IBM digital operating model transformation, April 2019

Introduction:

This document summarizes the key findings from a digital transformation analysis conducted by IBM for the Girl Scouts of the USA (GSUSA). The analysis focuses on the challenges and issues GSUSA faced while attempting a major digital modernization effort and provides insights into the role of the IT staff within the process. The documents examined here are internal documents from a summit analyzing the GSUSA digital transformation. This analysis reveals a disconnect between organizational goals, technological infrastructure, and project execution, highlighting the complexities of large-scale digital transformations.

Key Themes & Ideas:

1. **The Challenge of "Bottom-Up" Systems:**

    - **Siloed Infrastructure:** GSUSA's existing IT systems were built in a "bottom-up" fashion, with isolated systems for different functions (membership, cookie sales, volunteer training, etc.). These systems were not designed to communicate with each other, creating a significant barrier to seamless data flow and integration.
    - **Analogy:** The systems are described as being like "islands," unable to share information, hindering efficient operations. This lack of interconnectivity posed a major hurdle for a modern digital experience.
    - **Quote:** An IT team member is quoted as saying, "We should have a more quality-focused approach because we only get one chance to get it right. Otherwise, we may ruin our perception with our customers." This highlights the IT team's awareness of the shortcomings and concerns about user experience.

2. **Ambitious Vision vs. Practical Reality:**

    - **Digital Transformation Goals:** GSUSA aimed to create a better digital experience for girls, volunteers, and parents, including streamlined cookie sales, easy event signups, and a more modern website.
    - **Implementation Challenges:** Despite a clear vision, GSUSA faced multiple challenges, including outdated technology, multiple concurrent projects, and unrealistic deadlines. The organization’s structure was not ready for digital transformation, resulting in fragmented and inefficient processes.
    - **Quote:** "The work should drive the date of go-live, not just an ideal date, and then you have to fit the work to make it happen." This emphasizes the importance of realistic project timelines, implying that GSUSA set deadlines without fully understanding the required work.

3. **Management & Process Deficiencies:**

    - **Lack of Clarity:** The report highlights that GSUSA had unclear governance structures and processes, making it difficult to manage projects and respond to the demands of the digital world.
    - **Risk Analysis:** IBM identified six major risks to the success of the digital transformation, with "delayed building of foundational architecture elements" being a significant factor. This

meant that core technologies like an API gateway, single sign-on systems, and data management platforms were put on hold.
- **Potential Disconnect:** There was a disconnect between the IT staff's understanding of essential infrastructure and leadership's prioritization of more visible, customer-facing features, suggesting a lack of communication and alignment.

4. **The Case of Volunteer Systems 2.0 (VS 2.0):**

- **High-Risk Project:** The VS 2.0 project, a massive undertaking, was launched without the necessary foundational architecture in place. This created high risks of delays, glitches, and user dissatisfaction.
- **Ignored Warnings:** Despite warnings from the IT staff and IBM, GSUSA proceeded with VS 2.0, seemingly disregarding the need for foundational elements, indicating either a lack of understanding or a disregard for IT's input.
- **Symbolic of Overall Problems:** The VS 2.0 project is a key example of the broader challenges faced by GSUSA, demonstrating a disconnect between plans and execution.

5. **IBM's Proposed Solution: A Digital Operating Model:**

- **Structured Approach:** IBM suggested a detailed digital operating model, encompassing changes to processes, organizational structures, and supplier management.
- **Six-Stage Process:** The model included a six-stage "experience development process" aimed at making projects more structured and data-driven.
- **Key Elements:** The model focused on clearly defining roles, responsibilities, success metrics, and emphasized the importance of experienced project managers, developers, and effective communication.

6. **Unresolved Questions and Conclusion:**

- **Lack of Final Outcome:** The provided documents do not reveal the ultimate outcome of the VS 2.0 project or whether GSUSA implemented IBM's recommendations. The ending is ambiguous, leaving many questions unanswered.
- **Importance of IT:** The analysis underscores the importance of IT teams in digital transformation and the need to listen to and empower IT professionals.
- **Digital Transformation is a Journey:** The report emphasizes that digital transformation is an ongoing process with inevitable challenges, and requires adaptability, planning, and consistent evaluation.

Key Questions Left Unanswered:

- Did GSUSA adopt IBM's digital operating model?
- Was the Volunteer Systems 2.0 project successful?
- Did the organization adequately support its IT staff?
- Did GSUSA ultimately achieve its digital transformation goals?

Conclusion:

This podcast shows that GSUSA's digital transformation journey faced significant challenges, stemming from outdated technology, disjointed processes, a lack of clear leadership direction, and a

failure to effectively integrate its IT staff's knowledge. The analysis underscores the critical need for a holistic, well-planned approach to digital transformations, where foundational elements are prioritized, and IT teams are integral to decision-making. The case of GSUSA serves as a cautionary tale for organizations embarking on similar complex change efforts. It also highlights how even organizations with the best intentions can struggle with change.