



A HANDY ONE-PAGE GUIDE

# The cost of digital transformation failure

The fact that 70% of digital transformation initiatives fail, according to research by McKinsey.<sup>1</sup> The good news is that you can know the main reason for failure and take steps to ensure success. This handy summary infographic tells a powerful story in a single glance about what went wrong in several high-profile cases, and the heavy cost these organizations bore.

## ABOUT BATON

We help people embrace new technology by delivering experiences that inspire and inform. Our solutions empower and engage users accelerating the digital transformation journey.



[www.batonsimulations.com](http://www.batonsimulations.com)

**Baton Simulations**



[info@batonsimulations.com](mailto:info@batonsimulations.com)





# THE COST OF DIGITAL TRANSFORMATION FAILURE

McKinsey's October 2018 Global Survey on digital transformations specifies steps organizations can take to increase their chances of success:

Reimagine your workplace

Upgrade the organization's "hard wiring"

Change the ways you communicate

## Enterprises worldwide

**US\$1.4**  
trillions<sup>1</sup>

Time invested: varies



Lack of skills<sup>2</sup>



Not paying due attention to change management and performance infrastructure<sup>2</sup>



Lack of trained people, processes in place and partners to support<sup>3</sup>



Lack of top team alignment<sup>1</sup>

**US\$560**  
million

Time invested: 7 years



Lack of commitment to transformation by top management<sup>6</sup>



People not ready for change<sup>6</sup>

**Lidl**

**US\$280**  
million

Time invested: 4 years



Lack of consensus on the business model before initiating the project<sup>4</sup>



Lack of consideration for operational realities<sup>4</sup>

**ICL**

**US\$130**  
million

Time invested: 5 years



Lack of focus on business change<sup>5</sup>



Weakness in project management and reporting<sup>5</sup>

**BBC**

## NEAR MISS

**US\$ ?**

Time invested:  
6 additional months



Lack of knowledge and understanding of what they were trying to achieve<sup>7</sup>



People not ready for change<sup>7</sup>

<sup>1</sup> McKinsey Global Surveys on digital transformation 2016-2018

<sup>2</sup> IDC survey sponsored by Infor - 2018 - \$2 trillion expected to be invested in digital transformation in 2019; McKinsey research 2016-2018 - less than 30% of companies succeed in their digital transformation

<sup>3</sup> Telstra study - 2019 - Disruptive Decision-Making

<sup>4</sup> UpperEdge - A Hazardous Waste

<sup>5</sup> Kurtosys - Five lessons from failed digital projects

<sup>6</sup> Deutsche Handelsblatt - Programmed for Disaster

<sup>7</sup> ComputerWorld UK magazine - Change management derails Northern Gas Networks' S/4HANA migration