catena SOLUTIONS

Trends & Insights Report:

Overlooked Areas of Technology Implementations

Introduction

If you're reading this report, you've almost certainly been involved in a technology implementation in your career. Perhaps your organization is navigating one right now. And chances are, the project is more complex, costly, and frustrating than anticipated.

You're not alone. Research shows that 70-80% of digital transformation initiatives fail.[1] Common culprits include jumbled timelines, insufficient budgets, and poor project management. However, in this report, we shift focus to the often underestimated—or entirely overlooked—factors that derail implementations.

Drawing on our team's expertise, we identified four critical missteps that can set a technology project up for failure:

1. Investing in tools without prioritizing the end user
2. Underestimating staff coverage and resource needs
3. Misaligning systems with the strategic business vision
4. Neglecting to address data issues before implementation

Explore our latest Trends & Insights report for a closer look at common pitfalls and practical strategies to ensure your next implementation delivers the results you expect.

Inside this edition

Project Failure: Not So Clear Cut

Expect the best, but plan for the worst. These wise words take on a new meaning during technology implementations.

"With system implementations, it's not about getting everything right," said Catena Solutions Vice President of Delivery Dave Minor. "It's about minimizing the number of things that go wrong. Whether it's a large or small digital transformation, roadblocks and hurdles are guaranteed. The key is staying ahead of them."

Due to the complexity of digital initiatives, warning signs of project failure can be hard to spot until it's too late. Here are situations our team has seen that signaled an implementation wasn't going to reach expected results.

- **Scenario 1:** The technological setup went smoothly, and leaders were eager to get employees up and running. However, employees weren't engaged or informed during the project and were resistant to learning the new, seemingly complex tool. Therefore, leaders struggled to get users behind the launch, and system adoption was low.
- **Scenario 2:** An internal team was tasked with running an implementation. However, the organization didn't invest in coverage for this team's day-to-day work, causing the employees to be stretched too thin. The added stress led to a drop in the team's performance, which caused project delays.
- **Scenario 3:** Business leaders assigned IT to oversee an implementation without fully understanding the project scope. While IT handled the technical side well, the project wasn't aligned with company strategy, and it failed to deliver ROI.

Expectations for Technology Projects are Low

In a survey of 400 technology executives, 51% of respondents said they haven't seen an increase in performance or profitability from digital transformation investments.[2]

Additionally, 69% of operations and supply chain officers say tech investments haven't fully delivered expected results.[3]

- **Scenario 4:** Leaders crafted a strong strategy, adoption plan, and system selection for a planned implementation. However, the technical aspect of the implementation began, and things immediately went awry. Why? Their existing data was mismatched and disorganized, and the system couldn't operate correctly off bad data.

Has your company run into these challenges? Any one of them can jeopardize project success and derail ROI—and when multiple obstacles arise, the risks only grow. Read on to learn how to avoid common pitfalls and keep your technology projects on track.

Adoption: Put Your Employees First

Change is constant, and employees are feeling the strain. According to Gartner, the average employee experiences an average of 10 organizational changes per year.[4]

Technology initiatives account for many of these changes, yet business leaders and employees aren't on the same page. Research shows that while 90% of C-suite executives believe their organizations prioritize employee needs during technology rollouts, only 53% of staff agree.[5] This disconnect negatively impacts adoption and project success.

"The adoption rate of new technology is a growing concern for leaders," said Matt Wessels, Human Capital Practice Lead at Catena Solutions. "I think stakeholders tend to assume employees will excitedly embrace new technology, but that's rarely the case. Ensuring adoption requires time and a comprehensive plan."

"Additionally, change management is often one of the first things to get cut when projects get too expensive," added Minor. "But it isn't a 'nice to have,' it's essential. Change management needs to be budgeted for and included in the project from beginning to end. It's either pay for it from the start or pay for it later and pay ten times as much, because there's damage control to do."

Put yourself in the end user's shoes. Understand how the system will impact employees and ensure comprehensive testing prior to go-live.

Over communicate with your team. Commit to getting your employees to understand the reason for the project and its benefits to them.

Tailor training plans. Design plans based on role and department, and consider employees' technology literacy skills, too.

Proactively plan for hurdles. Implementations rarely go as planned. Expect obstacles and build buffers into the project plan.

Don't cut corners. The money saved by cutting corners isn't worth the issues down the line. Don't skip crucial steps to get the project done sooner.

Prioritize change management. Include a strategy that supports sustained learning and adoption across the company.

The Importance of The Change Agent

Change agents play a key role in driving employee adoption of new technology initiatives. These internal leaders champion change by leveraging their communication skills and strong rapport to influence and shift employee mindsets positively. Change agents are trained to work hand in hand with change management leads, especially if the leads are brought in from an external partner.

Resource Coverage: Do You Have Enough?

Implementations and digital transformations aren't quick. In fact, research puts the average ERP implementation timeline around 6-18 months.[6] That's a long time to navigate major change.

The complexity of these projects is frequently underestimated, leading to resource shortages. This is especially common when it comes to proper staffing. Oftentimes, a group of internal employees will be expected to manage an implementation in addition to their full-time job. However, you may want to think twice before taking this approach.

Pulling employees into technology projects can lead to burnout and fatigue, decreased quality of work, change resistance, strained team dynamics, knowledge gaps, and more. Partnering with an external resource can help prevent these problems and offers key advantages including specialized expertise, flexibility to adapt to changing needs, and faster project timelines.

We've seen these benefits firsthand. Catena Solutions recently spearheaded a Blue Yonder implementation for a Fortune 500 food manufacturer, resulting in a 10% improvement in total forecast accuracy and projected annual savings of $500,000. Learn more.

> You don't want to burn out your staff. Either bring in resources to backfill your team's work while they're pulled into the implementation, or work with an external implementation partner so your employees can focus on their jobs. Either way, leaders can't expect their employees to pick up another full-time job in addition to the one they already have.
>
> ***Geoff Coltman, Senior Vice President at Catena Solutions***

The Risks of Short-Term Thinking

It seems cheaper to put existing employees in charge of an implementation rather than bringing in additional resources to support it, right? Not exactly. When organizations focus on short-term cost savings, long-term profitability and growth are impacted. Our team shares an example of this below.

Rich Medrano

Revenue Growth Excellence Practice Director at Catena Solutions

"One of our clients needed data cleanup done prior to an implementation. They thought their internal employees could do the pre-implementation work and their day-to-day jobs at the same time. That didn't work, and the company ended up having to bring in several people to fix the issue. At that point, the company had to spend significantly more money than if they had handled the project correctly from the beginning.

Companies that prioritize saving money by handling the implementation internally need to be prepared for hurdles and increased costs that can appear along the way. Leaders can see if their staff can handle the project internally, but in the event they can't, there needs to be a backup plan. You don't want your top performers who were pulled into the implementation to get frustrated and leave."

Business Alignment: Bridging the Technology Gap

Adopting new tools without aligning them to business strategy leads to wasted time, resources, and missed goals. Unfortunately, this is a common problem. Research shows only 51% of organizations fully align their technology to their business strategy.[7]

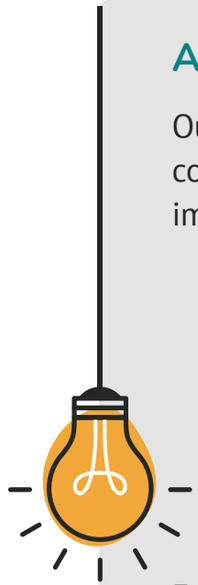
Why does this happen? It often begins when digital transformation is treated as an IT initiative rather than a business-led effort. Without alignment across organizational stakeholders, realizing the full value and ROI of the project becomes a significant challenge.

"The reasoning behind new tools needs to be about improving the business, not getting the newest and shiniest product," said Supply Chain Transformation Practice Director Geoff Olsen. "Stakeholders need to be involved in a technology project every step of the way. It's their responsibility to ensure business needs are heard and that new systems align with where the business is headed, not just the current tech stack."

What happens when a project isn't aligned with the business?

- Metrics become about dollars and timelines, not ones that show the business value of the project
- Technologists are forced to make decisions that impact the entire organization
- IT is pulled away from their day-to-day role and other projects get slowed down
- Business leaders don't have ownership over the implementation

"IT should only be responsible for deploying the technology, not owning the entire transformation," said Olsen.



A Role You Didn't Know You Needed: The Liaison

Our team is noticing a growing demand for professionals who combine technology expertise with business acumen to manage implementations. This has led to a rise in the liaison role.

> "Liaisons bridge the gap between the technology and the business," said Wessels. "They have hands-on experience with implementations, having gone through a number of them before. This person works on behalf of the client to keep the project on track and true to the statement of work and project plan. They look at the project holistically from a business function perspective to make sure the technology is matching up with business needs."

For a HighRadius implementation at a global food and beverage company, Catena Solutions acted as a liaison, resulting in multi-million-dollar savings for the company. Learn more.

> Implementing the technology is the easy part. It's aligning it to the business objectives and getting buy-in that's the challenge and where value is created.
>
> ***Dave Minor, Vice President of Delivery at Catena Solutions***

Data: Fix it Now, Not Later

Bad data is a big threat to an organization. Research shows many leaders don't trust their own data: 67% of CEOs say they prefer to make decisions off their intuition rather than insights from data analytics.[8] That thinking might be validated—a Harvard Business Review study found that only 3% of companies' data meets basic quality standards.[9]

"I wouldn't say data is completely overlooked when it comes to implementing new tools," said Catena Solutions Digital, Creative & Marketing Practice Director Amy Knigge. "The problem tends to be that businesses overestimate the quality of their data, or they underestimate the complexity of data conversion and integration."

Consequences of Bad Data During Implementations:

- **Poor decision making:** Inaccurate or incomplete data can misguide decisions, resulting in misaligned business strategies and systems built on incorrect assumptions.
- **Integration failures:** Bad data can cause errors when linking new technology to existing systems, disrupting workflows and reducing efficiency.
- **Increased costs:** Fixing issues caused by bad data requires extra time and resources, delaying ROI and straining budgets.
- **Compromised capabilities:** Poor data quality hinders critical functions like analytics, reporting, and automation that rely on accurate data.
- **Decreased adoption:** The roadblocks caused by bad data lead to user distrust and apprehension, undermining adoption and jeopardizing success.

How to Prevent Data from Derailing Your Project

We tapped into our team of experts to get their top strategies for setting yourself up for success before starting your implementation. Here's what they said:

Align your data strategy with the new system.

Focus on data quality, completeness, and mapping. It's crucial to ensure existing data can be input into the new system correctly and efficiently.

Use clean data from the start.

Build data auditing and cleanup into the overall project plan so it's non-negotiable. This may mean bringing in a team to clean up the data prior to the implementation.

Train your team to spot questionable data.

Project stakeholders need to have basic data literacy skills to identify discrepancies before they cause larger issues, especially with data from third parties.

The Bottom Line?

Poor data quality can cost as much as 15-25% of a company's total revenue.[10]

Implementation in Action: Q&A with Peter Zovath

For applicable technology implementation insights, Catena Solutions met with Peter Zovath. Peter has over 10 years of experience in technology business strategy, product development, and operations management, developing and executing complex programs that drive customer satisfaction, revenue growth, and operational efficiency.

Can you share an example of a technology implementation you've been involved in that was particularly challenging?

It was my second time leading an enterprise-wide system implementation of a project management tool called Clarizen. But the real challenge wasn't what you'd typically expect from an implementation like this.

The first time, there was internal resistance, and change management was the biggest hurdle. This time, I was caught off guard by how excited and engaged everyone was. Since this was early in my career, I saw that as a great thing, and tried to incorporate every opinion, request, and suggestion.

The problem was the scope spiraled out of control. We lost sight of the minimum viable product (MVP) and the core metrics that were driving the implementation. Eventually, we had to take a step back, realign on why we were rolling out the system, and refocus on what success actually looked like. We put structured roadmaps in place, ensuring we could still address everyone's needs—but in a way that didn't derail the launch.

How can organizations ensure that employee experience and usability are prioritized during a technology rollout?

One approach I always emphasize is conducting a listening tour. Essentially, this entails going around the company to understand which teams and employees will be using the tool and how it fits into their daily workflows and aligns with broader company priorities. By truly listening, you can uncover pain points, wish list features, and what success looks like from their perspective. Their input is invaluable in making sure the implementation is not just functional, but truly user-friendly and impactful.

Peter Zovath, MBA

Senior Program
Management Consultant

How can organizations accurately assess whether they have the right resources for a successful implementation?

The first step is for everyone involved to take an honest look at their own bandwidth and team capacity. Leaders can sometimes overestimate how much time employees have or underestimate how involved they'll really need to be.

For projects led internally, it's important for leaders to be realistic about where the implementation fits into their team's priorities. For example, if the project is happening at the end of the quarter or year and involves a sales-driven tool, will it clash with their goal of hitting sales targets? Do they have enough time to balance everything? Once leaders map out the time required for the project, they'll be in a better position to decide whether they need outside help.

How are trends like AI and automation impacting system implementations?

As a consultant, I've seen AI be very helpful in quickly consolidating data and assets, polishing them, and putting them into documentation. AI is often able to do this faster than a human could, which is great for cost savings and efficiency. It allows the consultant to focus on strategic and logistical items by freeing up some of the more tedious and tactical ones.

What's interesting is that customers are not only looking for efficiency gains during the implementation, but they also want it in the final product as well. So, there is more demand for AI and automation to be incorporated into the tool and workflows. The key is to understand that while AI and automation can add complexity and cost to the implementation process upfront, they often deliver substantial benefits over time. **Read the full Q&A with Peter here.**

Successfully implementing new systems isn't easy.

We're here to help. Catena Solutions is dedicated to the Food & Beverage industry, with 30+ years of expertise supporting local, national, and global CPG brands.

With our network of industry experienced consultants, we focus on driving growth, optimizing operations, and navigating industry challenges.

For more information, visit us at **catenasolutions.com**

catena SOLUTIONS

Sources

1. https://www.mckinsey.com/industries/retail/our-insights/the-how-of-transformation
2. https://kpmg.com/us/en/media/news/kpmg-us-tech-survey-report-findings.html
3. https://www.pwc.com/us/en/services/consulting/business-transformation/digital-supply-chain-survey.html
4. https://hbr.org/2023/05/employees-are-losing-patience-with-change-initiatives
5. https://www.pwc.com/us/en/services/consulting/library/consumer-intelligence-series/tech-at-work.html
6. https://www.erpresearch.com/en-us/blog/erp-implementation-time
7. https://smartermsp.com/achieving-it-business-alignment-is-a-must-for-organizations/
8. https://hbr.org/2022/03/overcoming-the-c-suites-distrust-of-ai
9. https://hbr.org/2017/09/only-3-of-companies-data-meets-basic-quality-standards
10. https://sloanreview.mit.edu/article/seizing-opportunity-in-data-quality/