



CASE STUDY
[DIGITALIZATION]

ENHANCING DIGITAL READINESS AND ESTABLISHING A CONTINUOUS TRANSFORMATION PROCESS

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TOGETHER.

HASELHORST ASSOCIATES

Task

OPERATIONALIZATION OF A DIGITALIZATION STRATEGY

The client is one of Germany's leading manufacturers of premium furniture and distributes its products worldwide. In a fiercely competitive market characterized by a high level of product complexity, the management is seeking to exploit the potential offered by digitalization in order to safeguard the company's position and to achieve further improvements in its positive business trend.

It was looking for a partner to design, initiate and implement a strategic digitalization program in order to optimize its entire value chain and to improve the company's digital readiness. Haselhorst Associates was entrusted with this task in the summer of 2018. The project was implemented in three main phases over a total period of around 18 months.

Approach

PHASE I: DESIGNING THE DIGITALIZATION PROGRAM

At the start of the project, a digitalization roadmap consisting of 25 sub-projects was drawn up with the close involvement of the client's team. The projects were described in detail in a series of profiles and allocated managers and project teams as well as an approximate schedule. To identify possible monetary effects of the projects on the company's performance, a cost-benefit assessment was produced for each project and consolidated in a business case. The project strategies were finally prioritized together with the team and the management by means of various criteria such as feasibility, strategic significance, expense and their EBIT contribution.

In the subsequent implementation phase, Haselhorst Associates assisted the steering committee with overall implementation of the program, took charge of central reporting and management accounting tasks and played a key role in the execution of some particularly complex individual projects.

PHASE II: ONGOING DEVELOPMENT OF THE ORGANIZATION

Phase 2 largely unfolded at the same time as phase 1 and aimed to professionalize organizational workflows in the context of digitalization. To ensure a structured implementation process for the digitalization projects, Haselhorst Associates developed general project standards for the company's IT as well as for its departments and production units. These standards included uniform project application, evaluation and approval processes as well as specifications for standard milestones, for budgeting and budget management as well

Background

PREPARING THE ORGANIZATION FOR A CONTINUOUS TRANSFORMATION PROCESS

Digitalization provides extensive potential for optimization throughout the value chain. Many companies have recognized these opportunities. However, most organizations are unable to cope with the additional and, in some cases, highly complex project work which this entails. The challenge is not just putting digitalization approaches into practice, but also implementing a continuous digital optimization process – in order to achieve an ongoing improvement in the company's situation.

The issue is how a permanent digital transformation can be achieved with limited capacities. Sometimes significant adjustments to organizational structures and workflows are necessary in order to establish this process throughout a company. Strategic digitalization programs offer an opportunity here to prepare an entire business and its structures for the process of transformation, while at the same time leveraging extensive potential for optimization. For many companies, the ongoing development of "organizational digital readiness" is therefore the key factor in the successful implementation of the digital transformation process.

as for impact review. The definition of relevant roles and competences and documentation of the underlying processes was a further area of focus. In order to support the key workflows, a project management tool was introduced whose customization and implementation was managed by the team of consultants.

The introduction of management accounting and reporting standards and fixed working groups ensured a continuous process of dialog between the company's departments, IT, project managers, the steering committee and the management.

PHASE III: EMBEDDING THE PROCESS OF CHANGE IN THE ORGANIZATION

In the third phase of the project, Haselhorst Associates supervised the organizational conversion of the temporary program and project structures into a long-term digital transformation process. This encompassed both ongoing implementation management of the digitalization projects and continuation of the digitalization process, in the sense of a continuously updated roadmap. For this purpose, new digitalization models were continuously identified, evaluated and incorporated in the program structures in accordance with the standards defined for the project. A digitalization office was firmly integrated within the organizational structure and assigned additional resources, so as to enable the client to implement these tasks on a long-term basis. The substantive

In detail

THE THREE PROJECT PHASES

I. DESIGNING THE DIGITALIZATION PROGRAM

- > Identification and consolidation
- > Specification of cost-benefit assessment
- > Definition of overall business case and prioritization
- > Scheduling and development of the roadmap
- > Assisting with the implementation process (program and projects)

II. ONGOING DEVELOPMENT OF THE ORGANIZATION

- > Definition of project and reporting standards
- > Establishment of working groups and reporting lines
- > Process definition for project implementation
- > Customizing and introduction of PM tool
- > Implementation of PM training

III. EMBEDDING THE PROCESS OF CHANGE IN THE ORGANIZATION

- > Broadening the organizational structure on a long-term basis
- > Definition of roles and competences
- > Establishment and staffing of a digitalization office
- > Communicating know-how
- > Gradual handover and coaching

and structural foundations were established in order to fill out the specified roles on a sustained basis and also to implement and further develop the defined process and program

standards. The Haselhorst Associates team passed on the relevant know-how to the client's organization by means of training, documentation and coaching. Finally, the team of consultants gradually handed over its tasks to the company's internal digitalization office and its steering committee.

Benefit

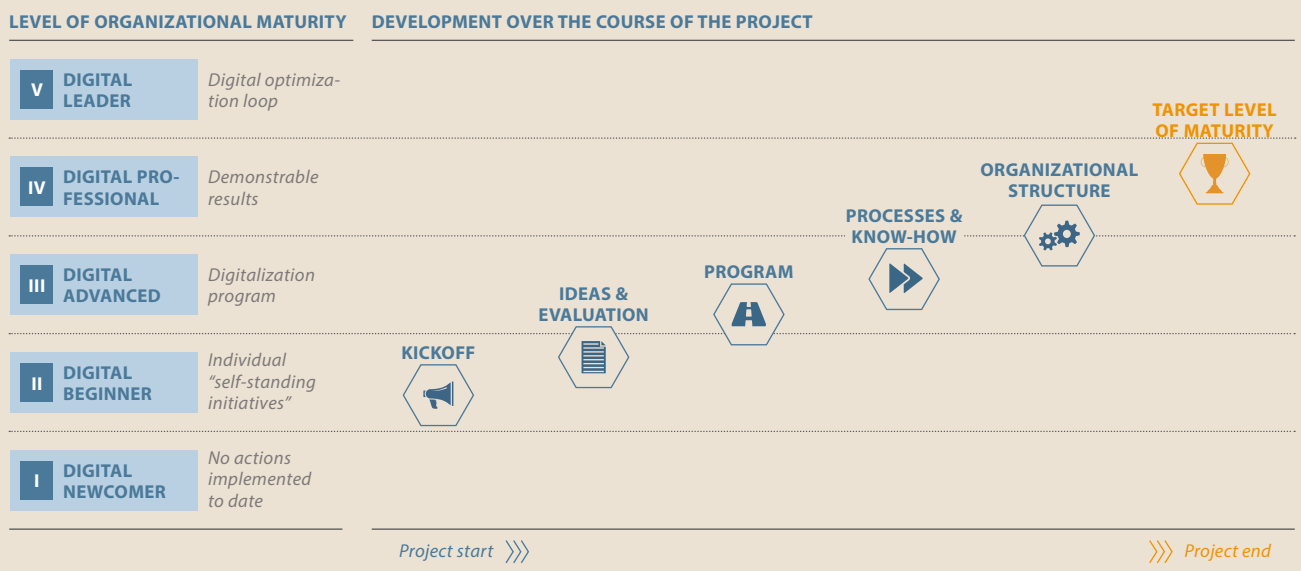
"DIGITAL PROFESSIONAL" MATURITY LEVEL UNDERPINS THE CONTINUOUS TRANSFORMATION PROCESS

With Haselhorst Associates' support, an extensive digitalization program was designed and implemented which is fully in line with the company's strategic goals. A project portfolio was established with a highly profitable cost-benefit ratio as well as a transparent progress, impact and risk control system. Initial performance improvements and monetary effects were already realized during the consulting project.

Together with the client's team, the consultants converted the program structures into a continuous digital transformation process. The necessary program and project standards were developed and established for this purpose, together with the required organizational workflows, roles, competences and permanent organizational structures.

The company's level of digital readiness was improved from "Digital Beginner" level (uncoordinated, individual "self-standing initiatives") to that of a "Digital Professional" (coordinated and centrally managed digital transformation with demonstrable results). The client is thus in a position to continue to successfully expand its market position by means of its own digital transformation and to continuously improve its profitability.

IMPROVING THE LEVEL OF DIGITAL MATURITY





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