

Five Investment Strategies to Accelerate Digital Transformation ROIs

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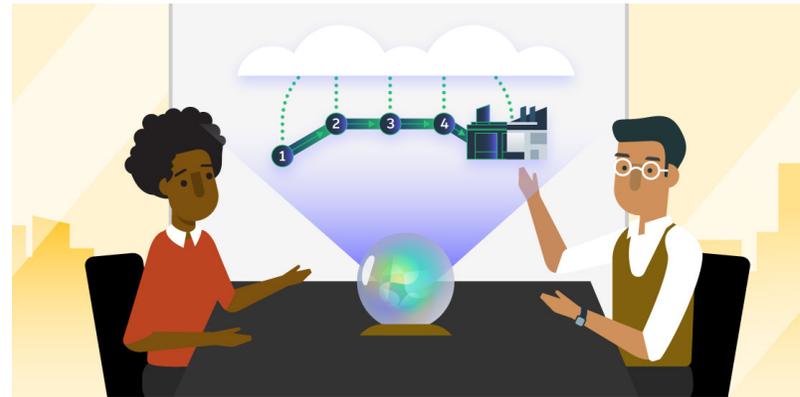
WHEN COMPANIES PRIORITIZE DIGITAL TRANSFORMATION, IT CAN ALSO RESHAPE THEIR DIGITAL INVESTMENT STRATEGIES, LEADING TO BETTER BUSINESS OUTCOMES.

Flashback to early 2020. Everyone was going about their business, doing things a certain way when the pandemic shook everything up. Two years later, one thing remains clear: Change is necessary. For businesses to exist in this new normal and beyond, digital transformation is critical to accommodate remote work, pivot to new business models, and succeed in volatile markets.

Manufacturing and AEC companies are historically slow to adopt new technologies. And though these industries have fast-tracked digital investments, which hit \$480 billion in 2021, the money spent does not always equate to value gained. Half of these companies increased their financial standing by 10% or less, and some can't quantify the impact of their investments at all.

Why is that? IDC, a market research firm specializing in business and technology, found that 42% of organizations are focusing on processes over outcomes and the wrong key performance indicators (KPIs). Simply investing in technology doesn't ignite change. Rather, companies need:

- » A cohesive digital road map.
- » A top-down approach to change management in which leaders set the vision for a digital future.



- » Defined outcomes first, then a work-backward approach to determine actions needed to achieve those outcomes.

Here are five top digital investment strategies to accelerate the ROI of digital transformation.

1. OPTIMIZED OPERATIONS

Most companies begin digital transformation with operations. Think predictive maintenance, digital twins, and automation. Connect people, processes, and technology for greater visibility across a silo-free organization. IT and operations can collaborate with digital representations of physical processes and assets that deliver real-time analytics. Then, they can use these insights to anticipate and prevent issues before they arise and before users are impacted. This creates companies that are proactive, agile, and better prepared for disruption.

To keep everything running smoothly, leaders can't just rely

on employees to watch computer screens 24/7 - that's not a strategy that can scale. To continually refine operations, processes must be automated to minimize disruptions. For example, AEC companies and building owners can deploy digital twins using real-time connected data to constantly monitor and improve the function of every asset.

With automation, companies can reduce working capital and increase liquidity because everything happens faster. Without relying on manual processes, organizations can scale quickly, add new capabilities, increase delivery speed, and create reliability to deliver new value. Ultimately, these capabilities lead to greater operational agility.

2. DATA-LED DECISION-MAKING

Data is the *raison d'être* of digital transformation. Digital twins, dashboards, machine learning, and artificial intelligence (AI) deliver real-time analytics so organizations can make informed decisions. But only 3% of data is applied toward business intelligence. As digital transformation accelerates, there will be 2.5 times more data generated during the next five years than in the previous 10. Companies must convert data into actionable insights to promote better decision-making at all levels.

Users are another treasure trove of data. Rather than delivering a capability to them once, companies should aim to collect information at every touch point so they can better understand user behavior to enable personalization - something that 71% of people expect. But collecting consumer data raises privacy concerns. Although 83% of customers will provide their information for a more personalized experience, companies must let them decide if and what they share. If they opt in, leaders can use the power of data to deliver better value to their employees.

Look at your iPhone. Every time you unlock it, you're generating data. AI is identifying continuous patterns to help Apple understand how people engage with their phones, which aspects they like or dislike. This information helps engineers design future features to constantly improve user experience.

Leveraging data effectively requires a mindset shift that needs to come from the top; 60% of the highest-performing AEC companies have a C-suite-driven data strategy. Making

data-led decisions leads to innovation and creates competitive advantage for AEC and manufacturing companies.

3. PEOPLE-FIRST STRATEGY

Companies must invest in technology and people in parallel, creating an empowered workforce that's skilled for the digital world. Digital transformation opens the door to developing a people-first strategy. As automation takes over manual processes, workers can shift into roles that enable them to innovate and create value. Facilitate enterprise-wide collaboration by leveraging the cloud to unify data and connect workers anywhere, anytime, on any device. In AEC and manufacturing, industries that traditionally required people to be on-site to manage operations, 30% of workers will be remote by 2023 thanks to virtual and augmented reality.

Building a people-first strategy requires an institutional transformation that supports skills development and new ways of working to benefit from digital investments. It's important to create excitement and get buy-in. Leaders can offer learning through gamification, give workers new titles, or increase employee recognition to get workers on board with continuous change. Millions of people are quitting their jobs in what's being called the Great Resignation; companies need to leverage technology to attract and retain talent and create ongoing learning opportunities to help people adapt.

Technology growth dovetails with a commitment to people. During the move to the cloud, it was important to understand what skills employees already had and what will be needed in the future to support them through that transition. These values flow from the CEO. He sets a vision, articulates that vision, and creates excitement by celebrating wins as a team. Investing in a people-first strategy is in Autodesk's DNA.

4. INNOVATION AT SCALE

Innovation is critical to accelerating the ROI of digital investments. While many leaders prioritize innovation, they may also be unsure how to initiate change, be too focused on day-to-day operations, or have a fear of failure. But to future-proof their businesses, leaders need to embrace a learning mindset to successfully innovate at scale.

Leaders can create a culture of innovation by communicating the benefits of new methods, sharing their vision of the goal,

and presenting a road map of how they'll get there while still running the business. In short, transparency is critical.

AEC and manufacturing companies are making digital investments that herald an era of innovation. They need to leverage those investments - like generative design, additive manufacturing, and robotics - to design new customer engagement strategies (for example, virtual experiences) and create new revenue streams. A great example of innovation at scale and speed is the amazing feat of designing and building a 1,000-bed hospital in 13 days in China early in the pandemic, made possible by digital transformation and data-driven collaboration.

5. DIGITAL ECOSYSTEMS

Digital transformation is not just about upgrading internal technology. As IDC reports, "an organization's ability to generate value will increasingly be tied to its participation in a new digital economy." For future success, companies must join forces with their peers. This open exchange of resources and information can worry risk-averse leaders, but the real risk is operating in isolation.

Deloitte and the Manufacturers Alliance for Productivity and Innovation (MAPI) found that:

- » 85% of manufacturers view digital ecosystems as critical to their competitiveness.
- » Industry ecosystems double the pace of digital transformation.
- » Forming 15 or more strategic alliances can double revenue.

For AEC, supply-chain delays can cost 30% of a project's budget. As part of a digital ecosystem, companies can share resources, materials, and assets to build supply-chain resilience. They can learn from each other's successes and failures, boost innovation through collaborative networks, and make the organizations stronger as a community. Digital transformation is no longer a bold move - it's standard practice in today's market. But to reap the rewards of digital investments, leaders need to spearhead institutional transformation and focus on the end goal. 



About the Author

Autodesk CIO Prakash Kota is responsible for the company's global infrastructure, enterprise operations, and workforce collaboration and productivity services. Kota's team ensures they have access to their products and entitlements in a reliable, resilient, and highly available environment. Kota has been with Autodesk for 11-plus years and has held many roles within IT including, Director DevOps, Sr. Director of Enterprise Operations, and Vice President of Enterprise Infrastructure and Operations.

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