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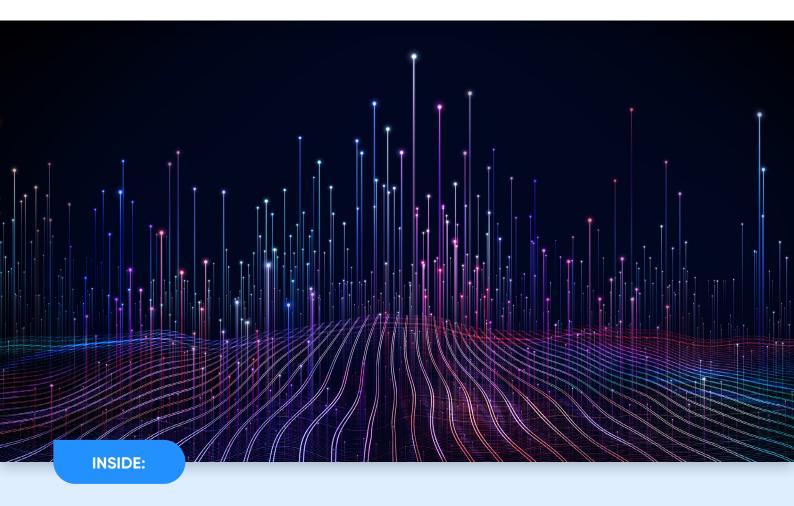NETWORK

DIGITAL ADOPTION:
The key to maximizing ROI on digital transformation

How to overcome change resistance and empower innovation with a structured, data-driven approach to digital adoption

INSIDE:

> Why digital adoption is essential to ensuring digital transformation success

> How to supercharge digital adoption strategies with agile methodologies, user research and enabling technology

> Critical considerations for ensuring digital adoption success from Swiss Re and Paypal

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Why seven out of 10 digital transformations fail

One of the lasting legacies of the Covid-19 pandemic is the widespread and continued adoption of digital technology. As companies looked to ensure business continuity amid global lockdowns and supply chain disruptions, worldwide spending on digital transformation (DX) increased from US$1.8 trillion in 2019 to $1.85 trillion in 2022, **according to Statista.**

Although the memory of the pandemic may be fading into the distance, the urgency to embrace digital transformation is increasing. Despite gloomy economic predictions, 60 percent of companies expect to increase digital transformation spending in 2023, according to **Boston Consulting Group** (BCG). By 2026, **Statista** predicts that global digital transformation spending will reach US$3.4 trillion.

Despite the huge spend on DX, 70 percent of digital transformation initiatives fall short of expectations, **according to McKinsey**. This is often due to subpar change management strategies and a lack of employee engagement or buy-in. Organizations are wasting millions of dollars on technology that their employees do not use or use ineffectively.

When it comes to increasing adoption and digital fluency, traditional technology training initiatives are falling flat. Salesforce's *2022 Global Digital Skills Index study* surveyed more than 23,000 workers and found that three out of four professionals do not feel ready to work in a digital-first world. Only 40 percent of employees say their companies are attempting to upskill workers with digital skill sets, according to PwC's *Global Workforce Hopes and Fears Survey 2022.*

You cannot improve what you cannot measure and only a minority of companies, 30 percent according to WalkMe's *The State of Digital Adoption 2022* report, are tracking digital adoption. The remaining 70 percent have little to no visibility into whether new digital tools are effectively being used, if at all.

"Historically, companies have operated under the assumption that 'if you build it, they'll come,'" explains Jessica Miller, AVP of digital adoption at Unum. "You can build the best technology in the world but, unless you are

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actively selling the value proposition, making people aware of the benefits of the technology and consistently driving those messages every chance you get, people will not just naturally migrate to those tools."

For many organizations, digital adoption is the missing piece of the digital transformation success puzzle. By incorporating proven change management techniques, data analytics and iterative, continuous improvement approaches into one comprehensive framework, digital adoption programs help companies understand and optimize how their workforce uses new technology.

"In order to implement a digital transformation strategy that runs through the core of your business, you need to help people embrace new ways of doing their job," Guillermo Miranda, senior advisor to BetterUp and former chief learning officer at Boeing and IBM, told PEX Network. "Digital adoption is the day-to-day of digital transformation. It is the action you take to make digital transformation happen."

The goal of this report is to establish digital adoption as an essential component of digital transformation by differentiating it from traditional change management techniques and, by sharing real-world success stories, highlighting the tangible value it can deliver organizations. The report showcases new, emerging solutions such as digital adoption platforms (DAPs) and provides readers with actionable insights for driving digital adoption at their own organizations.

Digital adoption actions digital transformation success

Digital adoption is the process of empowering users to leverage digital technologies to their fullest capabilities, cultivating transformational, digital-first mindsets in non-technical employees and establishing a framework to measure the ROI of technology. The goal is not to simply teach employees how to use a new tool or technology, but implement new ways of working and empower users to proactively innovate.

Far from a one-and-done initiative, digital adoption programs leverage interactive, evidence-based learning techniques such as **gamification**, **microlearning** and **self-directed learning** to provide incremental and continuous learning opportunities. Instead of front loading users with dry tutorials and manuals, these approaches enable training, including large-scale onboarding programs, to be seamlessly integrated into employees' day-to-day work.

Digital adoption, in contrast from the traditional change management techniques it stems from, also incorporates UX data and analysis to gain insight into how employees are using digital technology. Leveraging this information, organizations can pinpoint where employees are struggling and address it, whether by augmenting messaging or re-engineering the process itself.

"I think of digital adoption as change enablement combined with Agile and data analytics," Beverly Troxtell, HR operations leader at PayPal, explains. Classic change management and behavioral science frameworks address the psychology of change while Agile and data analytics enable repetitive cycles of evidence-driven continuous improvement.

"First you start with a methodology or adoption, a step-by-step implementation of the new ways of working," BetterUp's Miranda remarks. The second step is the deployment of enabling technology such as coaching platforms, nudging systems and digital adoption platforms to "move the mindsets and the habits of people, so they can more easily embrace the new reality and adopt the new tooling".

In the next section of this report we will explore how organizations are leveraging new and established tools to operationalize their digital adoption strategies.

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Digital adoption actions digital transformation success

Digital adoption platforms vs. digital adoption tools

Any tool that facilitates communication, collaboration and continuous learning can be used to drive digital adoption. Existing tools such as Sharepoint, Yammer, Slack, Microsoft Teams, and other knowledge management tools and traditional learning management systems (LMS) can also be invaluable when it comes to engaging with users and promoting new ways of working.

Traditional digital adoption tools and nudging platforms can help companies measure, understand and control how users interact with individual software applications. Essentially virtual tour guides, these tools provide in-app guidance on how to use a new tool and highlight various tasks and features a new user may want to take advantage of.

Although traditional digital adoption solutions are incredibly helpful when it comes to driving adoption and measuring engagement across a single application, they are not intended to be deployed across multiple technologies or systems and only provide limited insight into digital behavior.

Digital adoption platforms (DAP), on the other hand, track digital adoption across multiple applications and workflows. Vendor agnostic, DAPs can be layered on top of other software products, apps or websites to monitor and direct users across multiple systems and end-to-end processes. As users navigate their way through each product or process, the DAP will offer contextual information in real-time based on individual user behavior.

Ashley Yazbec, VP – digital adoption lead at reinsurance company Swiss Re Corporate Solutions, explains, "The data and insights our DAP, WalkMe, provides are very critical to the center of excellence and the organization as a whole because it shows how the employees are actually leveraging the tools and where they are struggling. This helps us identify where we need to reinforce communications and training."

Because DAPs track the user experience across multiple applications and systems, they can provide organizations with a more holistic and in-depth view into how employees interact with technology.

If a task that should take 10 seconds is taking a person 60 or 90 seconds, the DAP will produce a pop-up recommending next steps and/or asking the user if they need more help. Considering professionals waste an average of **22 minutes per day** dealing with IT issues, the productivity gains generated by providing guidance in real-time can add up fast. **Thermo Fisher Scientific**, for example, experienced a 20% reduction in support tickets and a 2-3 hour daily productivity savings for its sellers after implementing its DAP.

By combining DAPs with robust digital adoption methodologies, organizations can establish a baseline, future vision and roadmap to cultivating a frictionless digital employee experience. The following section will highlight how two organizations are putting their digital adoption strategies into action.

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VP – digital adoption lead
Swiss Re Corporate Solutions

Digital adoption success stories

A look inside Swiss Re Corporate Solutions's Digital Adoption Center of Excellence

Looking to transition to an Agile framework and ensure employees used digital solutions as intended, Swiss Re Corporate Solutions launched its digital adoption initiative in 2020. Understanding the importance of digital adoption was paramount to achieving the company's strategic goal, SRCS's leadership opted to build a new digital adoption center of excellence (CoE).

"In addition to increasing user adoption to maximize ROI and promote new, Agile ways of working, we also wanted to standardize the way that digital adoption was approached and measured across the organization," notes Swiss Re Corporate Solutions' Yazbec. "Our goal is to build the behavioral capability of digital adoption advocacy to empower our employees to adopt, learn, and navigate our digital platforms and processes."

Launched in November 2022, Swiss Re Corporate Solutions' center of excellence has 12 employees including digital adoption product owners, content managers and a data analyst. The team focuses on three core strategic pillars: user adoption strategy, digital adoption technology and training and knowledge management.

In the five months following its establishment, the CoE integrated 10 core applications and over 2,700 unique users into its DAP. Its list of projects stands at 28, but the list, along with the CoE's scope continues to grow fast.

Paramount to SRCS's success is a tight alignment with both its user groups and the IT department. As Yazbec explains: "We, the CoE team, are the bridge between the IT team and the user. We attend all of the important IT meetings so that we are aware of all forthcoming product changes, that they are properly communicated to the user and that user perspective is taken into account."

Leveraging Agile tools such as **Jira and epic**, the CoE is also working to gain deeper insight into how technology changes impact user communities.

How Veolia is redefining the future of employee experience with digital adoption

At ecological transformation firm, Veolia, digital adoption is more than just a change management strategy, it represents a complete reinvention of the digital employee experience. With the help of WalkMe's digital adoption platform (DAP), a continuous approach to software training and a digital adoption CoE, Veolia ias creating intuitive, consumer-like digital experiences that increase employee engagement and productivity.

According to Joe Dance, Veolia's head of digital employee experience, the company's digital adoption approach was born out of two needs. The first goal was to ensure the successful implementation and successful adoption of more than 20 new digital tools. The second was to complement traditional software training, which historically involved delivering classroom instruction at more than 100 physical sites, with a more proactive, just-in-time, self-directed approach.

"We needed to facilitate the change management program, including user adoption, while ensuring that processes were completed accurately and efficiently,"

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Digital adoption success stories

Dance tells us. "We were also looking to maximize the opportunity of deploying regular system and product improvements, without the need for complex change management programmes. Ultimately this helps make life for employees easier and WalkMe now provides the targeted digital support when and where it's needed."

To help scale its digital adoption strategy and oversee the deployment of its DAP, Veolia launched a digital adoption CoE that now consists of one manager, two digital adoption specialists and four team members (and growing) embedded within the company's product teams.

Leveraging WalkMe's DAP, the CoE provides ongoing training to thousands of distributed employees and has gained granular insight into the digital employee experience. "We can now quantify errors, understand how long processes take, and set benchmarks to improve adoption," Veolia's digital adoption manager, Jake Soltysik, tells us.

He adds, "we can see what people search for and identify where we might need to develop additional in-app guidance to proactively mitigate any support tickets and improve the employee experience."

The digital adoption team, for example, saw that some UK and Ireland-based employees were struggling to use aspects of Workday, a software that uses American English. To address this issue, the digital employee experience team developed "Veolia-ized" contextual in-app guidance that used terms their UK and Ireland-based employees are familiar with. This extra guidance helps users "understand app features and successfully navigate where they need to go without getting frustrated, abandoning processes, or reaching out for help," Soltysik explains.

Since launching the CoE and onboarding WalkMe, Soltysik estimates that the company has saved in excess of 8,000 productivity hours over a rolling 12-month period. As exciting as these wins are, Veolia's mission to simplify and elevate the employee experience has only just begun.

Looking forward, "we ideally want to make it so employees do not need to know which apps do what, they just need to know what they want to do, enter the right prompts into WalkMe to initiate and the system takes care of the rest," Soltysik tells us.

The ultimate goal is to make the tech stack as intuitive and easy-to-use as possible, including enabling employees to interact with a digital virtual assistant for certain work-related tasks, such as quickly finding subsets of information from policy documents using AI or seeking help, including requests for new IT hardware. This digital assistant-based approach has multiple benefits: it eliminates employees' need to switch between tools, saving them time, improving satisfaction, and freeing them to focus on high-impact projects and delivering business value.

"We can see what people search for and identify where we might need to develop additional in-app guidance to proactively mitigate any support tickets and improve the employee experience."

Jake Soltysik
Digital adoption manager, Veolia

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Accelerate digital transformation by maximizing digital adoption

Organizations are starting to pay attention to and seriously invest in digital adoption. After three years of constant upheaval due to the global Covid-19 pandemic, many employees feel burned out and, considering roughly **70-95 percent of new technology** projects fail, skeptical that new technology will improve their work lives.

With this in mind, the closing section of this report will lay bare three critical considerations for securing engagement across all levels of the business and driving long-term, sustainable change.

1   Build desire pre-implementation

One of the most common mistakes organizations make, according to the experts we spoke to, is waiting until the last minute to introduce new technology. Instead, digital adoption leaders should start building desire for change long before the new technology or transformation takes place.

"As proponents of Prosci's ADKAR model, a popular change management framework, our goal is to build desire for change," Swiss Re Corporate Solutions' Yazbec explains. "In order to do this, we include users in the technology development and change process."

One new project her team is considering is the creation of a long-term roadmap of change, an easily accessible resource where users can find out what new projects are on the horizon, what changes they will bring about and how they all intersect to deliver business value. In addition to building awareness, Yazbec believes such an approach will help give users a voice in how these changes are made months, if not years, ahead of time.

When it comes to empowering employees to not just adopt technology, but innovate with it, do not underestimate the power of play.

Roy Tran, former director of people experience and transformation of City of Toronto, says: "When it comes to advanced technologies such as AI and ChatGPT, it needs to be introduced in a safe environment where you can demonstrate the benefits and facilitate guided experimentation pre-implementation,"

Tran recommends putting together pilot groups where users can apply new technology to their day-to-day jobs, experience the benefits first hand and even play a role in how the technology is developed.

"This will help you create project champions and buy-in on the front end," he says. "When you are ready to introduce a new tool, you already have a group of users that have utilized it and can vouch for it."

Studies, such as *The User Acceptance of Information Technology: Toward a Unified View*, have shown that when employees understand that new technology will be useful to their work and help them to perform, and is easy for them to learn and use, they will embrace it. By giving them a voice in the development process and allowing them to experience the benefits of it first hand early on, digital adoption leaders can mitigate change resistance before it emerges.

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Accelerate digital transformation by maximizing digital adoption

2 **Harness the voice of the employee to measure and maximize success**

To measure success of individual digital adoption projects, the digital adoption team at Swiss Re Corporate Solutions looks at classic technology adoption metrics such as process adherence, login rates (how many people log into the new system vs. the old) and support ticket volume.

Yazbec, however, cautions that "success should not just be measured by how many people adopt the tool".

"You also need to look at the mindset of employees and how they have perceived their adoption experience," Yazbec advises.

BetterUp's Miranda, Paypal's Troxtell and Yazbec all recommend using employee pulse surveys to understand if digital adoption strategies are working and how they can be improved. "Employee surveys help prove that people are happier with the new technology tools and using them more, which in turn can help you illustrate how digital adoption increases ROI," Yazbec tells us.

Employee pulse surveys differ from traditional employee surveys in that they are shorter and are sent to employees on a regular basis (usually monthly or weekly). As the intervals between each survey are quite narrow, pulse surveys help organizations identify and resolve issues much faster than traditional methods. In addition, they help facilitate the creation of continuous feedback loops similar to those leveraged in **Agile software development** environments.

"The ultimate, future-state goal is to consumerize the employee user experience by applying the same product development methodologies to internal applications as we do to customer-facing ones," Beverly Troxtell, HR operations leader at PayPal, explains. "Leading-edge organizations are already starting to leverage continuous listening mechanisms, polling features and focus groups to gain deeper insight into the user experience."

Leveraging this new wealth of internal user experience data, organizations can eventually start delivering internal software products that are just as easy to use as consumer-facing applications such as Uber, Spotify and Venmo.

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Accelerate digital transformation by maximizing digital adoption

Employees and internal users, however, are not the only stakeholders digital adoption teams need to think about. Function heads and sponsors, IT departments and the C-suite all play a part in determining digital adoption success.

③ Ensure strategic alignment with the right metrics and constant communication

A recent EY report, *The Digital Investment Index*, found that 79 percent of executives from companies that have gained the highest returns on digital investments (defined as eight percent or more) have a formal program in place to help them identify, measure and report digital investment outcomes. Many digital adoption leaders we spoke to confirm that they are leveraging traditional IT metrics such as total cost of ownership (TCO) and support ticket volume to communicate the ROI of digital adoption strategies.

They caution, however, that these metrics only tell part of the story and may not be relevant to all leaders and stakeholders.

"Whatever metrics you are looking at, they must directly link back to business outcomes," BetterUp's Miranda advises. "Emphasize big-picture business outcomes that will resonate with the highest levels of the organization such as customer satisfaction, productivity per employee and safety scores."

In addition to tracking employee satisfaction and traditional adoption metrics, many digital adoption teams, especially those that are structured as CoEs, also look at customer satisfaction and retention metrics to measure success.

At Swiss Re Corporate Solutions, for example, Yazbec says: "To help measure the success of the CoE overall, we look at how many teams come to us for digital adoption projects and are they satisfied with the work we do."

To establish these metrics and ensure close strategic alignment, Yazbec said her team holds frequent meetings with cross-functional partners such as software development teams, users and sponsors.

In conclusion, digital adoption is the future of change management

Despite global **economic uncertainty** and the resulting pressure on companies to innovate while minimizing costs grows, the need to invest in digital adoption has never been more timely. The growing desire to maximize the ROI of digital technology and the effectiveness of how it is used is one reason why, according to Gartner, organizations are starting to think more about digital adoption. The advisory firm predicts that by 2025, **70 percent of organizations** will use digital adoption platforms across the entire technology stack to enhance the user experiences of internal applications.

Enabling technology, however, is only one piece of the puzzle. Digital adoption success, according to Troxtell, hinges on strategy and user research. As Troxtell explains:

"The concept of digital adoption has been around for years but companies still struggle to move the dial because they do not invest the time and resources to understand the user."

To maximize digital adoption, organizations must apply the same, integrated change management and product development techniques internally as they use for customers. By adopting these methodologies, digital adoption leaders can ensure that new applications align with employee needs, help build desire ahead of implementation and incrementally transform employee mindsets.

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