloitte.com/content/dam/Deloitte/ec/Documents/technology-media-telecommunications/DI_The-future-of-work-in-technology%20(1).pdf

Value Chain De-construction (1)

- **The end of the last century** saw the construction of the vertically integrated value chains that came to define modern business.
- **The end of this century** is witnessing their deconstruction. Markets are intruding on the web of proprietary arrangements that have held these chains together.
- The boundaries defining businesses, companies, and industries are coming under attack—radically transforming the nature of competition.
- New concepts of strategy and organization are required in order to cope.

https://image-src.bcg.com/Images/Eng_22-The_Deconstruction_ofValue_chains_tcm9-138894.pdf

Value Chain De-construction (2)

- **Advantage across the entire value chain** no longer matters; it's advantage in each layer that counts. As a result, the new unit of strategic analysis is the layer.
- **Horizontal strategies**—those that leverage layer capabilities across previously distinct businesses become serious alternatives to traditional strategies of vertical integration and customer franchise in a single industry.
- **Managing resource allocation** at the layer level requires new ways to evaluate investments and gives birth to a whole new concept of the portfolio. The finer parsing of risk permits imaginative new financial strategies.

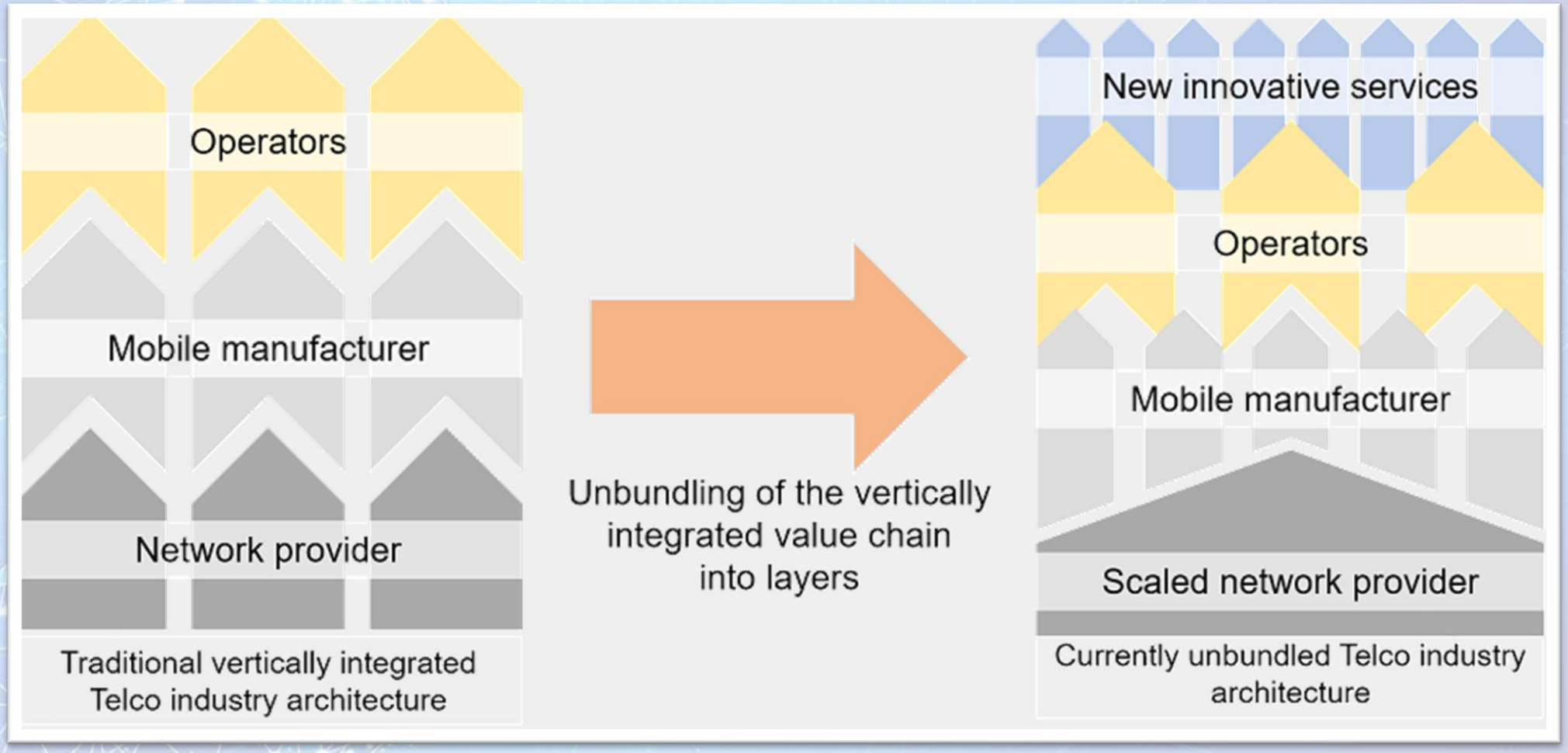
https://image-src.bcg.com/Images/Eng372-The_Deconstruction_ofValue_chains_tcm9-138894.pdf

Value Chain De-construction (3)

- The boundaries of the corporation become **fluid and permeable**. Ownership is no longer a condition for effective co-ordination or control.
- **Customers are empowered**; brands become vulnerable. Traditional asymmetries of information are challenged by the rise of navigators that search and switch on the customer's behalf.
- Intermediaries that **extract value from controlling a chokepoint** in the flow of information are vulnerable to disintermediation

https://image-src.bcg.com/Images/Eng372-The_Deconstruction_ofValue_chains_tcm9-138894.pdf

Technology: Value Chain De-construction



https://medium.com/neemz-innovation/how-technology-impacts-and-changes-businesses-the-case-of-digital-d6a023d0c

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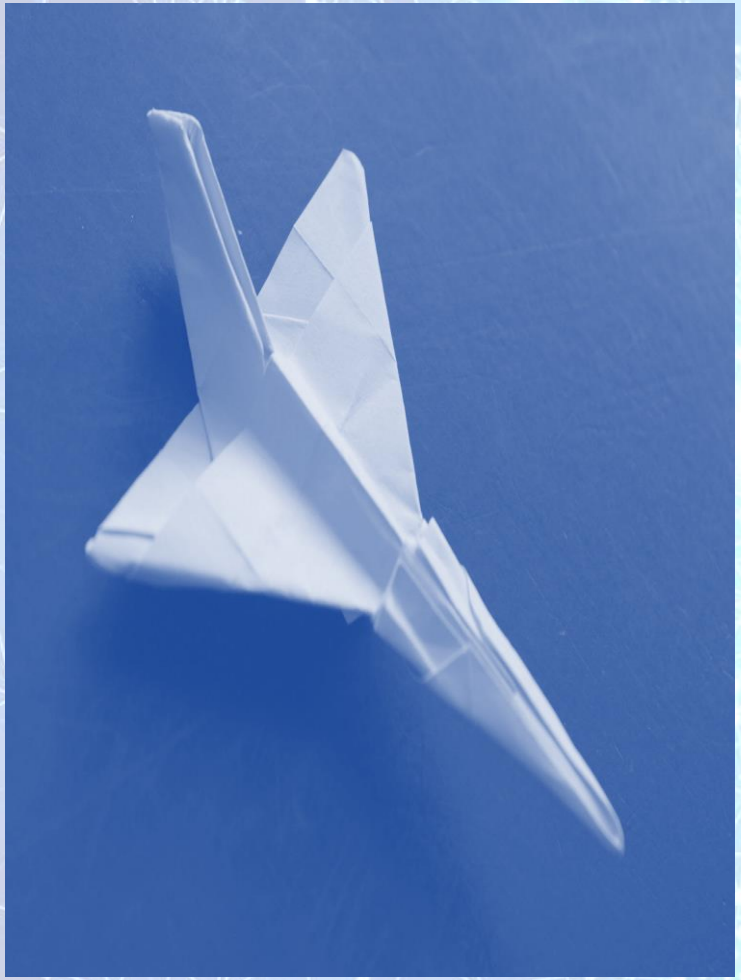
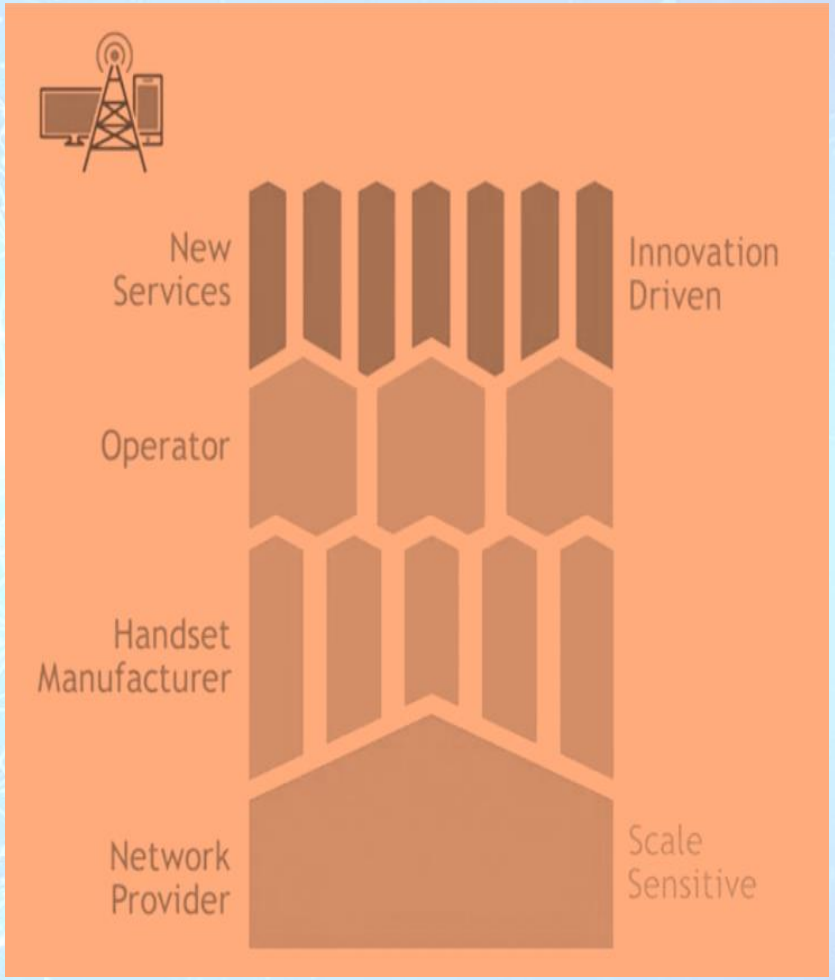
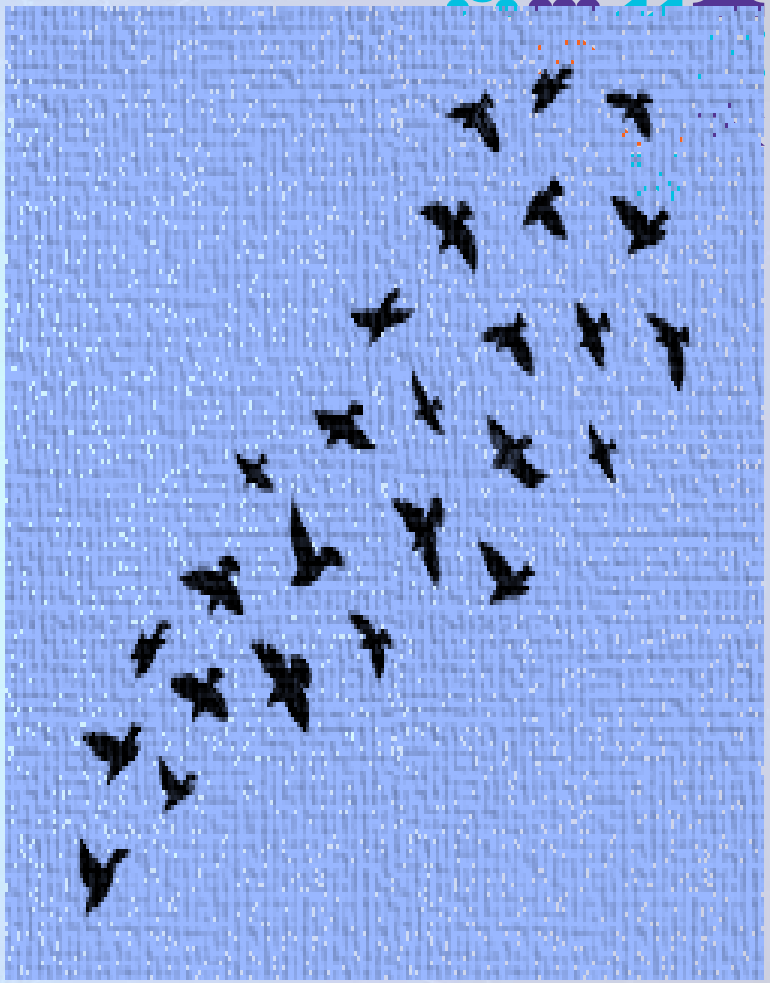
Deconstruction of Value Chain: From Complicated to Complex Solutions







Unique Features of Digital Transformation

Complex		Compli-cated
Agile		Waterfall
Dynamic		Static
Contracting		Do it all

Slow and Rigid

Smart		Dump
Prototyping		Over-engineering
Iterations		One-time deliverable
Value Stripes		Value at once

Fast and Responsive

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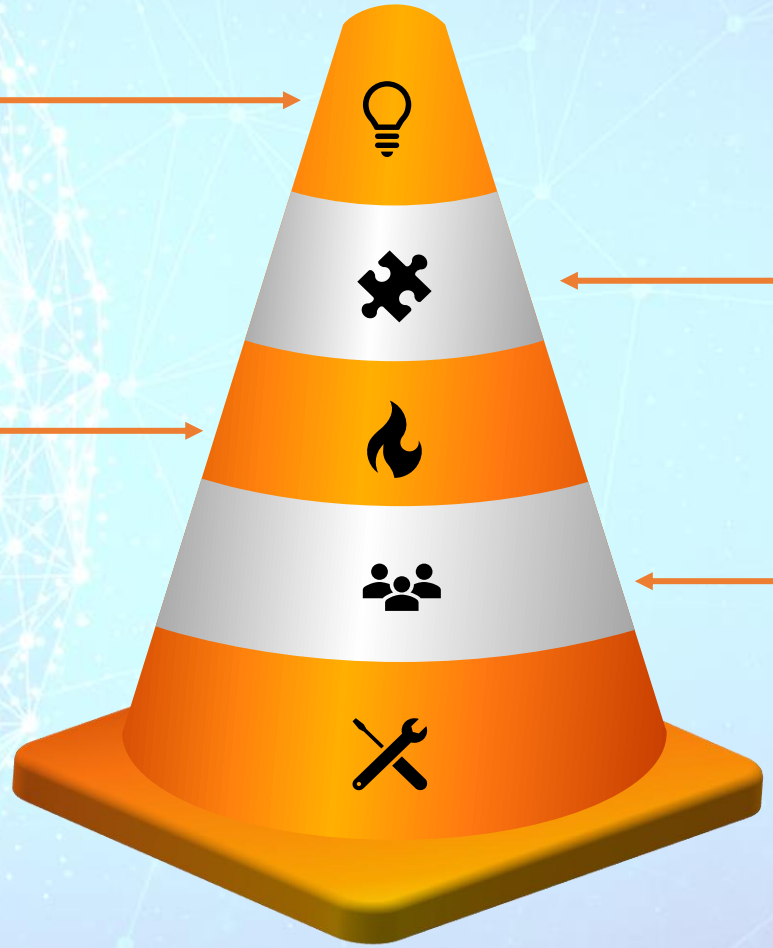

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The Project

- ✓ *A dramatic shift has taken place.*
  - ✓ *We have left behind a century dominated by increasing efficiency, and*
  - ✓ *We are living in an always-changing environment and a massive proliferation of projects.*

- ✓ *Projects, rather than operations, are driving short-term survival and long-term value creation today and tomorrow.*
- ✓ *Organizations of all kinds are running more projects than ever before.*

- ✓ *Projects used to be temporary tasks, whereas operations were permanent.*
- ✓ *Now, changes are permanent, and operations are temporary tasks until the next change.*

The Project Economy

- ✓ Increased focus on innovation, collaboration, and agility invite more projects.
- ✓ *Harvard Business Review has recognized that we are in a new area, the area of projects, the importance of project management, and that the future of work is project-based.*
- ✓ *The Project Economy is one in which people have the skills and capabilities they need to turn ideas into reality.*
- ✓ *The Project Economy is where organizations deliver value to stakeholders through successful completion of projects, delivery of products, and alignment to value streams.*
- ✓ The project economy is thriving in the Kingdom and Everywhere

Project Management Office (PMO)

- *If an organization is having multiple projects and programs, it will be important to have a Project Management Office (PMO)*

- *PMO is a strategic driver for organizational excellence, which seeks to enhance the practices of execution management, organizational governance, and strategic change leadership.*

- *PMO is coming in 3 flavors*
  - *Supportive, with a consultative role*
  - *Controlling, by requiring compliance*
  - *Directive, by taking control and managing the projects*

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Transformation versus Change

Transformation is creating a new future

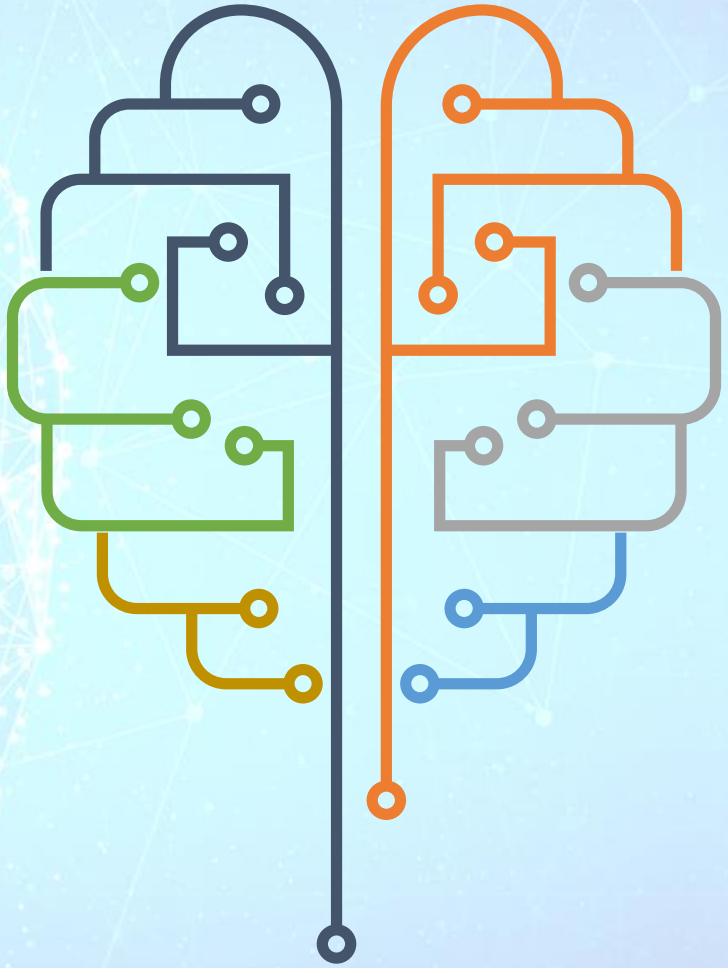
without the constraints of the past.

Fundamental shift

Legitimate transformation also requires a fundamental shift in other aspects of an organization

Caterpillar

when a caterpillar becomes a butterfly, it transforms”



Change improves the past

it’s only a better version of the past

Modernize an organization

‘change’ is required to maintain and modernize an organization

Snake

When a snake sheds its skin it changes

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Agile to Manage the Turns

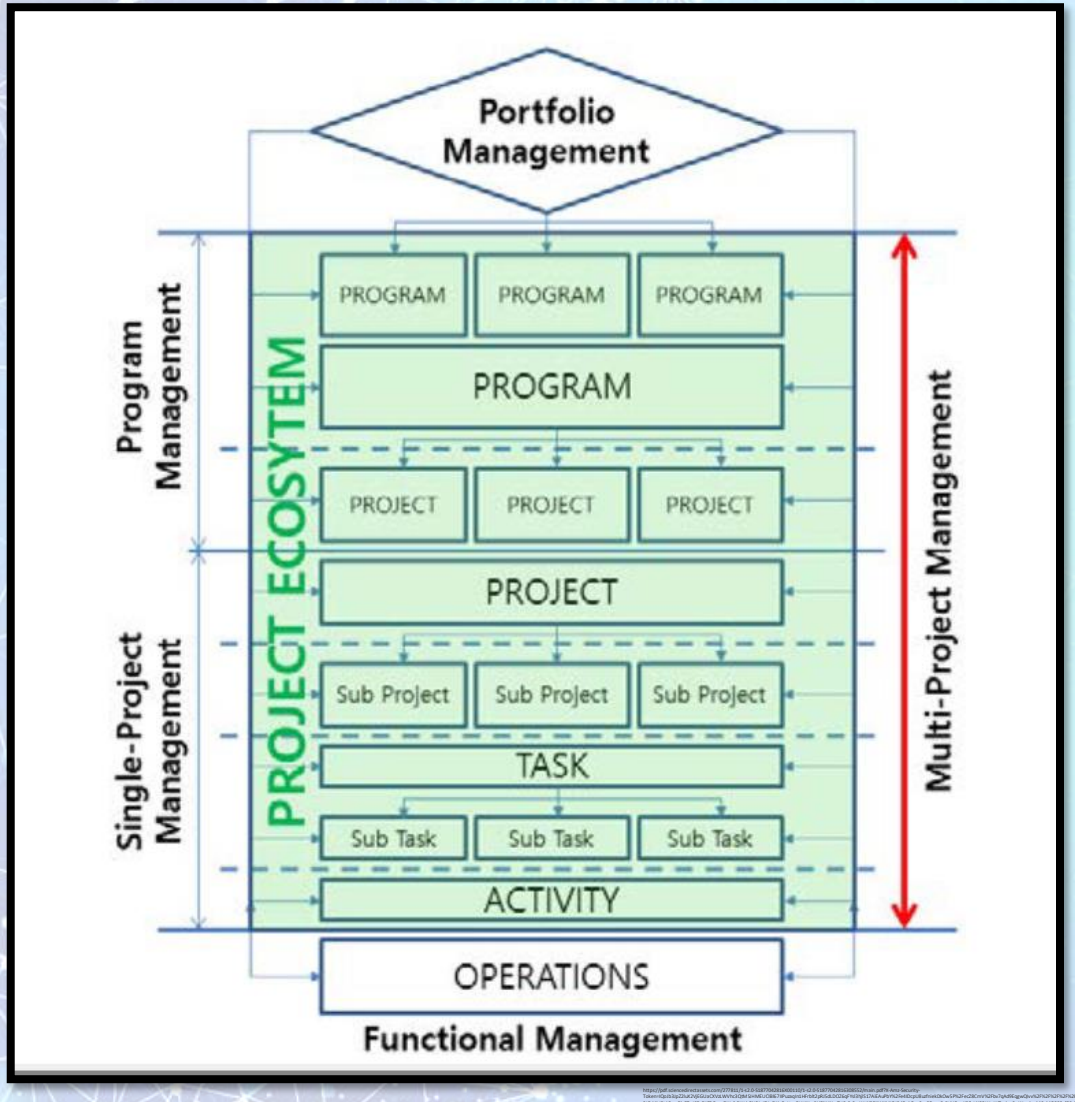
"Agile is a set of methods and frameworks that embody the principles and values of the Agile Manifesto"

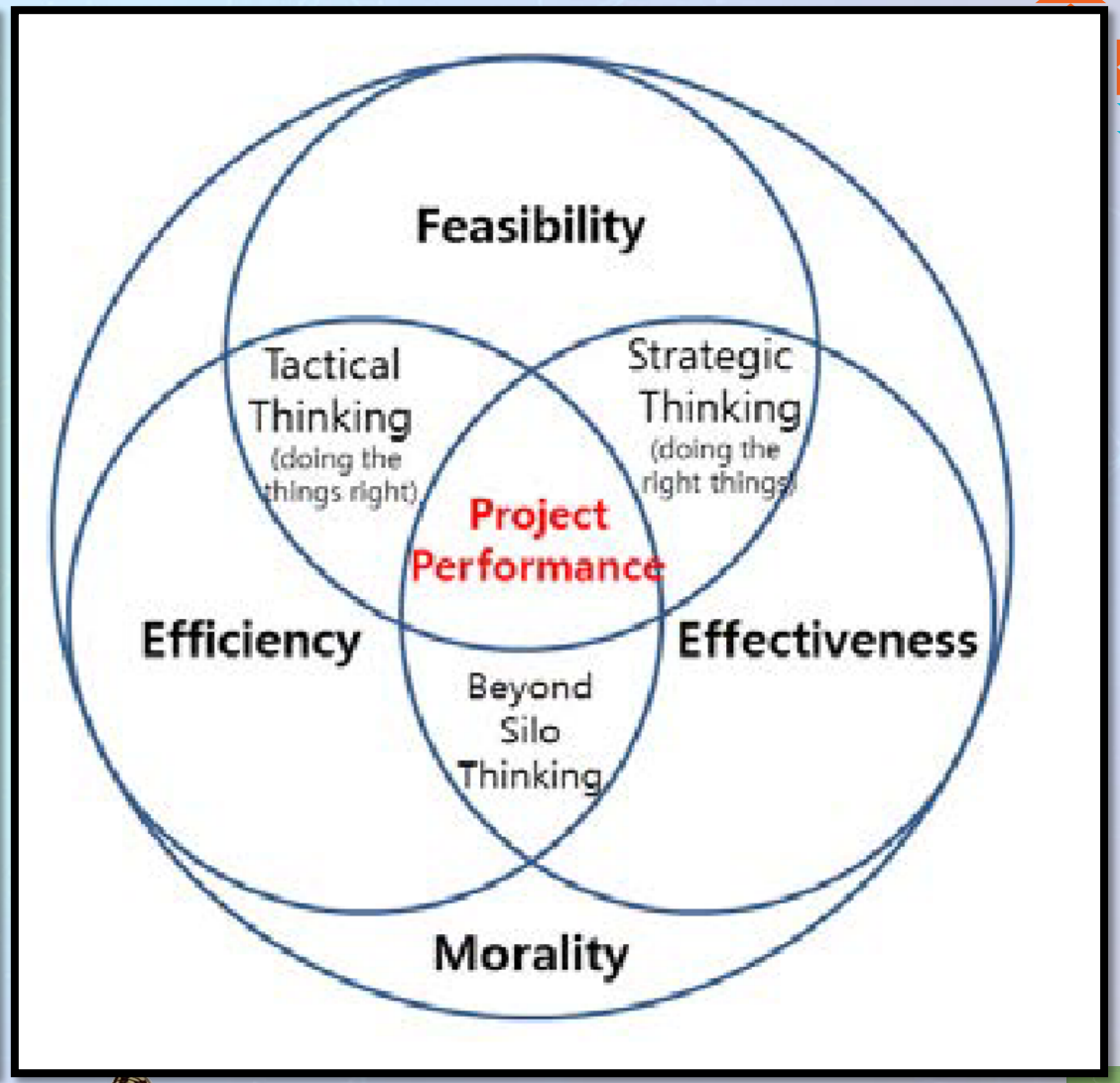
"Being 'Agile Is a mindset. It's about finding the right thing to build, faster (and not just building things faster)"

"Agile is a time boxed, iterative approach to software delivery that builds software incrementally from the start of the project, instead of trying to deliver it all at once near the end."

"The ability to create and respond to change in order to succeed in an uncertain and turbulent environment."

Project Ecosystem and Project Performance





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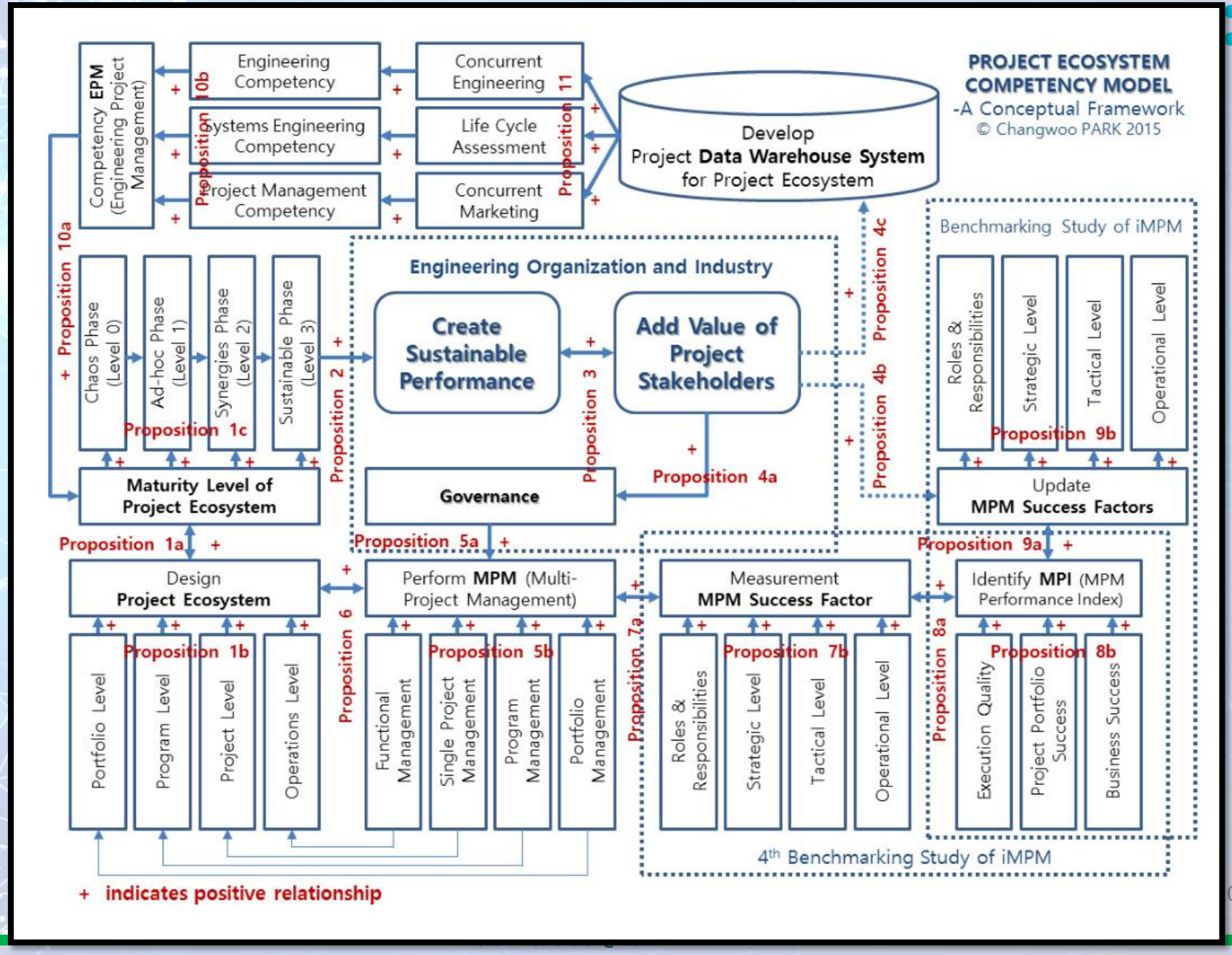
Project Ecosystem Competency Model



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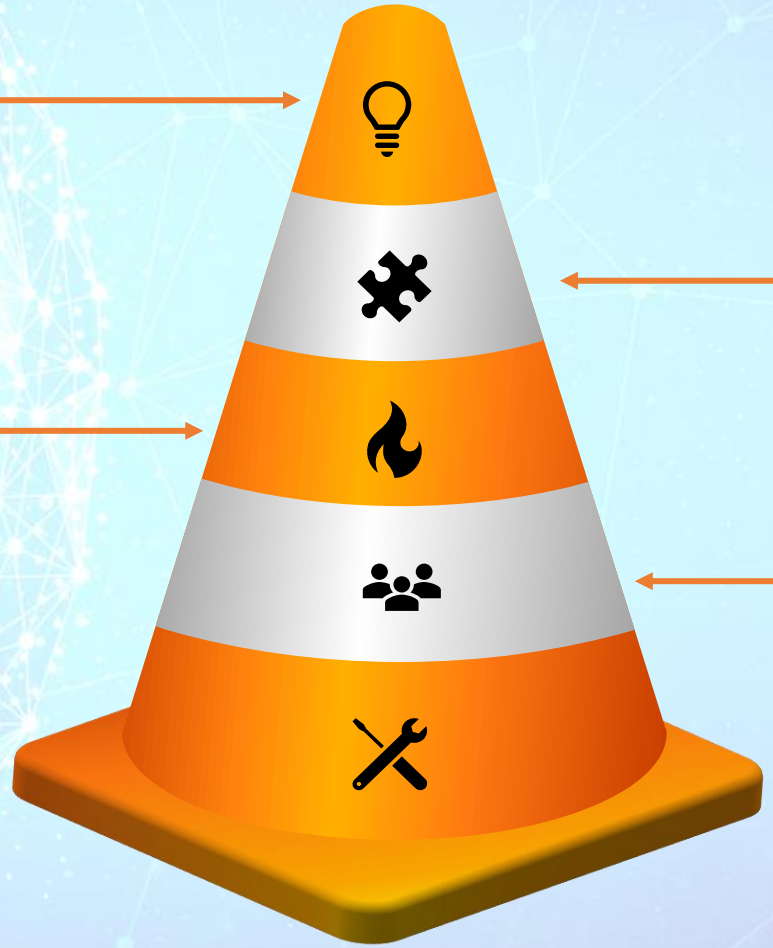

What is an Ecosystem ?

An ecosystem is a geographic area where plants, animals, and other organisms, as well as weather and landscape, work together to form a bubble of life. Ecosystems contain biotic or living, parts, as well as abiotic factors, or nonliving parts.

https://www.nationalgeographic.org/encyclopedia/ecosystem/print/

A Project Ecosystem is a group of projects with the same life cycle within the organizations or industry . This means that their interactions and interrelations impact the sustainability of the projects.

Ecosystems' Value Engineers work directly with portfolio/project teams to structure the value story through:

- Analyzing the environment and prospective customers
- Identifying the right solution that address the business needs
- Demonstrating the business value of implementing a project/program/portfolio.

https://www.bcg.com/capabilities/digital-technology-data/digital-ecosystems (modified)

From pre-value assessments to post-value realization, Ecosystems is an enterprise cloud platform for quantifying customer value. Out-of-the-box, Ecosystems digitizes and scales the core needs of all stakeholders involved in managing customer value: Sales, Customer Success, Business Value Teams, and Marketing.

https://www.g2.com/products/ecosystems-services-ecosystems/reviews

Transformation Dynamics

Digital Transformation performance relies predominantly on the strength and efficiency of relationships and the quality of communications and data flows

People: Knowledge Workers

- Enhance creativity and research capacity
- Build emerging technologies awareness
- Sharing knowledge and believing in change
- Training, Training and Training

From Boundaries To Pathways

- The new era of increasingly open and transparent
- Processs flows are establishing pathways through better structured and enhanced relationships.
- No departmept can act on his own, thus everyone will be creating the conditions for success.

Business Modeling: From Risk Transfer To Economic Value

- The new normal is leading to greater definition and formality in relationships and behaviors, with growing focus on outputs and outcomes, rather than inputs.
- Value deconstruction and Agile mindset enables modular & granual deliverables and welcome the changes down the road

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Digital Transformation Ecosystem

Generate Unrealized Revenues

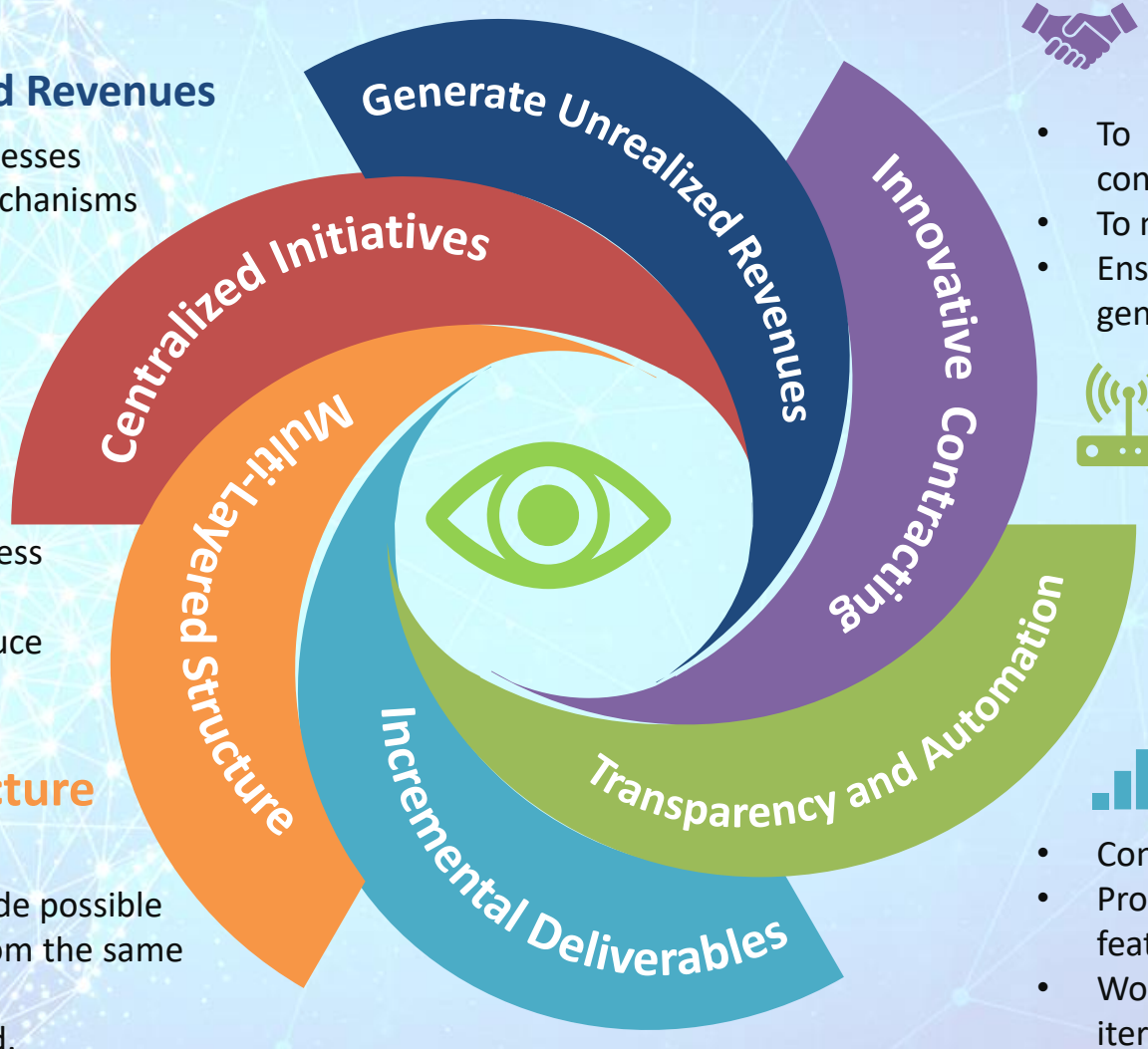
- Activate unified systems and processes
- Align processes and reporting mechanisms
- Share knowledge and resources

Centralized Initiatives

- Manage initiatives centrally
- Enable remote work and business continuity in all branches
- Eliminate papers and reduce significant cost

Multi-Layered Structure

- Multi Level authorizations are made possible
- All stakeholders work together from the same data source.
- Data and work silos are eliminated.



Innovative Contracting

- To handle increased number of contracts
- To manage contractors effectively
- Ensue agility, flexibility and value generation

Transparency and Automation

- Transparent work packages & activities
- Full and effective automation
- Well defined processes and KPIs

Incremental Deliverables

- Contract for few iterations to begin with
- Promote incremental delivery of services and features
- Work with an option to quit after predefined iteration

The Future of the Digital Ecosystem

Ecosystem strategies can generate significant value both by growing the core business and by expanding the portfolio into new products and services.

https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/how-do-companies-create-value-from-digital-ecosystems

Leading companies are increasingly offering an interconnected set of services—from Alibaba offering a broad ecosystem of lifestyle services (including retail, payments, credit scoring),3 to Apple launching an AppleCard with Goldman Sachs (expanding on ApplePay), and **BMW/Daimler creating a shared mobility ecosystem with a number of startups** (Car2Go, moovel, Mytaxi) under the Your Now brand.

https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/how-do-companies-create-value-from-digital-ecosystems

In a digital ecosystem, many largely independent economic players join forces to create a digital offering that is more valuable than a single company's product or service. Some digital ecosystems develop solutions—like **a connected car or a smart home**. Others bring together buyers and sellers on a digital platform.

https://www.bcg.com/capabilities/digital-technology-data/digital-ecosystems

Digital ecosystem participation is new game-changer as digital transformation becomes a norm

https://www.ey.com/en_my/news/2021/08/digital-ecosystem-participation-is-new-game-changer-as-digital-transformation-becomes-a-norm

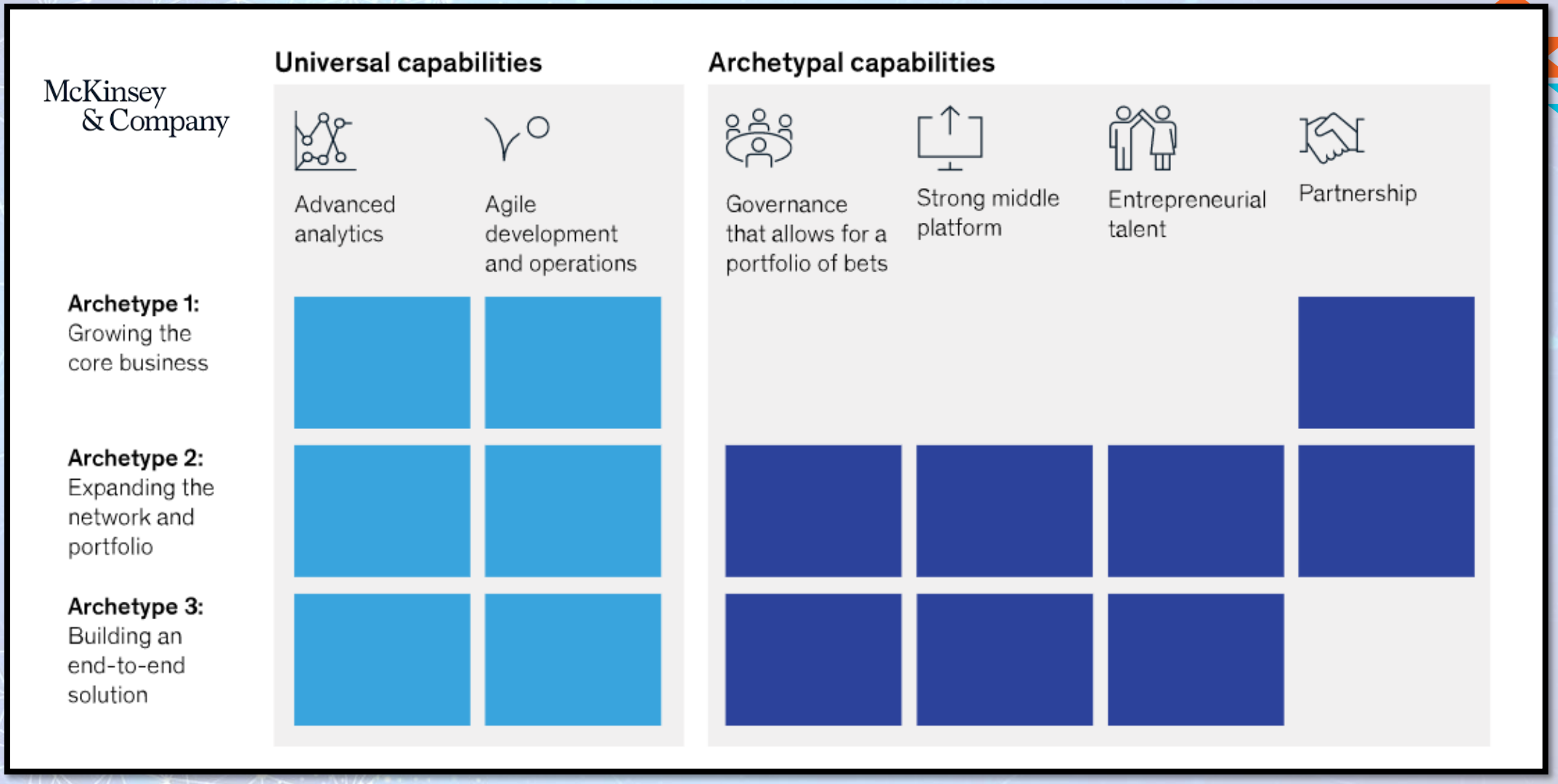
Capturing the Value of Ecosystem Strategies

McKinsey & Company

Key value levers	Archetype 1: Growing the core business	Archetype 2: Expanding the network and portfolio	Archetype 3: Building an end-to-end solution	Examples
Improved revenues from core products and services	✓			New customers, improved loyalty Maximized potential of an existing revenue pool
Customer-paid new products and services		✓		Sales of back-end solutions Sales of new products and services
Merchant-paid platform usage	✓	✓	✓	Registration/listing fee Commission fee
Third-party-paid data monetization		✓		Advertisements Access to data
Increased operational efficiency			✓	Decreased costs per unit Synergies among assets and resources

https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/how-do-companies-create-value-from-digital-ecosystems

Core Capabilities Needed to Create Value in Ecosystem



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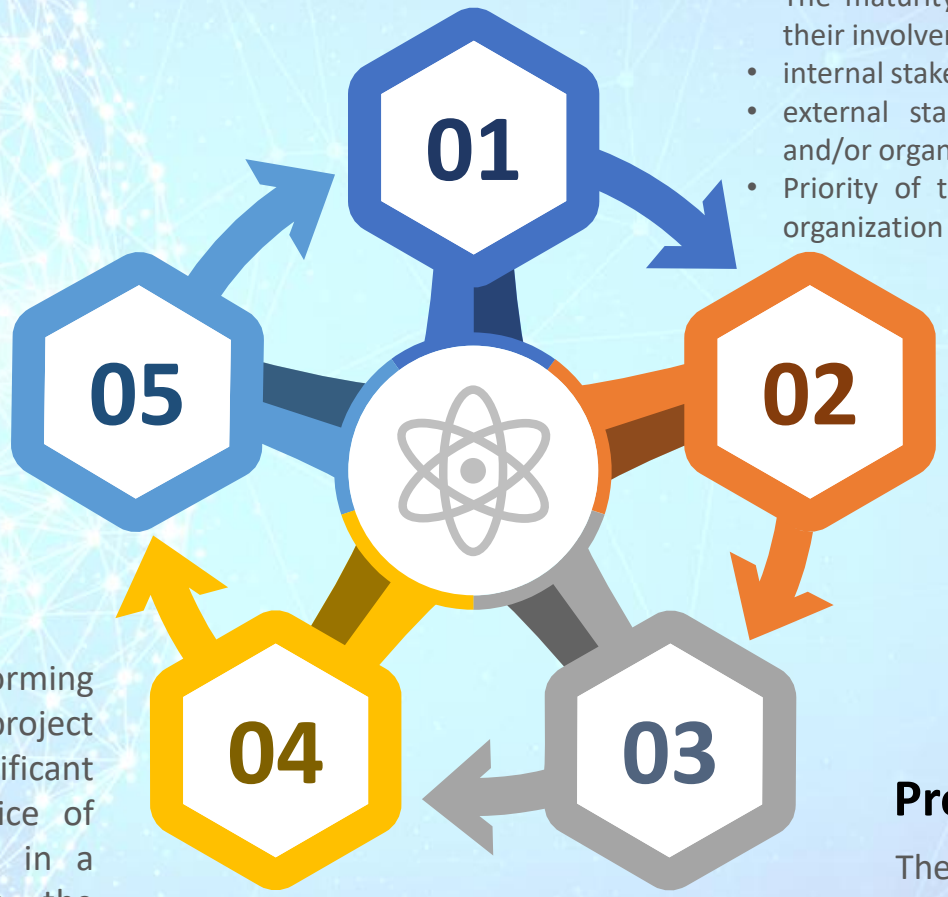
Elements to Influence the Digital Transformation Ecosystem Projects

Organization

- The maturity of the project management office and their involvement/support for the project.
- internal stakeholder expectations from the project
- external stakeholder expectation from the project and/or organization.
- Priority of the project within other projects in the organization

Psychological Contract

The psychological contract is the set of unwritten expectations that an organization and an individual member of that organization will have from the project.
The project manager needs to be aware of such unwritten expectation to be able to effectively handle complications that could arise out of them.



People

A project manager needs to ensure that he has the team with the right skills to execute the project. Any gaps in knowledge must be appropriately addressed either by training the team or other mechanisms. The team must work together as a unit and any issues which affect individual or team performance must be addressed immediately. The project teams must be culturally sensitive to the environment in which project is being executed and with their fellow team members for projects which involve people from disparate backgrounds.

Technology and Tools

The technological maturity of the performing organization and the tools available for the project manager and his teams are also a significant influence. e.g. for most projects, the choice of project management software to be used in a project is generally decided by what the organization already has and not on a per project basis.

Processes

The processes in the executing organization and the customer need to be aligned to ensure that there is a common baseline for the project agreed with all stakeholders.

https://hrishikeshkarekar.com/2012/03/project-management-ecosystem-5-key-influencing-elements/

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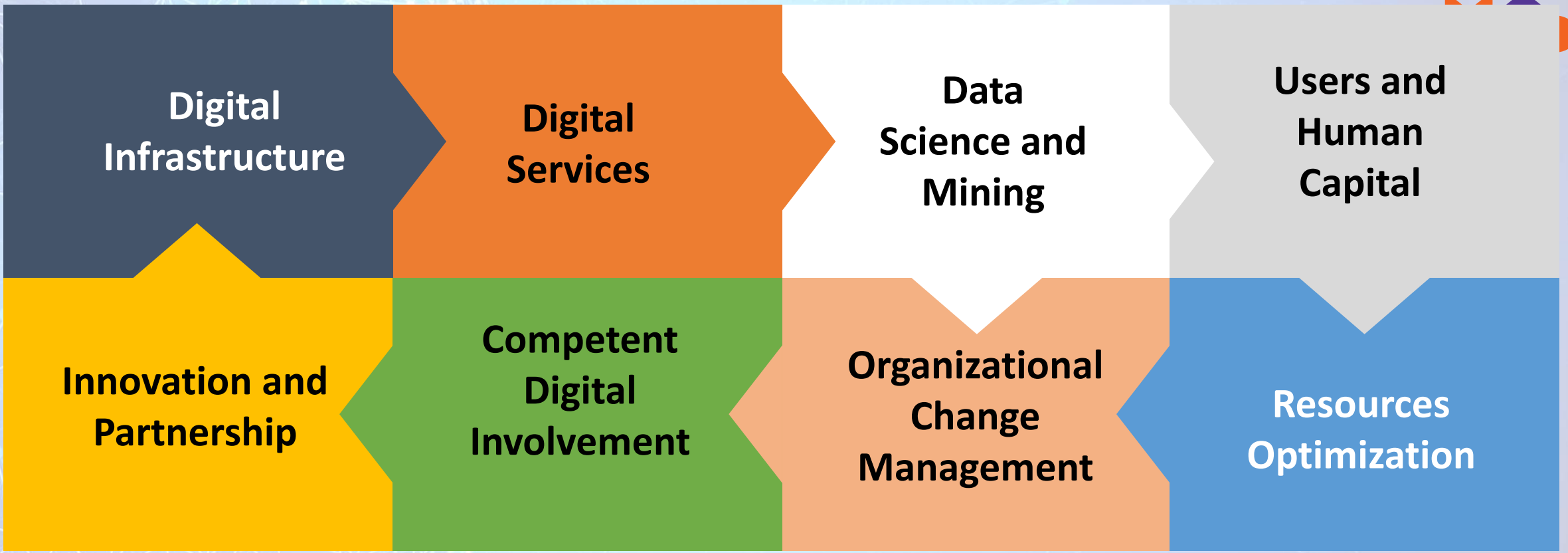
Focus Areas



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Financing Challenges

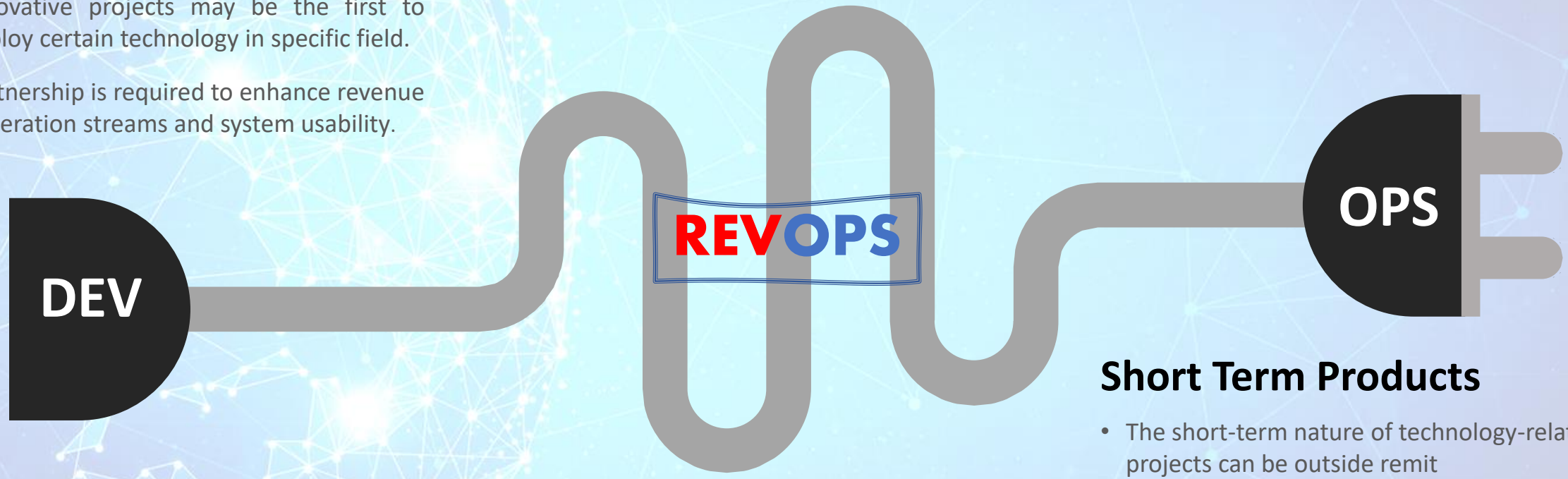
(REVOPS and DEVOPS Cycles)

DEV: Development
OPS: Operations
REV: Revenue Generation

Difficulty to monetize the benefits of some transformation projects

The Technology Risk

- Innovative projects may be the first to deploy certain technology in specific field.
- Partnership is required to enhance revenue generation streams and system usability.

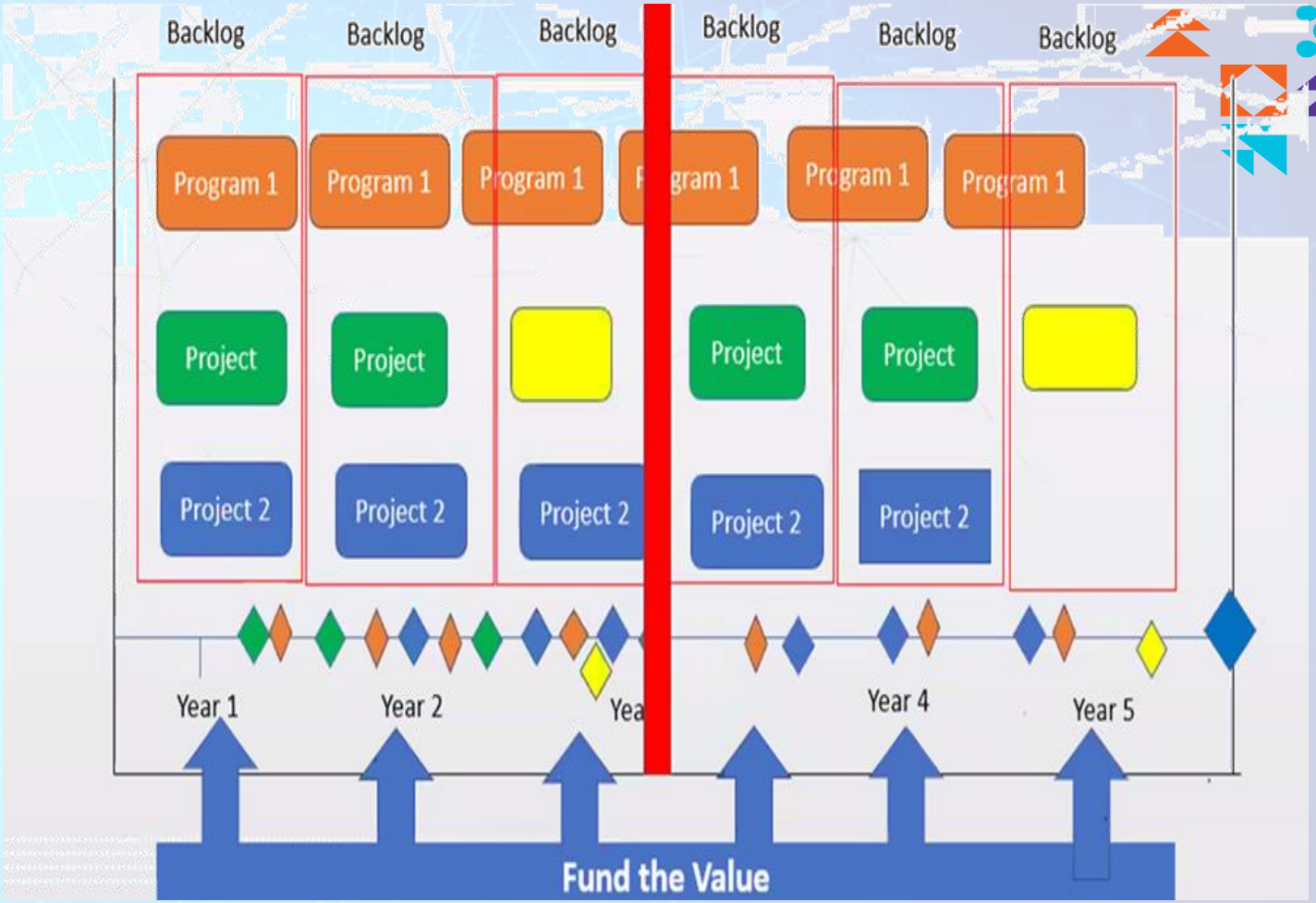


Short Term Products

- The short-term nature of technology-related projects can be outside remit
- Additional risk and challenges of transformation projects need to be considered.

Projects might not have a clear path to steady revenue

Funding the Value



Re-regulation vs. De-regulation

- Re-regulation is sometimes necessary rather than instead of de-regulation.
- In particular, technology companies often control a very large share of their markets, which raises the question to what extent they are monopolies with the potential to harm consumers.
- Furthermore, regulation is uneven in areas where digital business models compete with traditional business models. On the one hand, newcomers may complain that rules and regulations designed for traditional market practices are being applied to newly
- evolved business models in inappropriate ways.
- On the other hand, there is a gap in rules and regulations for new business models for traditional market players, giving them an unfair advantage.
- Regulation needs to adjust to new risk sharing and financing conditions as well as support more innovative contracts.
- This could consist in a mix of traditional regulation (prohibitive) and regulation of co-operation

https://www.oecd.org/cfe/cities/OECD_Policy_Paper_Smart_Cities_and_Inclusive_Growth.pdf

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Agenda

1- OBJECTIVES AND TERMINOLOGIES

- We Believe
- Let's agree
- Terminologies
- Dynamics

2- SHIFTING THE CHALLENGE

- Agile PM
- PMO
- The project ecosystem

3- DIGITAL ECOSYSTEM

- Transformation Dynamics
- Value generation
- The Future

4- ON THE WAY

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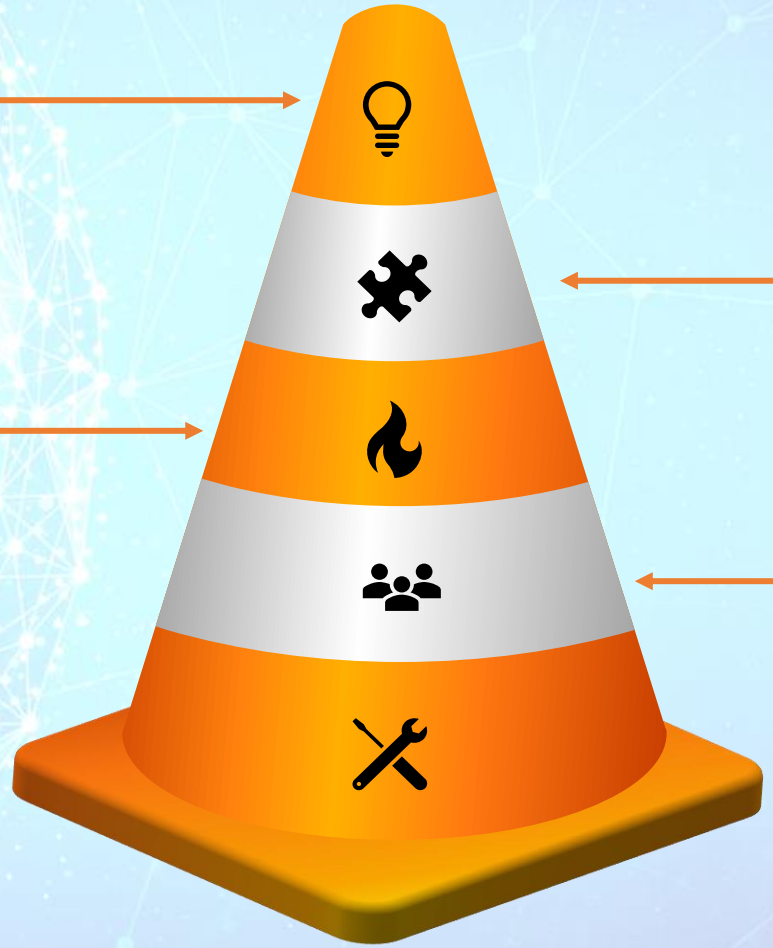
- Assumptions and Planning
- Transformation Objectives

5- GOVERNANCE

- New Business Risks
- Digital Transformation Governance



Question # 1

Who should lead the Digital Transformation Journey in the organization

- The CEO (Chief Execution Officer) or Equivalent
- The CDO (Chief Digital Officer) or equivalent
- The CIO (Chief Information Office) or equivalent
- The Internal Audit Department or Corporate Governance Department

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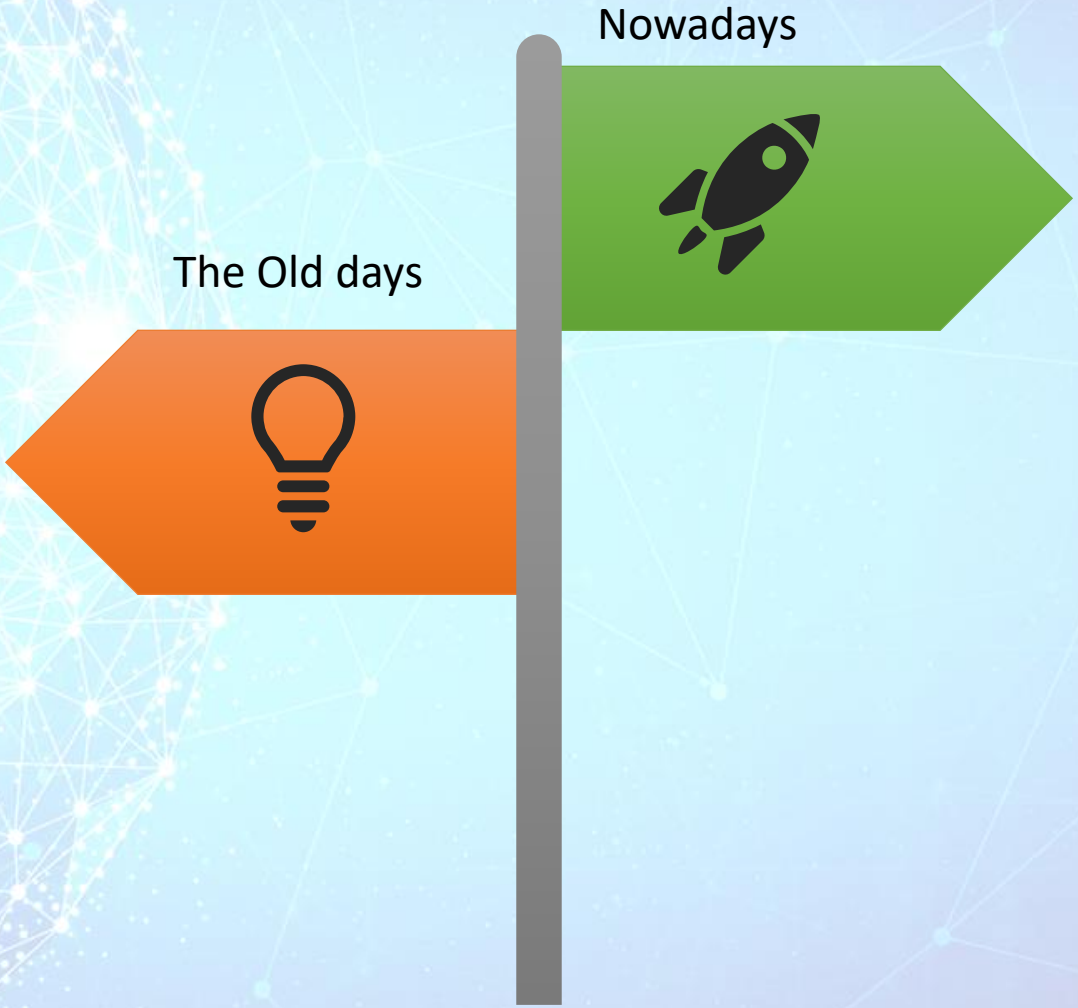
Shifting The Challenge

Shall We Transfrom?

In the past we “The transform-makers” tried too much to convince people about business transformation

- Disruption
- Emerging Technologies
- User Experience
- Use Cases
- Body of Knowledge



How to Run Successful Transformation Journey?

- **PHASE 01: Understand the roadmap**
- **PHASE 02: Align leadership mindsets**
- **PHASE 03: Analyse the market**
- **PHASE 04: Establish response strategies**
- **PHASE 05: Activate transformation readiness**
- **PHASE 06: Innovate strategically**
- **PHASE 07: Prepare and priorities digital use cases**
- **PHASE 08: Prepare and present business cases**
- **PHASE 09: Define portfolio, process and governance**
- **PHASE 10: Plan, execute and manage transformation**

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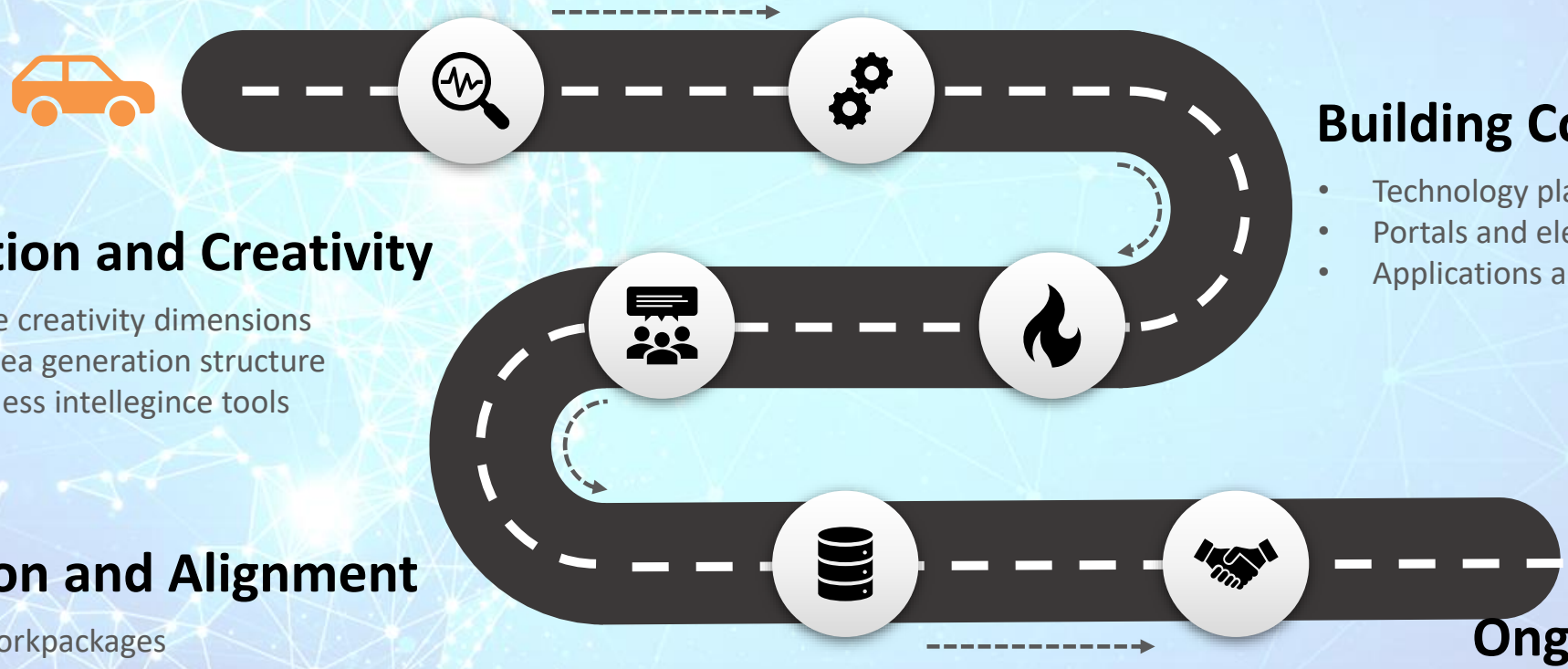
Transformation Roadmap

Establishing the Framwork

- Buid the enterprise architecture
- Strategy and technology alignment

Business Process Engineering

- Map processes and functionalities using emerging technologies
- Enhance the user experience and customer journey



Building Core Setup

- Technology platforms
- Portals and electronic service
- Applications and data analytics

Innovation and Creativity

- Establish the creativity dimensions
- Setup the idea generation structure
- Utilize business intellegince tools

ongoing

Execution and Alignment

- Prioritize workpackages
- Select contractors and partners
- Vlue generation KPIs

Ongoing Achivements

- Digital transformation is an endless Journey
- Reinovation and new normal is always shifting

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Basic Assumptions

Leadership Support- 01

Suitable Funding - 02

Innovative Contracting - 03

06 - Open Communication

05 - Human Capital Allocation

04 - Partnership Options

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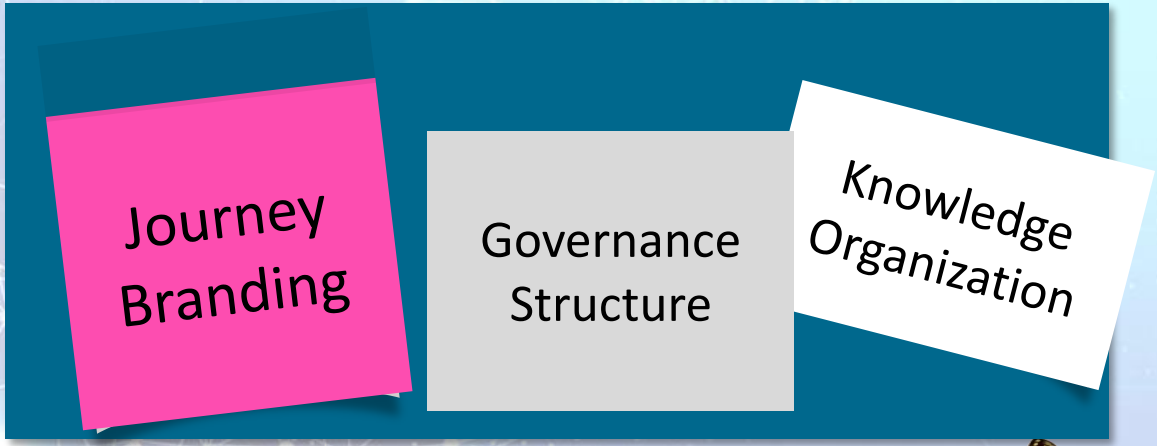
Digital Systems Ecosystem

Team Building

Additional Projects and Tasks



Ecosystem for Value Generation

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Planning for Digital Success

1 DIGITAL ECOSYSTEMS

Digital technologies play a crucial role in building rapid progress and sustianability

2 PLURED LINES

Between internal departments to build processes and workflows that will deliver the planned value

3 AUGMENTED PLAYERS

All stakeholders including citizens, related government agencies and private sector need to mutually collaborate and benifet from each other.

4 INTEGRATIONS & DELIVERY

Transformation is built around horizontal, vertical, and longitudinal integration. This includes the project delivery and related business processes

5 MINDSET CHANGE

Building the right mindset and cultural surrounding can persistently enhance the adoption of digital technologies.

6 PLATFORMS & PRODUCTS

The digital Transformation Journey should use a combination of platforms and products, public and private to achive the related milestones.

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Transformation Objectives

Decision Intellegence

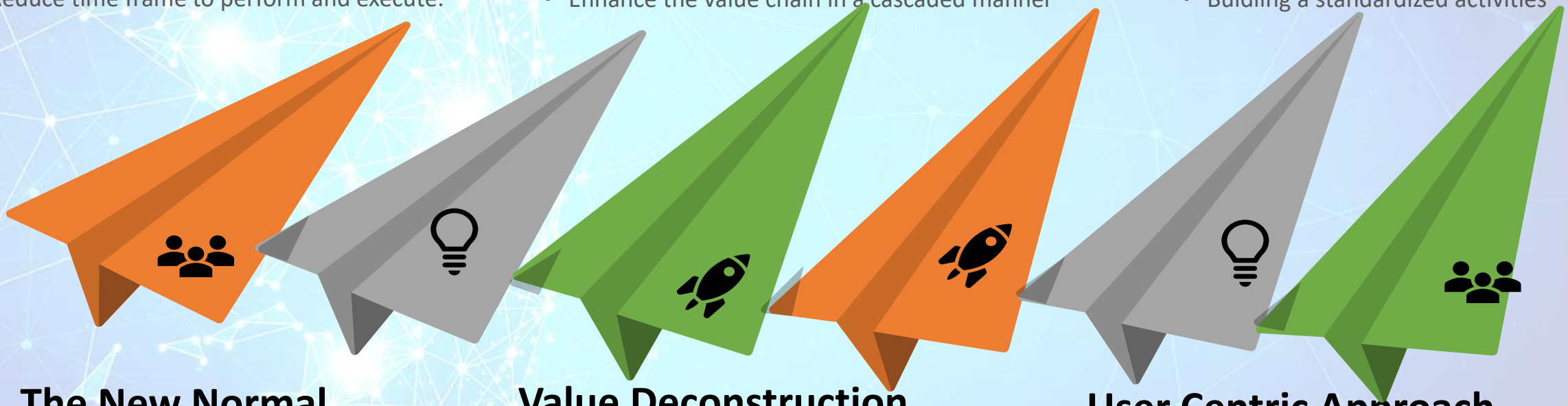
- Enhance ranking in Digital Transformation Indecies
- Facilitate effective decision-Making Process
- Reduce time frame to perform and execute.

Vertical Diffusion

- Enable integration with stakeholders and expatends relevant operations
- Enhance the value chain in a cascaded manner

Effective Operations

- Reduce service cross footage
- Elevate operational efficiency
- Buidling a standardized activities



The New Normal

- Buidling new service models
- Arrange a single source of truth
- Enable 3 AAA working model (Anywhwer, Anytime, Any Device)

Value Deconstruction

- Speed up the value generation cycle
- Remove redundancy in operation and Execution
- Provide prioritization and catagrizaton process

User Centric Approach

- Enhance the user knowledge and awareness
- Increase collaboration with stakeholders
- Provide a pleasant service environment

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The Message

Act now.

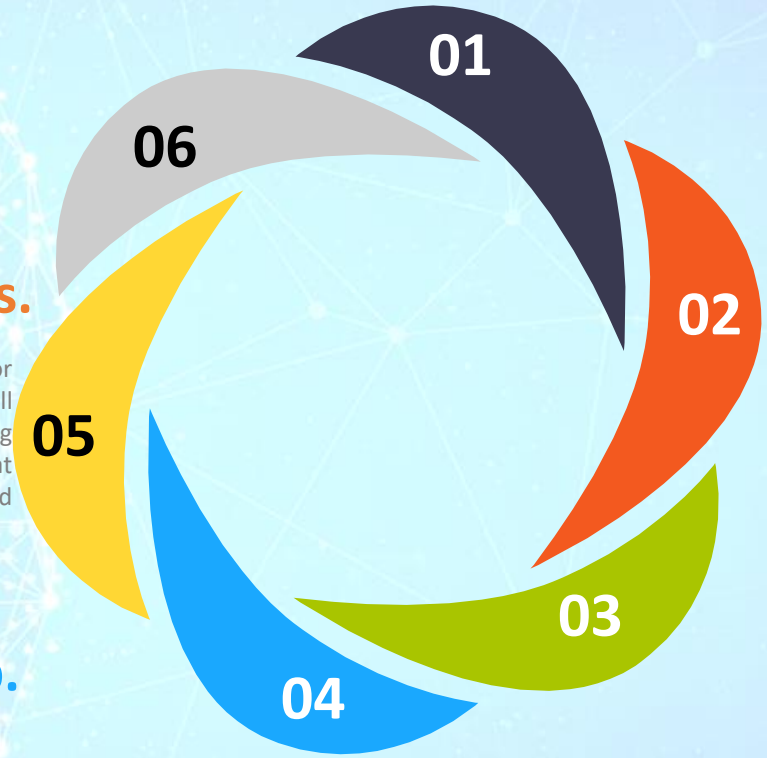
This isn't about some 'far future' of work – change is already happening, and accelerating.

No regrets and bets.

The future isn't a fixed destination. Plan for a dynamic rather than a static future. You'll need to recognize multiple and evolving scenarios. Make 'no regrets' moves that work with most scenarios – but you'll need to make some 'bets' too.

Make a bigger leap.

Don't be constrained by your starting point. You might need a more radical change than just a small step away from where you are today.



Own the automation debate

Automation and Artificial Intelligence (AI) will affect every level of the business and its people. It's too important an issue to leave to IT (or HR) alone. A depth of understanding and keen insight into the changing technology landscape is a must.

People not jobs.

Organizations can't protect jobs which are made redundant by technology – but they do have a responsibility to their people. Protect people not jobs. Nurture agility, adaptability and re-skilling.

Build a clear narrative.

A third of workers are anxious about the future and their job due to automation – an anxiety that kills confidence and the willingness to innovate. How your employees feel affects the business today – so start a mature conversation about the future.

https://www.pwc.com/gx/en/services/people-organisation/workforce-of-the-future/workforce-of-the-future-the-competing-forces-shaping-2030-pwc.pdf

Developing a scaling-up strategy

Step 1. Planning actions to increase the scalability of the innovation
Step 2. Increasing the capacity of the user organization to implement scaling-up
Step 3. Assessing the environment and plans to increase the potential for scaling-up success
Step 4. Increasing the capacity of the resource team to support scaling up
Step 5. Making strategic choices to support vertical scaling up (institutionalization
Step 6. Making strategic choices to support horizontal scaling up (expansion/replication)
Step 7. Determining the role of diversification
Step 8. Planning actions to address spontaneous scaling up
Step 9. Finalizing the scaling-up strategy and identifying next steps

https://www.oecd.org/cfe/cities/OECD_Policy_Paper_Smart_Cities_and_Inclusive_Growth.pdf

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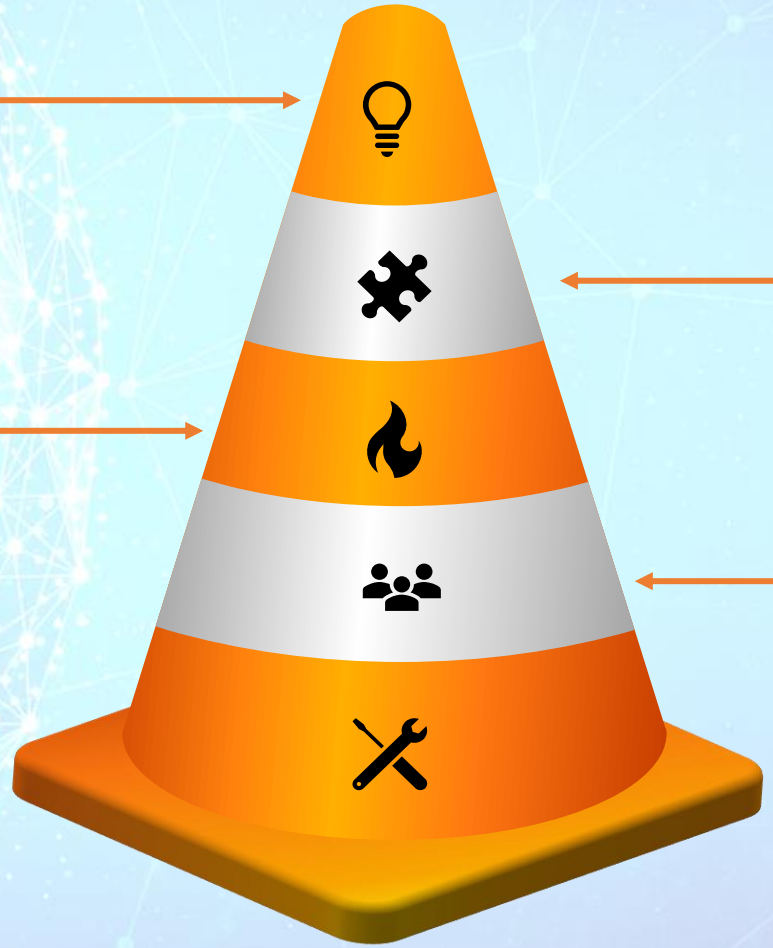

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Question #2:

What is the most important factor that necessitate building a governance structure for Digital Transformation?

1. The Transformational Behavior of the Journey
2. Mitigating the high-profile risks that are associated with Digital Transformation
3. The Requirement for a Robust Journey
4. To facilitate the Alignment and Cooperation Activities

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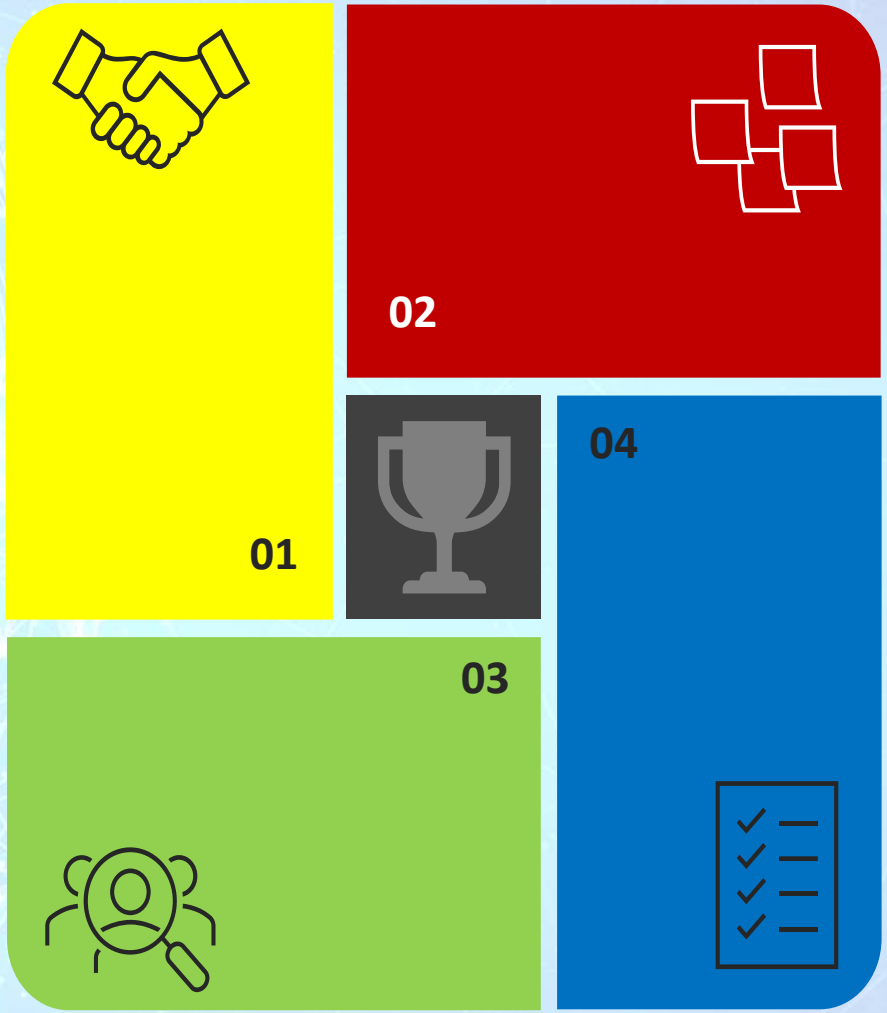
New Business Risks

Brand Exposure in Social Media 01

Social media reduces a firm's control over its global brand. A negative customer post on Facebook, Twitter, or YouTube can receive global attention immediately.

IT Risks and Technical Debt 03

Another is the challenge of being able to articulate the IT risks involved with what could be an emerging technology, which extend beyond some of the traditional IT governance risk imperatives of, for example, reliability, scalability and vendor management.



Confidentiality and Regulatory Breaches 02

Employee use of new digital technologies can have firm-level consequences. Lost phones and tablets can enable hackers to invade a network.

Customer Loyalty and Employees Engagements 04

Big company capitalism rules as organisations continue to grow bigger and individual preferences trump beliefs about social responsibility.

https://www.capgemini.com/wp-content/uploads/2017/07/Governance__A_Central_Component_of_Successful_Digital_Transformation.pdf

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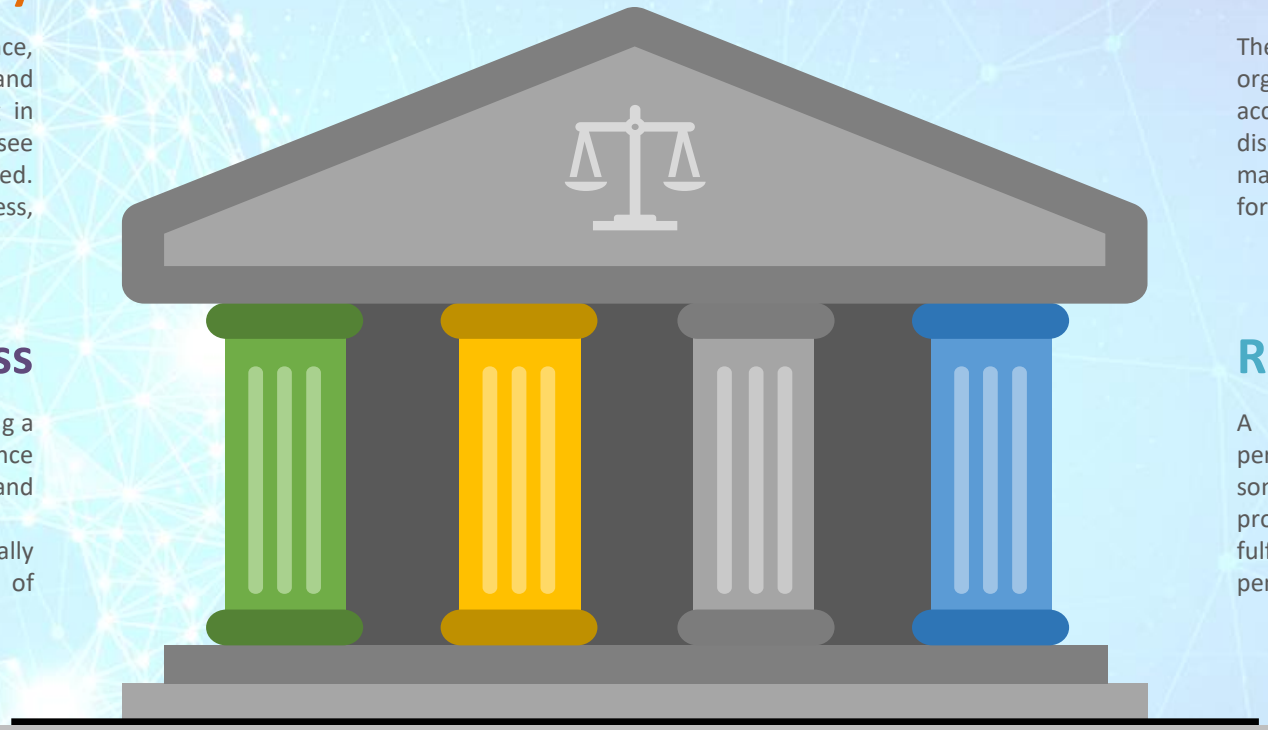
Digital Transformation Governance

Transparency

Transparency, as used in science, engineering, business, the humanities and in other social contexts, is operating in such a way that it is easy for others to see what actions are performed. Transparency implies openness, communication, and accountability.

Integrity and Fairness

- The practice of being honest and showing a consistent and uncompromising adherence to strong moral and ethical principles and values
- The quality or state of being fair; especially fair or impartial treatment : lack of favoritism toward one side or another.



Accountability

The obligation of an individual or organization to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner. It also includes the responsibility for money or other entrusted property.

Responsibility

A duty or obligation to satisfactorily perform or complete a task (assigned by someone, or created by one's own promise or circumstances) that one must fulfill, and which has a consequent penalty for failure. /responsibility.html

- **The ultimate goals of governance are to empower and accelerate**
- **It powers the ability to make informed decisions**
- **It helps to achieve the goals named in the strategy**
- **The achievement of certain milestones is more important than reaching the final destination**

Governance : No One Size Fits All

"The right model for today is not always the right model for tomorrow but creating – and evolving – digital governance is essential to help your company thrive in a digitally transformed world."

https://www.capgemini.com/wp-content/uploads/2017/07/Governance__A_Central_Component_of_Successful_Digital_Transformation.pdf

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Pulling the 4 Talents Together

TECHNOLOGY

This means that technologists must provide, and demonstrate, business value with every technology innovation.
Thus, leaders of the technology domain must be great communicators, and they must have the strategic sense to make technological choices that balance innovation and dealing with technical debt.

PROCESSES

Transformation requires an end-to-end mindset, a rethinking of ways to meet customer needs, seamless connection of work activities, and the ability to manage across silos going forward. A process orientation is a natural fit with these needs. But many have found process management — horizontally, across silos, and focused on customers — difficult to reconcile with traditional hierarchical thinking.

DATA

We need talent with both great breadth and depth in data. Even more important is the ability to convince large numbers of people at the front lines of organizations to take on new roles as data customers and data creators

ORGANIZATIONAL CHANGE MANAGEMENT

In this domain we include leadership, teamwork, courage, emotional intelligence, and other elements of change management.
Cognitive technologies will change the way we do business. And purple people—those who possess a mix of business and technology skills—have a big role to play. We urge leaders to seek those with excellent people skills. If you are unable to find them, a good alternative is to put some “purple people,” those able to work on both sides, on the transformation team.

https://hbr.org/2020/05/digital-transformation-comes-down-to-talent-in-4-key-areas

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Emerging governance requirements of digital transformation

1 TECHNOLOGY GOVERNANCE

A key challenge concerns ensuring that there is a good strategic fit of what could be a young but proven technology within the organisation and that there is an IT architectural fit

2 INNOVATION GOVERNANCE

Emerging practice suggests that there are two dimensions to innovation governance, the first being having oversight of the innovation process, and the second being oversight of the actual content of the innovation.

3 DATA GOVERNANCE

- quality of the data
- metadata requirements
- understanding the input data
- data transport validation
- the privacy and security considerations of the new data flows

4 OPERATING MODEL CONSIDERATIONS

Be sure that there is a common understanding of core operating process, by ensuring there is a common understanding of how value is created for the in-scope areaAny gaps in the understanding need to be closed..

5 BUSINESS MODEL CONSIDERATIONS

The business model concerns the way the organisation makes money.
This usually occurs as the transfer of cash from the customer in exchange for a product or service.

6 CUSTOMER EXPERIENCE CONSIDERATIONS

The customer is better served through the transformation as measured through the customer's eyes

https://www.governanceinstitute.com.au/resources/governance-directions-volume-72-number-5/digital-transformation-governance-what-boards-must-know/

Elements of Digital Governance Setup

Shared Digital Units

- Developing Digital Services Shared Units
- Developing New Digital Skills

Governance Committees

- Steering Committees
- Innovation Committees

New Digital Roles

- Chief Digital Officer (CDO)
- Digital Liaisons Functions

Digital Platforms

- To Build A Single View of Customers
- To Build An Integrated View of Operations

LOW

https://www.capgemini.com/wp-content/uploads/2017/07/Governance_-_A_Central_Component_of_Successful_Digital_Transformation.pdf

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Governance Summary

Digital governance should not be left to chance

Governance requires conscious design and engagement by the company's most senior executives.

Ineffective governance creates waste

And missed opportunities, making digital transformation riskier and costlier than it needs to be.

No One Size Fits All

No governance model is optimal for all companies, but lack of governance is never optimal.

Senior executives should revisit the governance models periodically.

Executives can understand when it is time to adjust their governance models by paying attention to the behaviors governance is intended to enhance and adjusting governance to encourage new behaviors

Governance is evolving

The right model for today is not always the right model for tomorrow. But creating and evolving digital governance is essential to help your company thrive in a digitally transformed world.

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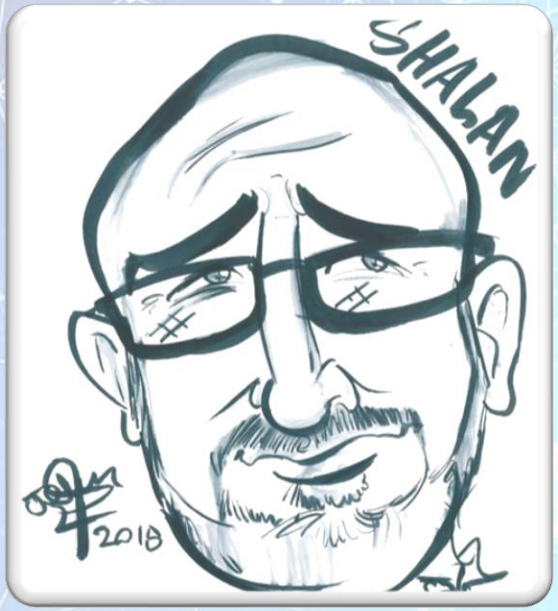
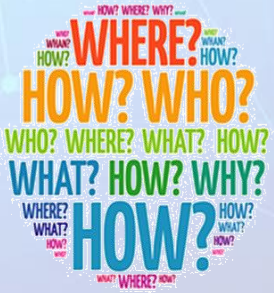
Stay in Touch





Mohammad Ali Shalan

CXO, PMP, PMI-RMP, CISA, CGEIT, CRISC, CRMA

BEng, MSc, ITIL and CSX-Foundation

Mobile +966 56 918 8680

Email: mohammad.shalan.jo@ieee.org

LinkedIn: https://sa.linkedin.com/in/mohammadshalan

YouTube: https://www.youtube.com/c/MohammadShalan