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Initiatives

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New research released today by [Celonis](#) has found that despite significant pressure to embark on transformation initiatives that enable greater productivity, improve customer service and reduce costs, most businesses remain unclear on what they should focus on. The results showed that more than four out of ten C-suite executives (42%) admit they do not know where to start when developing their transformation strategy. The Celonis study explores how businesses are approaching transformation programs, as well as the disconnect between leadership and those on the frontline.

The survey of 450 C-suite executives and over 450 business analysts found that many organizations have wasted significant resources on business transformation initiatives that have been poorly planned. In fact, over four out of ten (41%) senior leaders believe that their business transformation has been a waste of time. With well over a third (37%) of businesses having spent over \$500,000 on transformation

strategies in the last 12 months, many organizations run the risk of incurring huge

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● Almost four in 10 (39%) business analysts said they are not regularly consulted to inform their organization's transformation strategy.

● More than six out of ten (63%) of business leaders admitted that front line workers are only involved in transformation initiatives because middle management or consultants tell them which changes to make.

Businesses are skipping square one

In addition, the study demonstrated that most organizations are struggling with transformation initiatives because they are diving into execution before understanding what to change first. In fact, around eight out of 10 (79%) C-suite executives admit they do not review their internal business processes to understand what needs to be prioritised when setting initial goals and KPIs for a transformation program. Perhaps this is because they don't know how to gain this visibility; over two-thirds (67%) of leadership state they would feel more confident deploying their transformation strategy if they had a better picture of how their business is being run.

And this trend has trickled down to the entire organization. The research shows that two-fifths (35%) of analysts are not basing their work on internal processes when executing the transformation strategy given to them by senior personnel. Ultimately, this highlights that business leaders are investing in transformation initiatives because they think they should and not because they have identified a specific problem.

Look too far ahead and stumble in the present

Despite acknowledgement that an understanding of the here and now would be beneficial to inform transformation strategy, businesses are still jumping straight into tactics. For example, almost three quarters of C-suite executives cite AI/machine

learning (70%) and automation (71%) as areas they want to maintain or increase

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they should be founded in concrete insights derived from processes that are actually happening within a company. Our research shows that too many businesses are rushing into costly initiatives that they do not necessarily even need to embark on. They are falling at the first hurdle; having a better understanding of inefficiencies in underlying business processes can help organizations invest wisely to provide the best possible service for their customers.”

“From early stages in digital transformation to post transformation, organizations must understand how internal processes can shape their business strategy,” added Jeremy Cox, Principal Analyst, Ovum. “Quantifying the business impact of existing or newly adapted processes, can help optimize the environment for customers. Ovum’s annual global ICT Enterprise Insights research based on around 5000 enterprises reveals a consistent picture of struggle, as industry by industry around 80% have made little progress. While there are many reasons for this difficulty, a forensic examination on how work gets done, aided by intelligent process mining technology, would help quantify the consequences and drive consensus on what must change.”

To download the full report, go to <https://story.celonis.com/square-one-research/>

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