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DIGITAL
TRANSFORMATION
AND THE MODERN
ENTERPRISE

DIGITAL TRANSFORMATION

Digital Transformation (DX) is the word of the day, the year, and the decade amongst business leaders.

And why shouldn't it be? With successful digital transformation comes a promise to help enterprises modernize. DX means converting analog, time-consuming work into digital and automated processes, allowing workers to focus on more creative and challenging work, gain better visibility, improve tracking, and accelerate production speeds—without the confines of geography or proximity.

But with such a wide array of possible benefits and applications, what is the current state of digital transformation initiatives in the enterprise? What does "digital transformation" mean to people in different industries and at different levels of their organization's leadership structure?

Workfront partnered with Regina Corso Consulting to gather real data from real people and answer burning questions surrounding DX in business. What types of work have already been digitized? What are the daily tasks that workers wish could be digitized ASAP? What needs to be automated next? When do top-level business leaders agree with their employees about DX, and when do they differ?

The data in this report will help businesses benchmark their digital transformation strategy and progress and understand key findings that can help improve the transformation experience.
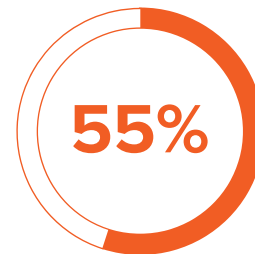
Highlights

60%
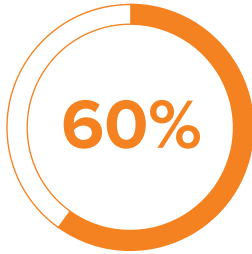
60% of executives list improving productivity as the top motivator for digital transformation

33% of enterprise workers cited lack of integration with other systems as their top worry concerning DX

Note-taking (47%) and daily task prioritization (39%) top the list of work that isn't yet digitized

55%

55% of enterprises describe themselves as either having no DX strategy, or being in the early stages

43%
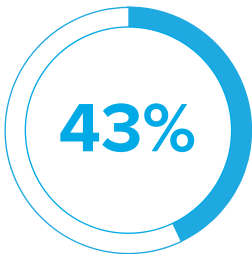
43% of enterprise workers say manual work is consistently wasting their time

ABOUT THE REPORT
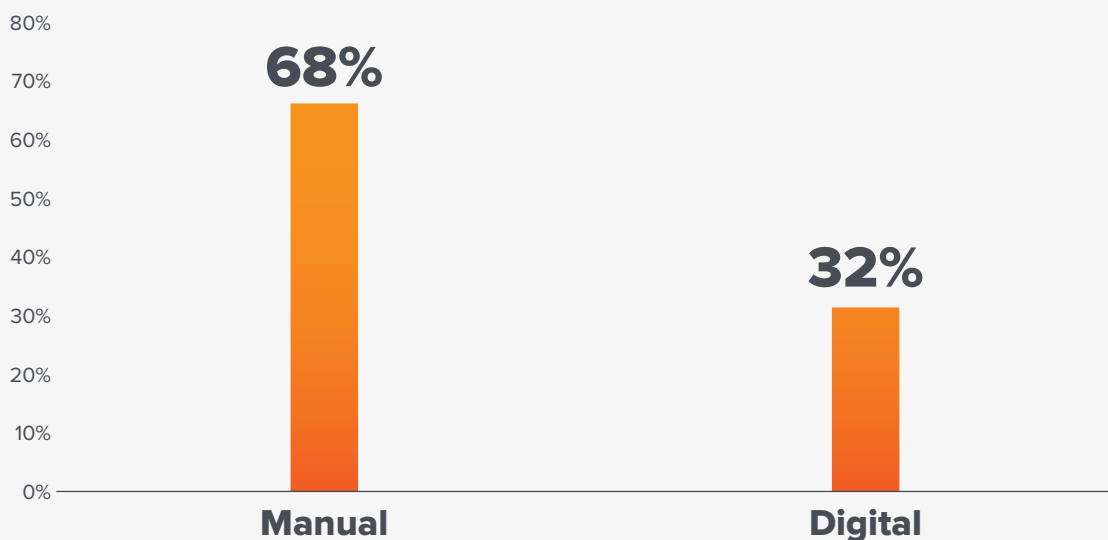
This online survey was conducted by Regina Corso Consulting on behalf of Workfront between January 15 and 22, 2018 among 1,000 U.S. adults, aged 18 and older, who work in a company with at least 1,000 employees, are a manager or above, do not work for either a non-profit or government entity and work in either sales, marketing, IT, operations, finance, HR, or new product development.

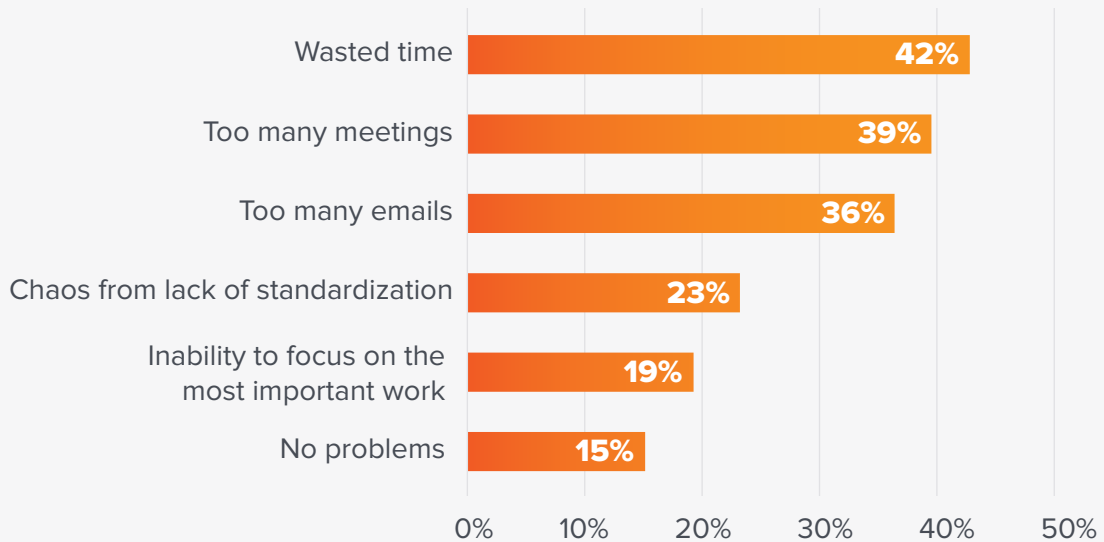# Manual work is a problem in the modern workplace

Despite its ubiquitous mention and thought leadership lip service, digital transformation is only getting started. The numbers are clear: most enterprise workers are still trying to solve digital problems with an analog toolbox. In fact, only 32 percent of enterprise work is currently digital, according to the workers we surveyed. This lack of digitization at the enterprise level causes myriad problems. Nearly half (42%) of enterprise workers say they experience wasted time because of manual work. Almost one-quarter of enterprise workers (23%) report that lack of standardization and/or processes makes their lives "chaotic." Others feel buried by communication in all the wrong ways—39 percent report having too many meetings, and over one-third (36%) are bogged down in email.

When you think of the work you do on a daily basis, what percentage would you say is manual and what percentage would you say is digital? By digital, we mean the application of digital capabilities, such as technology and software, to processes and assets to improve efficiency. If you are not sure, please provide your best estimate.

Bar chart: Manual **68%**, Digital **32%**

TOP FIVE PROBLEMS CAUSED BY MANUAL WORK

Problem	Percentage
Wasted time	42%
Too many meetings	39%
Too many emails	36%
Chaos from lack of standardization	23%
Inability to focus on the most important work	19%
No problems	15%

Wasted time is the top problem caused by manual work for all departments (marketing, sales, IT, HR, new product development, operations, and finance) and all company sizes. However, there is a difference by title. Managers list wasted time (44%) as the pain of manual work, directors list too many meetings (44%), and executives said too many emails (42%).

TOP PROBLEM CAUSED BY MANUAL WORK BY TITLE

WASTED TIME

MANAGERS (44%)

TOO MANY MEETINGS

DIRECTORS (44%)

TOO MANY EMAILS

EXECUTIVES (42%)

The current state of enterprise digital transformation

Many enterprises (62%) are in the midst of digitization, though where they fall on the spectrum—from utterly analog to completely digital—depends on the organization. Fewer than half of organizations (46%) are in the mid- to final-stages, leaving 54 percent pre-digital transformation or barely starting on their DX journey.

14%
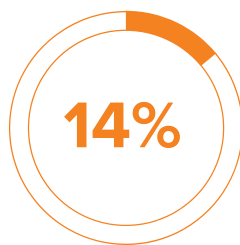
14% of enterprises report having a mandate from the CEO to coordinate and implement an enterprise-wide digital strategy

30% of enterprises have formulated a preliminary digital strategy and are working on acquiring new technology to fill gaps in the strategy

37% of enterprises either have no DX strategy or are in the early stages of digitization

16%
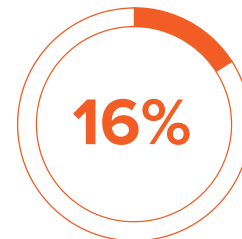
16% of enterprises have a documented strategy, a central platform to support it, and a plan to integrate systems

16%
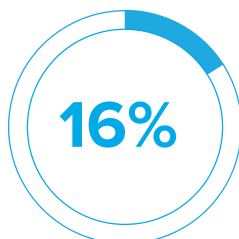
16% of respondents reported recently starting conversations around creating department-wide DX strategy

Where is the average enterprise in the DX process?

14%
Have a CEO mandate to implement an enterprise-wide DX strategy

38%
Early Stages/ No Strategy

Average Enterprise in the DX Process

31%
Midway Through

17%
Final Stages
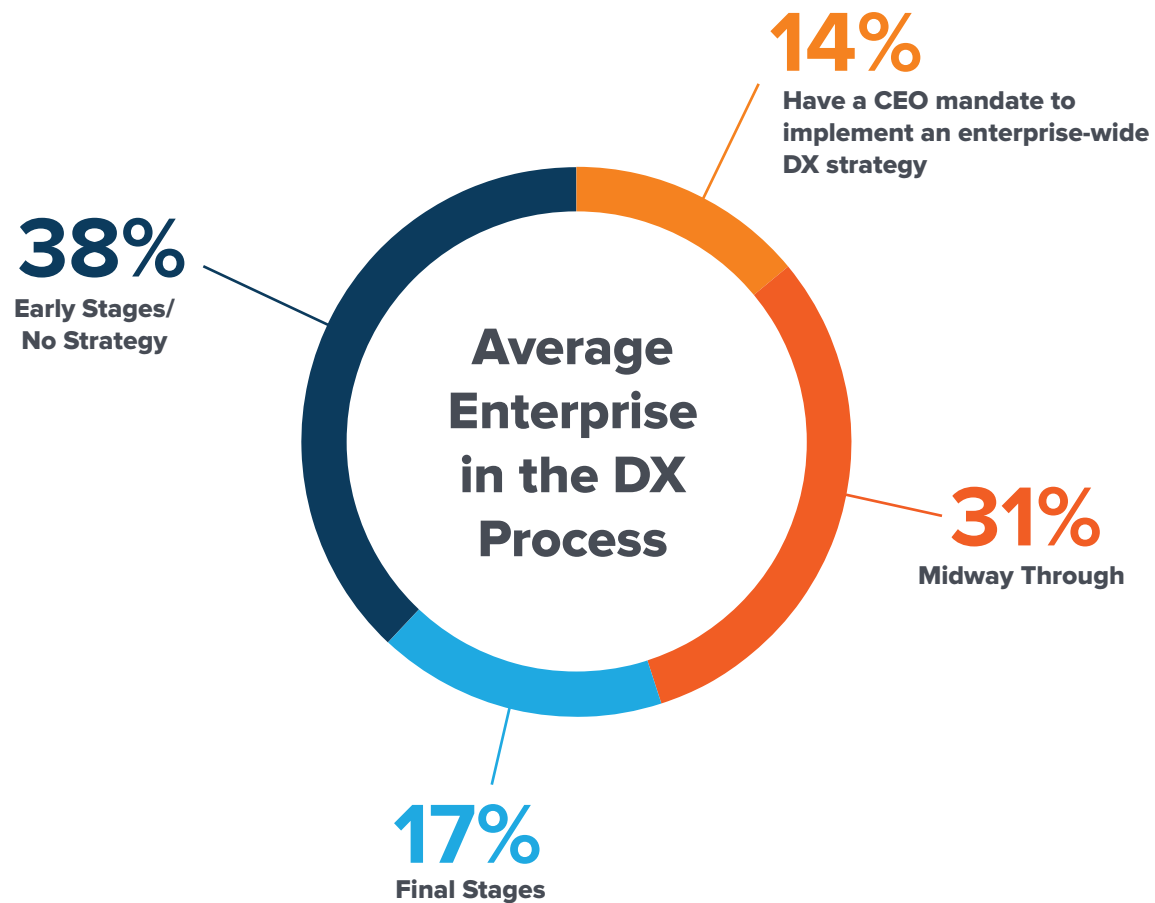
Interestingly, IT departments are more likely than sales, marketing, operations, finance, or HR to say that their digital strategy is in the early stages with a mandate from the CEO to coordinate and implement an enterprise wide digital strategy (25% vs. 12%, 13%, 11%, 8% and 13%).

The top priorities for enterprise work digitization

While improving workplace productivity is the top priority for all departments; marketing, operations, finance, and HR are more likely than sales and IT to say it's a priority (75%, 67%, 66%, and 65% versus 53% and 50%). Sales is more likely than marketing, IT, operations, finance, and HR to say that maintaining and/or growing market share is a top priority for digitizing work (20% vs. 11%, 11% 10%, 6% and 11%).

Priority	Percentage
Improving workforce productivity	61%
To better serve customers	31%
To improve work/life balance	21%
To be more competitive	20%
To increase and/or facilitate innovation and creativity	20%
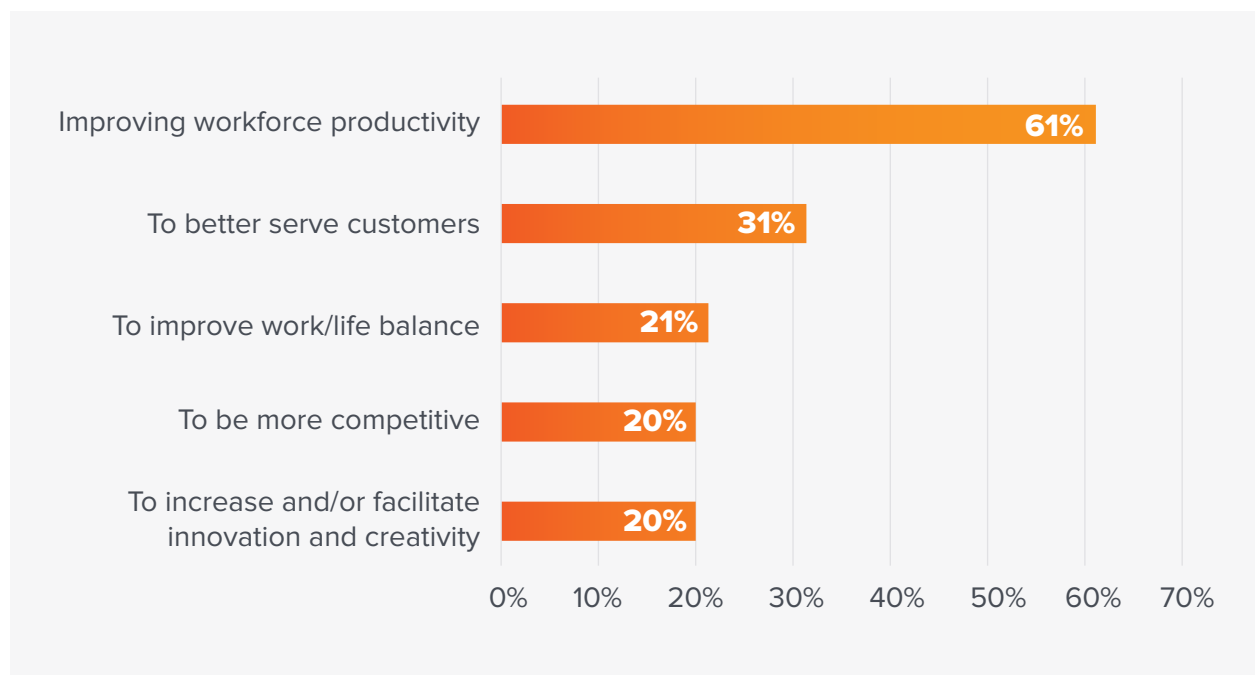
At 61 percent, it comes as no surprise that the desire to improve workforce productivity is top-of-mind as a clear benefit that business leaders hope for from their DX initiatives. Productivity in the age of the distributed office and "I need it yesterday" requests have become an even larger concern than in times past. Enterprise workers also reported implementing digitization to better serve customers (31%) and improving work/life balance for themselves and their workers (21%) as top priorities. While workers and executives have a tacit responsibility to look out for the bottom line, 30 years ago the idea of undertaking business initiatives simply to increase quality of life for employees was unheard of. In the age of DX, however, the concern for living a more balanced life is becoming a priority for everyone, and digitization is seen as a path to obtain it.

TOP FIVE THINGS ALREADY DIGITIZED

Category	Percentage
Productivity reporting & analytics	92%
Budget and/or cost tracking	90%
Project plans	89%
Resource management	89%
Goal setting and/or tracking	86%
Say everything is digital	18%
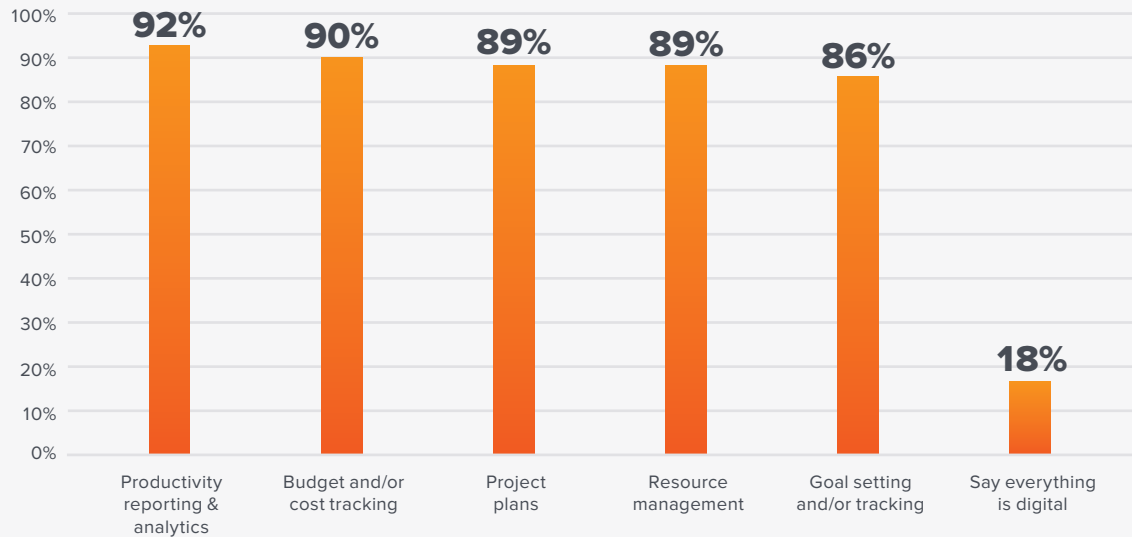
The majority (80% – 90%) of enterprises reported having some form of digitization for work management-related things like productivity reporting, budget tracking, project plans, and resource management. However, large numbers said they still don't have a good way to digitize note taking (47%), daily to do lists (39%), or collaboration (22%). A small amount (18%) even said that everything at their organization is already digitized.

TOP FIVE THINGS NOT YET DIGITAL

Category	Percentage
Note taking	47%
Daily to-do lists	39%
Collaboration	22%
File storage	19%
Team task lists/ priorities	19%
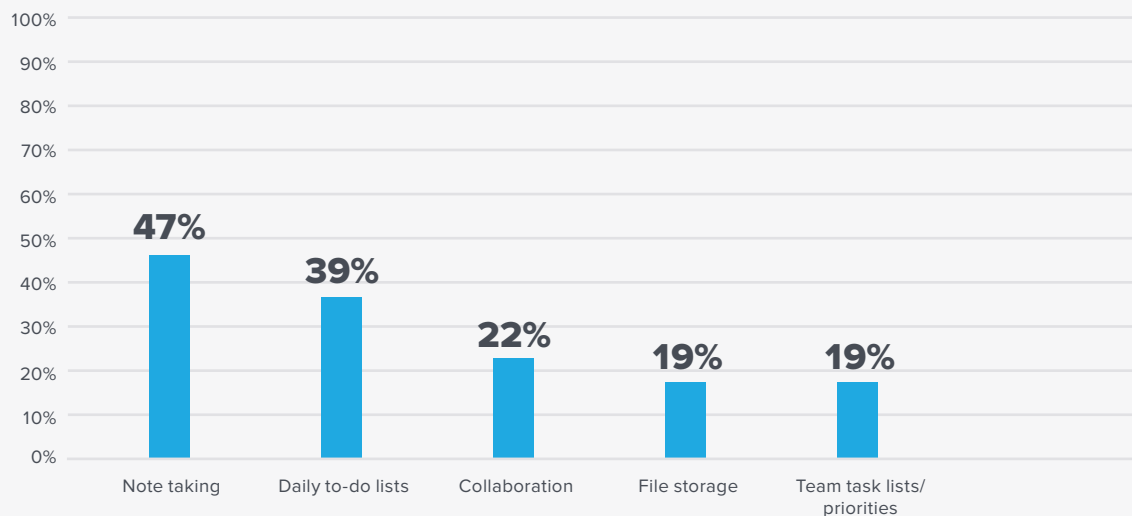
Which aspects of enterprise work are not yet digital?

Which of the following, if any, of the following aspects of your work are not yet digital? Please select all that apply.

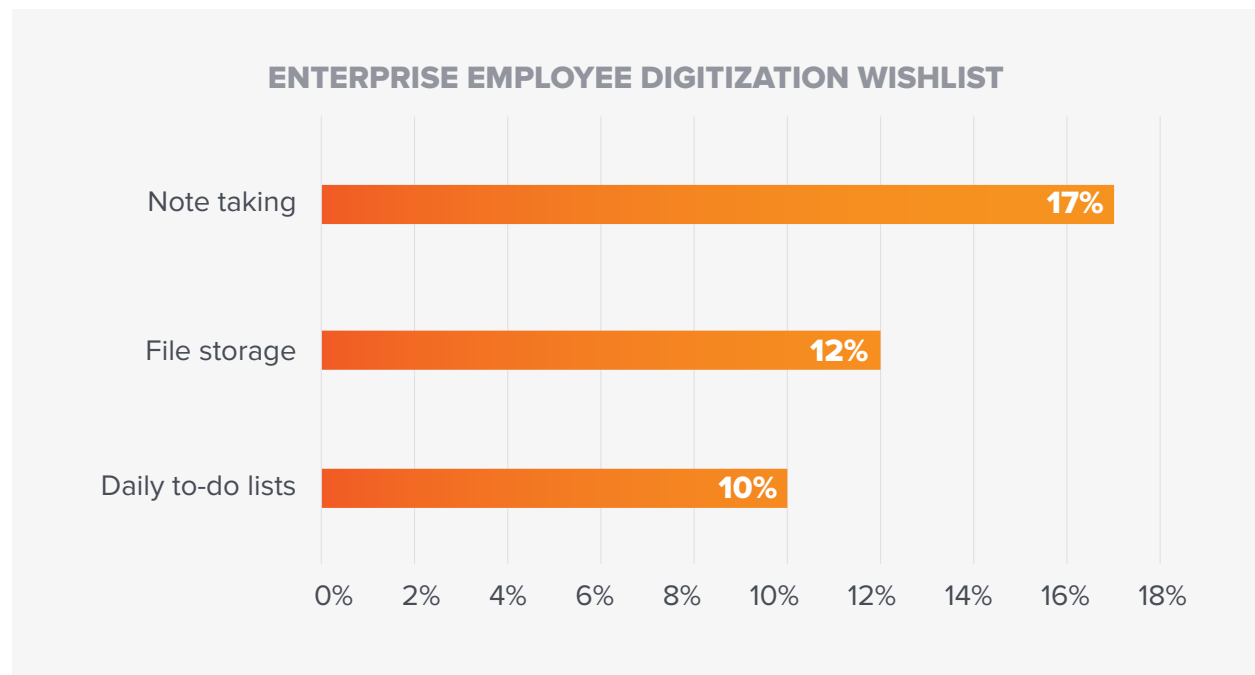| Aspect	Percentage
Note taking	47%
Daily to do lists	39%
Collaboration	22%
File storage	19%
Team task lists/priorities	19%
Job and/or task requests	19%
Reviews and/or approvals	17%
Workflow handoffs	14%
Goal setting and/or tracking	14%
Resource management	11%
Project plans	11%
Budget and/or cost tracking	10%
Productivity reporting/analytics	8%
None of these; everything is digital	18%

The digitization wishlist

Enterprise workers are precise about the daily tasks and information that they want to either digitize, automate, or BOTH to make room for better, more fulfilling work. By splitting this data into two portions (distinguishing between what workers want to "digitize" vs. what they want to "automate"), we see two important views: the state of their organization is shown best in the tasks that remain to be digitized, while their greatest day-to-day pains are reflected in the work that they would gladly offload to a computer, i.e. the work they desire to automate.

DIGITIZATION

The desire to digitize note-taking speaks to a larger need for collaboration and accessibility of information. Silos of information are killing cross-functional communication in many organizations, and having a single, digital tool where updates, feedback, ideas, and meeting minutes can be collected and accessed in the context of the work that's happening is quickly becoming a must-have.

ENTERPRISE EMPLOYEE DIGITIZATION WISHLIST

Note taking	17%
File storage	12%
Daily to-do lists	10%

0% 2% 4% 6% 8% 10% 12% 14% 16% 18%

AUTOMATION

On the automation side, the ever-increasing amount of data collected in our metric-driven world means that workers are beginning to feel the pain of having to keep everything coordinated and accessible. On the flip side of that coin, the same workers would also elect to automate productivity reporting—itself a major source of the data that they are struggling to keep organized.

ENTERPRISE WORKER AUTOMATION WISHLIST

Category	Percentage
Document storage/Organization	21%
Productivity reporting/Analytics	20%
Review and approvals	18%
Status updates	17%
Task/Project prioritization	17%
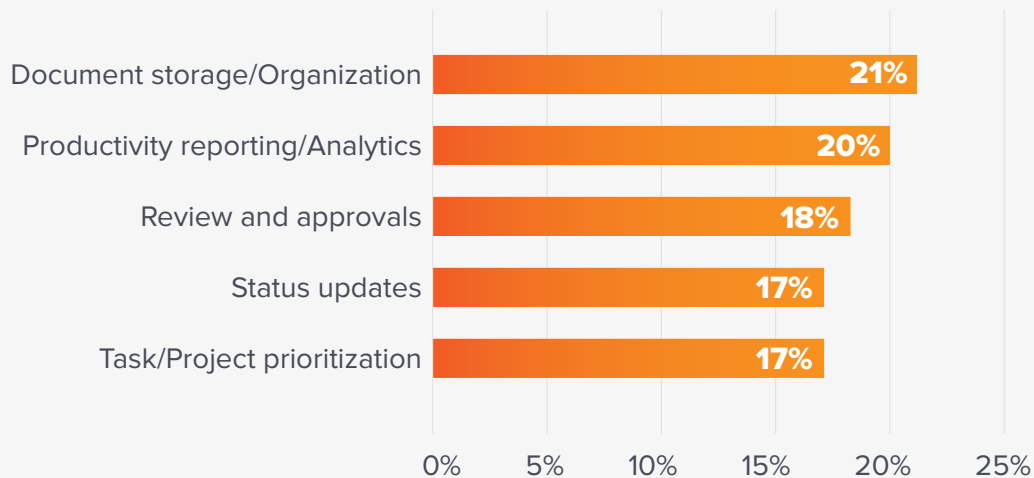
Sales and HR workers reported document storage as their top desire to automate (21% and 34%). Marketing and operations wish to automate productivity reporting/analytics (29% and 23%). IT wants to automate status updates (24%), and finance sees review and approvals (22%) as number one.
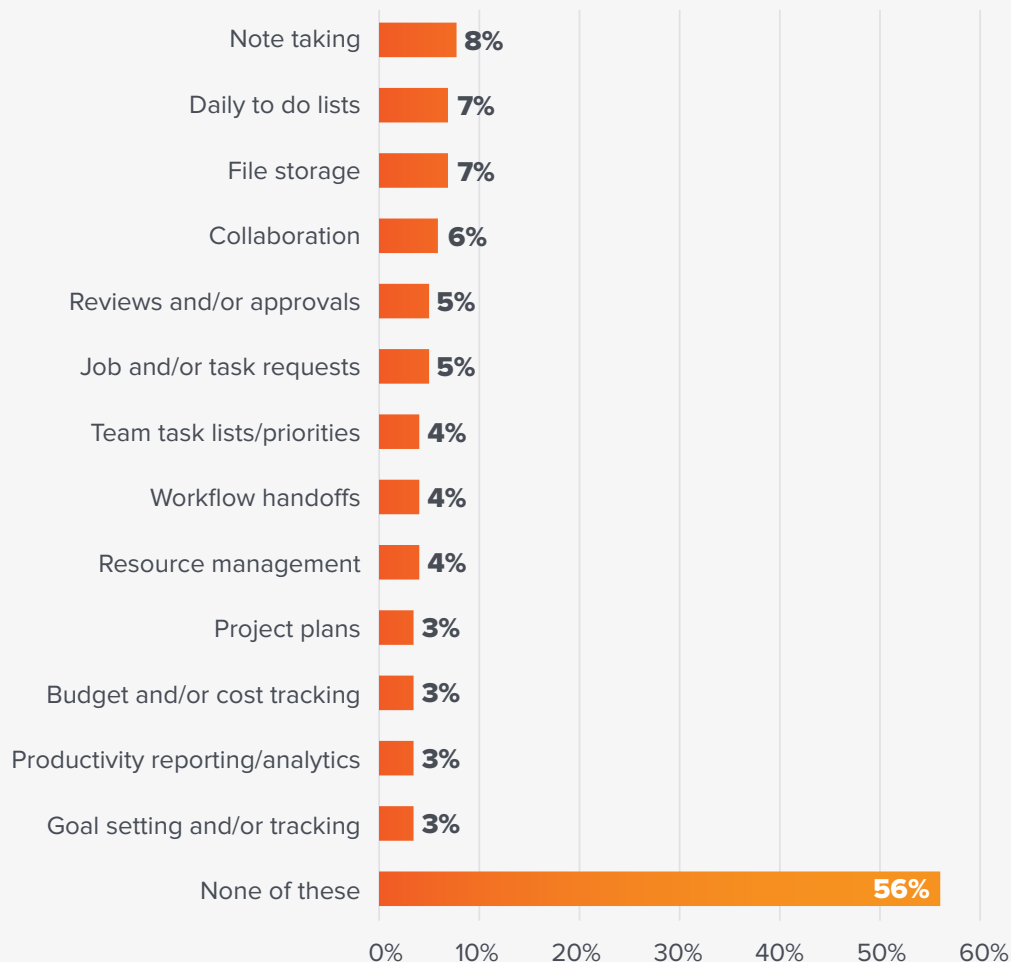
THE TOP WORK AUTOMATION WISHES BY TITLE

DOCUMENT STORAGE
MANAGERS
(22%)

STATUS UPDATES
DIRECTORS
(21%)

PRODUCTIVITY REPORTING
EXECUTIVES
(20%)

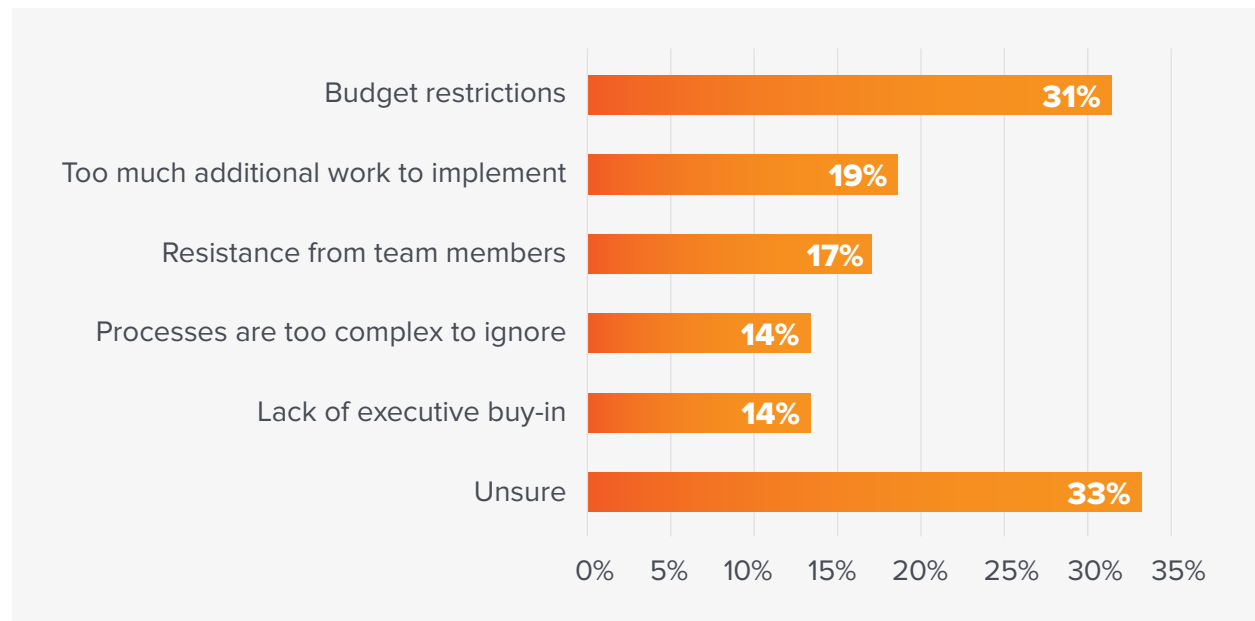# Why isn't digital transformation happening faster?

Of our study respondents, 55 percent said they either have no strategy or are only in the early stages of DX. Yet, they don't seem to have many plans to digitize work either. Looking ahead, when asked which of the following their company has plans to digitize in the next year, over half of enterprise workers (56%) say none of these, while almost one in ten say note taking (8%), file storage (7%), daily to do lists (7%), or collaboration (6%). However, IT departments responded a bit differently. Only three in ten (30%) of IT workers say their company is not planning to digitize any of these of the coming year. Over one in ten each say they are planning on digitizing note taking (13%), daily to do lists (12%) and file storage (11%).

ENTERPRISE PLANS FOR DIGITIZATION IN THE NEXT YEAR

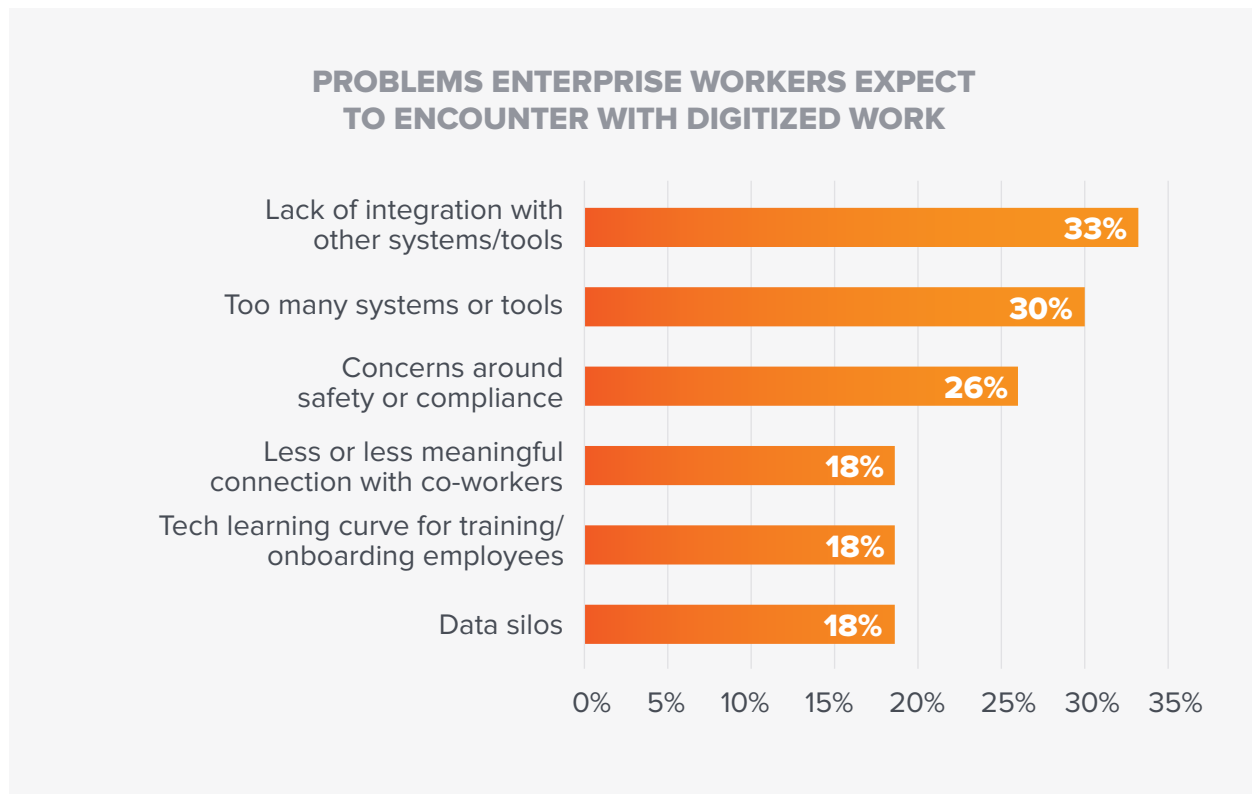| Category	Percentage
Note taking	8%
Daily to do lists	7%
File storage	7%
Collaboration	6%
Reviews and/or approvals	5%
Job and/or task requests	5%
Team task lists/priorities	4%
Workflow handoffs	4%
Resource management	4%
Project plans	3%
Budget and/or cost tracking	3%
Productivity reporting/analytics	3%
Goal setting and/or tracking	3%
None of these	56%

What's keeping enterprises from digitizing?

In our survey, 69 percent of enterprise workers agreed that DX needs to happen faster in their organizations. Why then, do enterprises seem to lack solid plans for digitization? Roadblocks may be the best indicator. Three in ten enterprise workers (31%) say budget restrictions are a roadblock keeping their company from digitization and one in five (19%) say it is too much additional work to implement new technology. A small five percent say they have tried to digitize before and it did not work for them. But the majority, (33%) are not at all sure what's causing the hold up.

Budget restrictions	31%
Too much additional work to implement	19%
Resistance from team members	17%
Processes are too complex to ignore	14%
Lack of executive buy-in	14%
Unsure	33%

0% 5% 10% 15% 20% 25% 30% 35%

Budget restrictions and too much additional work for team members are the top two roadblocks for sales, marketing, IT, finance and HR, but for operations, the top two are budget restrictions followed by resistance from team members. Executives are more likely than managers and directors to say too much additional work to implement (25% vs. 18% and 18%) and a concern about change management (16% vs. 10% and 9%) are roadblocks to digitization.

Perhaps the delay or lack of digital transformation plans is actually rooted in perception. Our research showed that enterprise workers anticipate experiencing a number of different problems were they to digitize more. At the top of the list is the fear that new tools won't integrate well (33%) and 30 percent dread having too many systems to work in. A smaller amount (26%) are concerned about security and compliance, while others think digitization could create less meaningful connections with coworkers (18%).

When enterprise workers think about digitizing their work, they believe they'll experience the following problems:

PROBLEMS ENTERPRISE WORKERS EXPECT TO ENCOUNTER WITH DIGITIZED WORK

| Problem	Percentage
Lack of integration with other systems/tools	33%
Too many systems or tools	30%
Concerns around safety or compliance	26%
Less or less meaningful connection with co-workers	18%
Tech learning curve for training/onboarding employees	18%
Data silos	18%

Lack of integration amongst tools is the main problem that sales (25%), operations (33%), finance (38%) and HR (35%) believe they will experience, while marketing's main concern is too many tools to use (39%). Meanwhile, the main fear for IT departments is security and/or compliance (30%).

What do enterprise workers believe about DX?

While most enterprise workers and leaders are moving toward digital transformation in some form, some common fears still exist about how DX will affect enterprise workers. One prominent fear shared by ¼ of respondents has been echoed in media depictions for years: "I worry that the digital transformation of the workplace will digitize me out of a job." When enterprise workers move beyond worries of redundancy to think about digitizing their work, they also believe they may experience the following problems:

85%

69%

38%
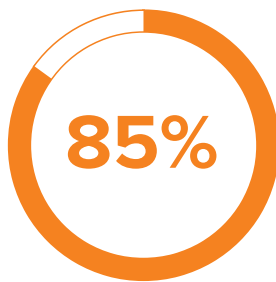
85% of enterprise workers agree that in order to engage more digital natives, digital transformation is a must.
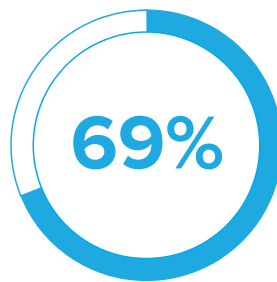
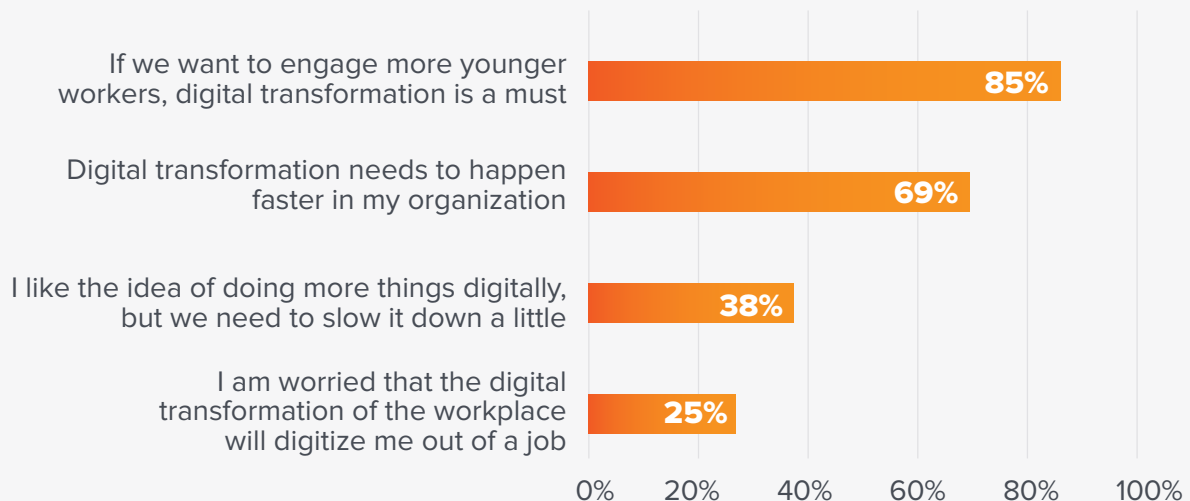**69% of enterprise workers agree that DX needs to happen faster in their organization.**
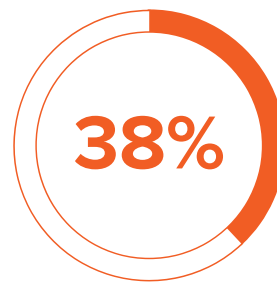
Conversely, 38% of enterprise workers like the idea of digitization, but wish DX would slow down.

Common beliefs about digital transformation

How strongly do you agree or disagree with the following statements?
(% SAYING STRONGLY/SOMEWHAT AGREE)

Statement	Percent
If we want to engage more younger workers, digital transformation is a must	85%
Digital transformation needs to happen faster in my organization	69%
I like the idea of doing more things digitally, but we need to slow it down a little	38%
I am worried that the digital transformation of the workplace will digitize me out of a job	25%

IT is more likely than sales, marketing, operations, and finance to say digital transformation needs to happen faster (78% vs. 69%, 65%, 64% and 65%). However, they are also more likely than those in sales, marketing, operations, finance, and HR to say they are worried that DX in the workplace will digitize them out of a job (39% vs. 23%, 15%, 24%, 29% and 18%).

The value of digital transformation

We asked enterprise workers to tell us, in their own words, what they believe is the biggest value they experience from digitization in the workplace. Of all their free-response answers, a few prominent themes emerged. The number one value enterprise workers listed was improved efficiency and speed (24%). The second most popular value mentioned was time savings and having more time to focus on the most important tasks (17%). Close behind in third place was better productivity (16%). At the end of the day, however, the benefits enterprise workers listed were many, which shows just how impactful digital transformation can be at all levels of an organization.

1ST PLACE
Speed and efficiency

24%

2ND PLACE
Time savings

17%

3RD PLACE
Productivity

16%

What do you believe is the biggest value you experience from digitization in the workplace?

Value	Percentage
Improved efficiency/speed	24%
Time saving/more time for important tasks	17%
Better productivity	16%
Ease of accessing the data/info	12%
Standardization/streamlining	6%
Cost saving/better profitability	5%
Flexibility/ability to work from anywhere	4%
Better/faster communication	4%
Better quality/accuracy	4%
Less paper work	3%
Collaboration	3%
Other mentions	7%
Don't know/no answer	10%

The top value for those in marketing, IT, operations, finance and HR is improved efficiency and speed (29%, 22%, 22%, 26%, and 27%) while for those in sales the value is the time saving digitization in the workplace provides (21%).

Key take-aways about digital transformation

Effective DX makes work better.
Enterprise workers report myriad benefits to digitization, including speed, efficiency, productivity, and gaining time back to focus on the things that matter. In their open responses, several respondents mentioned the benefit of offloading "mundane" tasks to technology so they could focus on the work most meaningful to them. When it comes to boosting morale in your organization, effective digitization is not only low-hanging fruit, but will bring your team a renewed sense of engagement and ability to be innovative again.

DX champions have to sell the value.
 If you're hoping to champion DX in your organization, you're going to have to face a lot of naysayers. More than 1/3 of our survey respondents seem resistant to the change DX brings, wishing it would just slow down. Several others have negative perceptions of DX based on fear—whether it's nerves that digitization will put them out of a job, or anxiety about having too many tools to use. In your championing efforts, be sure to include cross-functional teams in the planning process to help get buy in and make sure to market change internally by addressing the pains technology will solve and the benefits it will bring to each person.

DX is crucial for modernization.
A large majority (85%) of our survey respondents agreed that DX is essential for recruiting, retaining, and engaging digital natives in the workplace. And digital natives already make up nearly half the workforce.[1] Organizations that want to stay modern, competitive, and full of A-players understand that digitization—and the flexibility it enables—is a huge factor in their success.

Strategy is key.
The top concerns enterprise workers associate with DX are onboarding new technologies that don't integrate and having to use too many tools to manage work. Over-digitization is a valid concern, as having too many point solutions can cause confusion, frustration, and delays in your workflows. According to a recent McKinsey study, 70 percent of large-scale change initiatives fail.[2] Successful digital transformations can only occur when organizations start with a solid strategy, including a plan for integrating—and consolidating—technologies. Whether your DX initiative is just getting underway or is currently in-flight, many of the challenges that enterprise workers expect can be assuaged by creating a strategy with an Operational System of Record that can serve as the backbone of your digitization efforts.

Transform your work with Workfront

Workfront is the enterprise application for Modern Work Management that helps organizations manage and facilitate the work associated with digital transformation. Together with its powerful integrations, Workfront allows you to plan, execute, track, and measure work in centralized location with increased transparency and collaboration. Manage every stage of your digital workflow, including:

- People

- Budgets

- Projects

- Performance

workfront.com

Works Cited

1. Turner, Burke. By. "Digital natives? Managing multigenerational digital transformation." We Are Atmosphere. July 19, 2017. Accessed February 22, 2018. http://www.weareatmosphere.com/digital-natives-3-tactics-multigenerational-digital-transformation/

2. Michael Bucy, Adrian Finlayson, Greg Kelly, and Chris Moye. "The 'how' of transformation." McKinsey & Company. May 2016. Accessed February 22, 2018. https://www.mckinsey.com/industries/retail/our-insights/the-how-of-transformation

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