QFlow Systems

Investing in the Right Things:

How Putting Technology Over People Leads to Failure

Executive Summary

Investments in technology can have a greater impact on company profits than even advertising dollars or R&D. But all too often, the implementation and adoption of new technologies stalls, delaying the realization of any sort of positive return on that technology investment. Taking a holistic approach that is sensitive to the interaction of people, process, and technology (PPT) can greatly enhance adoption, speed up implementation, and realize a return sooner. We review seven steps that any organization, and its technology provider(s), can take to bring this framework to their own digital transformations.

Welcome

There is no doubt that investing in the right technologies can make a company more efficient and, in the end, more profitable. A classic study out of MIT's Sloan School of Management, for example, found that investment in technology had a greater impact on a company's profits than comparable spending on either advertising or R&D.

Technology investments usually carry a hefty price tag however—especially when one factors in the soft costs, like the cost of setting up and implementing that technology, and the lost opportunity costs that occur if that implementation takes a long time or user adoption remains low. Anything that delays a return on that investment is going to have an oversized impact on the bottom line.

One of the biggest delays in realizing a positive ROI from new technology is a failure to take a more holistic view of its implementation and adoption. It's an all-too-common problem: A company purchases a piece of technology that seems like the perfect solution for their productivity and efficiency problems, only to discover months or years later that they still have not broken even with its cost.

Why does that happen? Because implementation and adoption cover more than just the technology—**it must take into account people and processes as well.**

Achieving ROI faster means taking all three into account. This is what the industry calls the PPT (People, Processes, and Technology) framework. The purpose of this white paper is to make clear what this framework is, and the dangers of not following it during the technology purchase and implementation process. We then end with six steps you can take to "put people first," leading to better rates of adoption, more productivity, and faster ROI from your technology investment.

People, Process, and Technology:
A PPT Primer
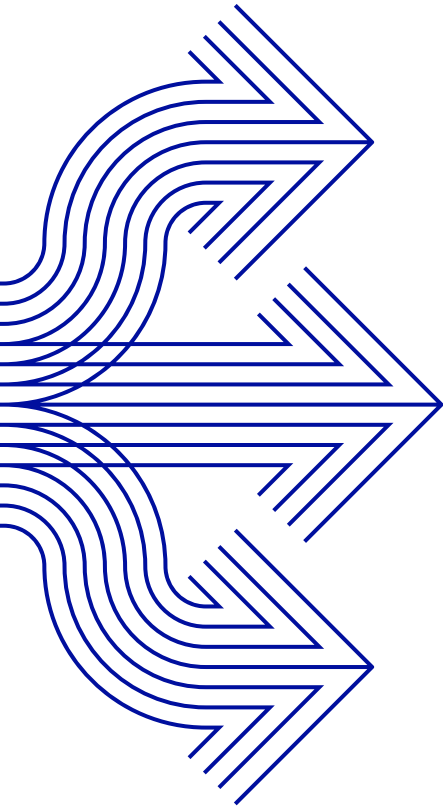
The PPT framework is a framework for information technology management. It is not a fundamentally new concept; in fact, it is a proven framework that has been around for over half a century. The goal is to understand and map how all three things—people, processes, and technology—interact to gain greater control and visibility into workflows.

Understanding these interactions is important, because any one element can become a limiting factor. For example, without solid processes in place, neither people nor technology will be able to deliver value. Without the right technology, processes will slow down and people become less productive (no matter how talented they are). Finally, if people are not on board with technology and processes, the technology and processes simply will not be used (or will be used incorrectly), meaning a severe delay in any sort of ROI.

WHO	HOW	WHAT
People	Process	Technology
Leverage technology to execute the process	Becomes well-defined and automated with technology to reduce delays and errors	Automates processes and increases efficiency
Seek input to define the process	Gives people clearly defined roles, tasks, and responsibilities	Empowers people to do more valuable activities while taking mundane tasks off their to-do list

The PPT framework is popular in many areas, such as business intelligence. So why isn't it a universal practice when it comes to purchasing and implementing new technologies?

In short, it is because the promise of the technology itself is so alluring. Most providers want to sell their specific solution, and so the emphasis is on the technology itself: Its features and benefits. It becomes far too easy to believe that it is the technology alone that is solving the organization's productivity issues.

Without a focus on people and process, most technology will actually add to those issues.

Examples of Delayed Technology ROI

At QFlow, we take the PPT framework seriously. We understand that, when you are buying a technology solution, you are also purchasing our expertise in the relationship between that technology and your people and processes.

And we have seen, first hand, what happens at companies that purchase and try to implement technology without that approach. Here are just a few examples of how over-emphasizing management features and ignoring features simplifying day to day tasks, leads to unhappy employees:

- When transitioning to a new system, a clear switchover and migration plan from the old system is not articulated to everyone. This leads to lost data, lost files, abandonment of processing "in flight" in the old system, and people having to do "double work,"

- The organizational structure of a new database or file system is an improvement over the old one, but employees insist on using elements of the older system (naming conventions, for example) because that is what they are familiar with.

- A new piece of technology allows for the automation of several processes, but nobody takes ownership of setting up those automations, and employees persist in performing manual tasks and work-arounds.

- New task automations are set up, but employees have no say in them and become annoyed when, for example, they get bombarded by alert emails from the system that do not require immediate action.

- Employees, frustrated by the interface of a new system, default to using email to send attachments, get approvals, etc. This causes a significant slowdown in business getting done.

This is just a short list of possible scenarios; many more are possible, depending on the technology in questions and the company.

Productivity Killers that Delay Tech ROI	· Double work/double entry
	· Disorganized file systems (poor naming structure, no meta data, etc.)
	· Lack of automation/poor automation
	· Frustrating user interface

The Effect of Prioritizing Technology Over People

The above stories are very real but only provide anecdotal evidence of what can happen when technology is implemented too hastily without appropriate attention to people and processes. Is there any hard data showing that this affects business overall?
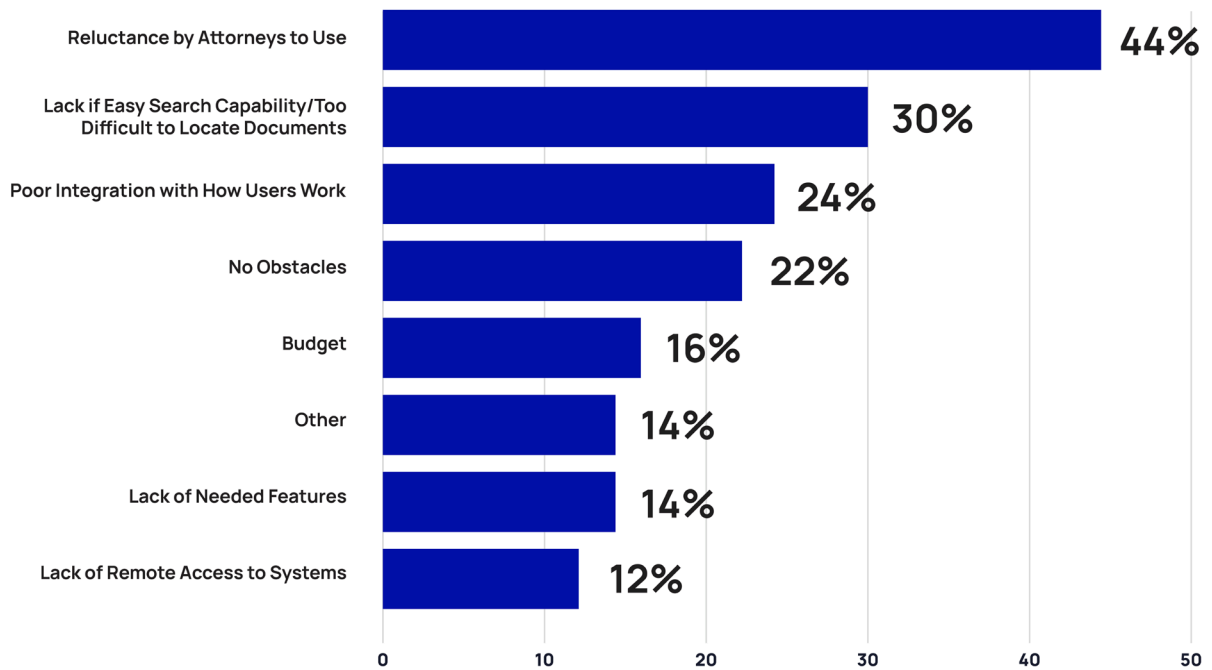
Disappointingly enough, few organizations in the technology sector appear to study technology implementation and adoption in anything other than very broad brushstrokes—or, at least, they do not make more detailed statistics public. What is available does not paint a very rosy picture.

For example, several studies spanning two decades looking specifically at CRM adoption have found an average of 50% failure rate, with rates varying from 30% to 70% depending on the study in question. Specifically, a study by Forrester found that 38% of these failures—more than a third—were due to "people issues, such as slow user adoption, inadequate attention paid to change management and training, and difficulties in aligning the organizational culture with new ways of working." By comparison, that same study found that only 35% of failures were due to problems with the underlying technology.

Another study, by Hyperion GP, a firm specializing in legal marketing intelligence, looked specifically at enterprise content management (ECM) for legal firms. That study found that the biggest obstacle to user adoption of ECM software at legal firms was a reluctance by attorneys to use new software (44%), followed by a lack of easy search capability (30%) and poor integration with how users work (24%). By comparison, only 16% of these firms cited "budget" as a

Obstacles to User Adoption

Obstacle	Percentage
Reluctance by Attorneys to Use	44%
Lack if Easy Search Capability/Too Difficult to Locate Documents	30%
Poor Integration with How Users Work	24%
No Obstacles	22%
Budget	16%
Other	14%
Lack of Needed Features	14%
Lack of Remote Access to Systems	12%

reason for not adopting ECM systems, and only 14% cited a "lack of needed features."

Finally, companies that specifically tackle user adoption issues estimate that the number of individual software features that go unused could be anywhere from 40% to 80% and represent roughly $29.5 billion worth of wasted functionality.

Productivity Killers that Delay Tech ROI

- Roughly 50% of all CRM projects fail

- Reluctant users are the #1 reason law firms cail to adopt ECM systems

- Somewhere between 40% and 80% of software features go unused

What all of these stunning statistics on low adoption rates show is that when technology implementation projects fail to meet organizational goals, the #1 culprit is usually poor user adoption—and that poor adoption stems from lack of training, lack of user input, difficult-to-use interfaces, and a lack of integration with the organization's actual workflow and processes.

Which means that "pulling the trigger" on a new technology purchase is not enough. Companies and their vendors will need to work hand-in-hand during implementation with the people who are using the technology on a daily basis. Bringing users into the fold prior to implementation will help ensure that everyone is ready to use the system for maximum value, faster

Naturally, every company will need a somewhat different approach when it comes to aligning these three things, depending on their users' level of comfort with technology, the complexity of the processes involved, and the individual details of their use case(s).

That said, there is an overall strategy to approaching that implementation the right way, from the start:

6 Steps to Aligning Your People, Process, and Technology

01
Talk to your employees/users and understand their workflow. Spend some time talking with end users to understand what they need from a new piece of technology, and how they are currently using existing technology. The more you do this, the more it will prevent oversights during the actual implementation.

02
Have them test-drive the interface. When asked, most users say their biggest complaint about a piece of technology is not a lack of features, but a user interface that is hard to navigate. As part of your purchase and implementation process, invite users to test-drive any new piece of technology. Not only will they identify issues that might slow adoption, they will appreciate that their voice was heard during the process.

03
Hold training sessions.
This should go without saying. Be sure that you train people, and continue to do so over time. Sometimes simply showing users a particular feature (and how it can be used) will increase adoption of that feature.

04

Involve team leaders in set-up.

Team leaders often have a good grasp of day-to-day workflow; that insight can be used to derive business rules for automation (for example).

05

Start with use cases that can prove value the quickest.

A single piece of technology might have multiple uses. Focus initially on the use that will begin to provide value to the organization most quickly. For example, you might be planning a move to a new enterprise content system for the whole organization, but if you know that disrupted invoices and bills are the biggest hit to the bottom line, start by implementing document workflows just with AP/AR. Once the system has proved its value, move on to wider adoption.

06

Encourage feedback.

Even after the new technology has been set up and implemented, encourage feedback. Sometimes a user's issue can be easily remedied by tweaking a setting or using the tool in a slightly different way. Sometimes an issue is a bug that needs to be reported to the vendor. And sometimes, negative feedback is a red flag. Whatever the reason, getting consistent feedback will help keep process, technology, and people aligned.

Remember: There's more to implementing new technology than simply "doing the migration" and then getting your users to log on to the new system. You are rebuilding a part of the organization's network of activity—which means digital transformations and upgrades of this sort are best done with a scalpel, so to speak, not a hammer.

About QFLOW
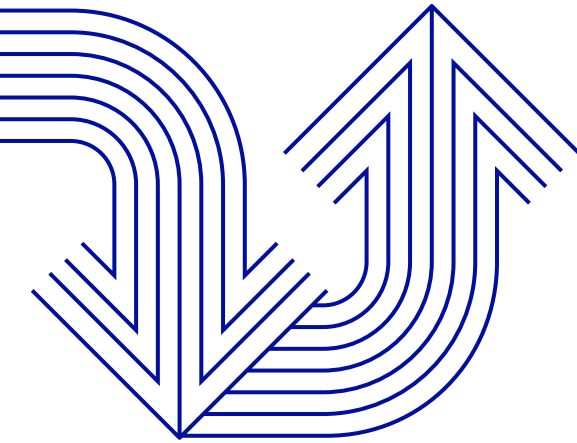
QFlow Systems helps organizations eliminate paper, store electronic content, make it easy to find all that content later, and streamline business processes. Our document management and business process experts are there for our customers every step of the way, from set-up and implementation to adoption and ongoing support.

If you are interested in hearing more about our document management, records management, and business workflow management solutions, request a proof of concept or schedule a consultation.

8+ Questions to Ask a Potential ECM Vendor:

1. How will this system capture our company's workflow? How customizable is it? How do you facilitate user input to do that?

2. What does migration look like? Will there be any length of time when both systems will need to be used? Or when access to the data in the old system will not be available?

3. What level of support do you provide? Will we have a dedicated team? How much in-house expertise will we be expected to secure?

4. Do you offer training on the new system? Will this cost extra?

5. Do you do anything else to promote end-user adoption? Or are you just here to implement the technology?

6. Who can we turn to if we have questions during set-up? Migration? Actual use?

7. What kinds of security can you ensure? What kind of up-time can you guarantee?

8. What is the procedure if we want to change something, or add a new feature?