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DIGITAL TRANSFORMATION

A GUIDE TO LASTING CHANGE

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01.
Introduction: Understanding The Need for Digital Transformation

"Digital transformation" is one of the most talked-about topics in tech and business.

Companies of all sizes are figuring out how best to adapt to a changing, evolving world. A world filled with technological opportunities.

However, there's also confusion. Many leaders think of digital transformation as simply purchasing new software tools and infrastructure. They may have general ideas of "efficiency gains" and "automation". And they're also usually eager to see the benefits of AI, without fully understanding what these might be.

If you're exploring how to implement digital transformation in your company, you've probably come across a lot of conflicting information. Not to mention heaps of tech jargon. Knowing how to begin a digital transformation programme – or how to shift direction if past efforts have failed – can feel like a losing battle.

With that in mind, this guide has three aims:

✔ **Simplify the complex topic of digital transformation, dispel widespread misconceptions, and provide a nuanced, experience-backed definition.**

✔ **Explore the central challenge that most companies face: implementing meaningful, long-term digital transformation.**

✔ **Propose a solution to this problem based on real-life case studies and our battle-tested model at Sigli.**

The reality is that digital transformation needn't be difficult. What it does require is a mindset shift that cuts through the noise. It is also important to see digital transformation for what it really is – not a gradual shift towards more efficient workflows, but an urgent, adapt-or-die necessity.

Before we begin, a quick note. You won't find greater believers in the power and importance of AI than the team at Sigli. However, we also know when AI should take a back seat. That's why this report is fully human-written and draws directly on the deep experience and subject-matter expertise of our talented engineers, developers and business strategists. You're speaking to us, not a bot.

02.
What Is Digital Transformation?

Ask ten different business leaders what they mean by "digital transformation", and there's a good chance you'll get ten different answers.

Most definitions run something like this: "Digital transformation is about implementing new technologies like AI or cloud systems to drive efficiency."

However, this is a simplification at best. Why? Because it misses both the nuance and big-picture aspects of true digital transformation.

Dr Stijn Viane, professor at Vlerick Business School, gave one of the best descriptions of digital transformation when we spoke to him on our Innovantage podcast:

> *The way I define digital transformation is as a strategic response to turbulence in the environment of organisations, turbulence that is not least driven by immense advances in digital technologies. It is a strategic way of responding to the threat of not surviving and the opportunity of thriving in a digital economy."*

Building on this philosophy, our approach to digital transformation focuses not just on technology adoption but on creating adaptive companies. As Dr Viane outlines, adaptability is the speed with which an organisation can respond to a nonstop avalanche of threats and opportunities posed by emerging technology.

Once the need for adaptability is understood, it becomes clear that digital transformation is not a one-off event. It is an ongoing, evolving process. A process that requires a mix of operational, cross-departmental, and, perhaps most vitally, strategic inputs.

03.
Why do digital transformation initiatives fail?

According to McKinsey, 70% of digital transformation initiatives fail.

70% is a worrying statistic. For a typical business implementing a digital transformation plan, there is a seven-in-ten chance they won't succeed. It is understandable that leaders are worried.

We identified the five main reasons for this high failure rate:

- ✔ **Failure to produce systemic change** caused by surface-level adoption of tools and a lack of deep integration.
- ✔ **Unrealistic expectations** resulting from buying into hype and exaggerated promises of emerging technology.
- ✔ **Siloed departments** that don't understand that digital transformation is ultimately a company-wide, team effort.
- ✔ **A crisis mentality** in corporate leadership that waits to react to issues rather than prevent them before they arrive.
- ✔ **Short-termism** that sees digital transformation as a one-off event rather than an ongoing strategy.

Just one of these factors is enough to stop digital transformation in its tracks. In many cases, multiple are present at the same time.

So how can you avoid these pitfalls?

A tested, comprehensive execution strategy is the answer. One that mirrors all the steps that define successful initiatives. And one that also accounts for the many challenges that can arise.
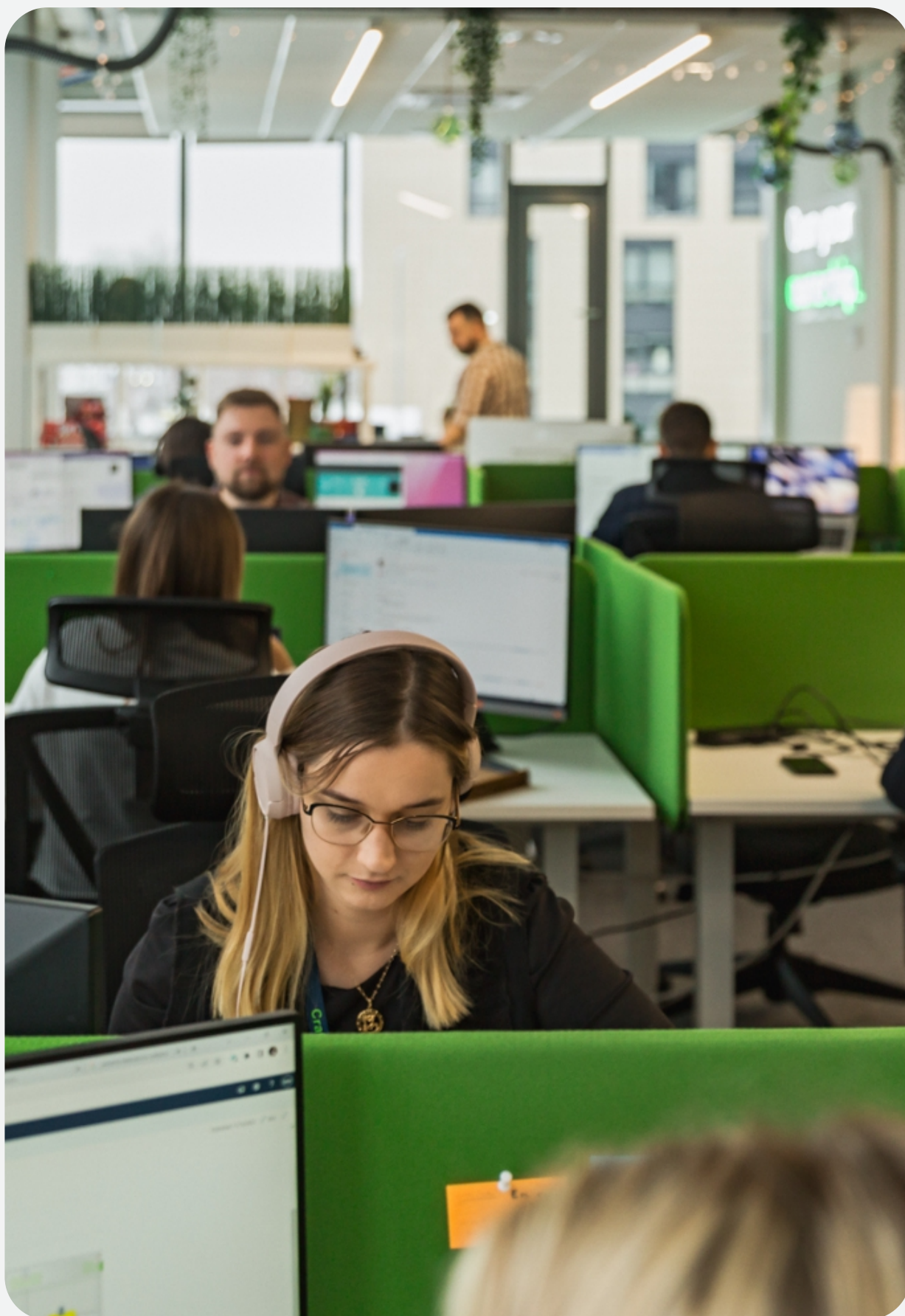
04.
Sigli's Core Framework for Adaptive Digital Transformation

At Sigli we have helped dozens of enterprises navigate the complexities and pitfalls of digital transformation.

We rely on a four-part model to realise a strategy that is agile, ongoing and focused on continuous learning.

Here is our core digital transformation framework:

1. **Understand and address culture and mindset**
2. **Define a vision and enable data and technology adoption**
3. **Execute a tailored digital transformation roadmap**
4. **Continuously measure and iterate**

We always begin our partnerships by aligning with leadership on key outcomes. Typically, we focus on a mix of revenue growth, cost optimisation, and innovation metrics. The priority is to link IT investments to business strategy in a clear and measurable way.

From there, we map out a project framework that draws on the highly regarded COBIT and ITIL frameworks, which provide guidelines, tools, and best practices to help organisations ensure that IT delivers value and complies with relevant regulations.

We consistently ask two questions: "Are we doing the right things?" and "Are we doing things right?"

> **❚❚** *Without robust governance, even the best technology roadmap ends up fragmented. We incorporate COBIT guidelines to keep leadership accountable, while ensuring flexibility in ITIL processes."*
>
> *Mike Baleika, CTO, Sigli*

Throughout the implementation process, trust and ethics remain front of mind. Sigli applies strict privacy, transparency, and consent standards, all of which enhance the tailored governance models we create for our corporate clients.

Let's look at the stages of our framework in a little more detail.

4.1

Culture & Mindset

In our experience, enterprise leaders have a tendency to overlook mindset and culture. It is far more appealing to focus on the specifics of frameworks and goals. These are important. However, mindset should always come first. Nothing will kill transformation faster than incorrect assumptions or unrealistic expectations.

What, then, does the "right" mindset look like? Two characteristics mark the cultures of the clients we have helped achieve lasting results. The first is acceptance of the fact that turbulence is ongoing. A one-off sprint or fixed toolkit simply won't do the job.

The second aspect of "right" mindset involves avoiding short-term thinking. Hype cycles, in which enthusiastic adoption is followed by disillusionment, prevent organisations from investing the time needed to see lasting results from new tech.

We have found that a learning-oriented approach, which stands in stark opposition to a mindset that seeks quick fixes, is by far the most effective antidote to hype and short-termism.

We draw on a range of tools to create a culture of ongoing learning and experimentation:

- ✔ Leadership support
- ✔ Regular workshops
- ✔ Accessible learning resources
- ✔ Learning embedded in tech workflows
- ✔ Recognition and rewards
- ✔ Mentorship and peer learning

- ✔ Clear skills development paths
- ✔ Feedback mechanisms
- ✔ Time allocated for structured learning
- ✔ Resources for personal experimentation
- ✔ A system of learning-based metrics

In our experience, the biggest cultural changes happen when learning and development opportunities are embedded into routine working schedules. A culture of continuous learning breaks silos and pervades departments. As Dr Viaene says, "Digital transformation permeates all the elements of your enterprise at the same time—back to front, top to bottom."

4.2

Technology Enablement & Vision

Before we can implement new technologies and data flows, the organisation needs to be prepared.

For that reason, we start with a full assessment of existing infrastructure and data maturity. We then develop a clear vision of what a successful transformation will look like after it is implemented – made up of specific technologies, applications and data processes.
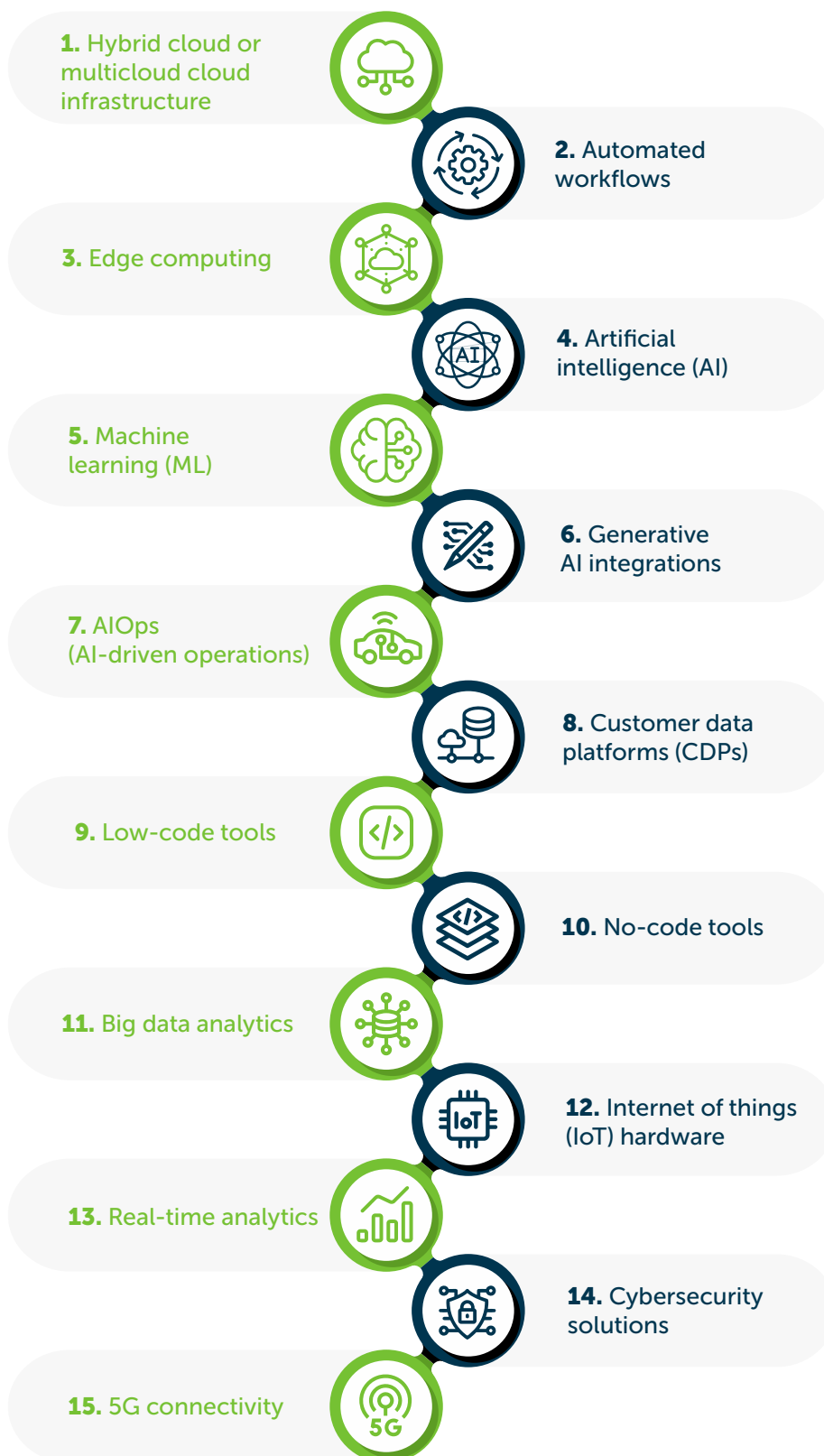
This phase is about understanding the existing tech layout and making sure data is of a high quality and accessible. We can then confidently propose which technology a company should adopt and put together the best possible tooling (or delivery) stack.

" *We start with an end-to-end audit of data flows—security, quality, ownership. Then we recommend the right tooling stack to scale securely."*

Vasil Simanionak, CDO, Sigli

The "vision" for the digital transformation will usually involve a combination of the following technologies:

Digital Transformation Technologies

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1. Hybrid cloud or multicloud cloud infrastructure

2. Automated workflows

3. Edge computing

4. Artificial intelligence (AI)

5. Machine learning (ML)

6. Generative AI integrations

7. AIOps (AI-driven operations)

8. Customer data platforms (CDPs)

9. Low-code tools

10. No-code tools

11. Big data analytics

12. Internet of things (IoT) hardware

13. Real-time analytics

14. Cybersecurity solutions

15. 5G connectivity

4.3

Implementation Roadmap

With a thorough understanding of strategic goals, existing tech infrastructure and data readiness, we move onto implementation.

Implementation consists of three phases:

✔ **Quick wins** that allow us to drive some immediate results from low-cost, high-ROI implementations.

✔ **Pilot projects** where we run low-risk experiments to validate the feasibility of proposed solutions.

✔ **Scale-up** which involves a gradual rollout of new infrastructure, with cross-department coordination and regular testing.

> ❚❚ *We always propose a dual-track strategy: quick wins to build momentum, and ambitious pilots that can redefine an entire market segment."*
>
> *Mike Baleika, CTO, Sigli*

Another element of Sigli's unique approach is our "portfolio method". This is a way of dealing with the dizzying multitude of new technology solutions being released on an almost daily basis.

Adopting a wide portfolio of solutions is the best way of ensuring you don't miss out on transformative tech. It is much more than chasing short-term results with a "see what sticks approach". Rather, it is best seen as a method of spreading risk and maximising returns from IT investments over the long term.

> ❚❚ *Strategy now, more than ever, has become more of a betting game. So how do you make intelligent bets? I would say, look at your strategy as a portfolio of options."*
>
> *Dr. Stijn Viaene, Vlerick Business School*

4.4

Continuous Measurement & Iteration

After the initial implementation phase, we build structures for measurement and future iteration. Even if the main part of a digital transformation is deemed a success, ongoing refinement and adaptation are crucial.

✔ **Ongoing governance checks:** In line with COBIT's "Evaluate, Direct, and Monitor (EDM)" domain and relying on real-time analytics, we define relevant KPIs, monitor outcomes, and take corrective action where needed.

✔ **Real-time KPI tracking and agility:** Feedback loops are the basis for quick modifications and iterations, and they significantly reduce the chance that sub-projects will stall or misalign.

✔ **Periodic strategy refreshes:** Sigli either stays engaged as a long-term partner or equips the client with all of the training and resources needed for self-sustaining adaptation.

The presence of these factors allows for effective responses to threats and opportunities, and ensures that the promise of the initial implementation is fulfilled.

4.5

Key questions to GUIDE Digital Transformation

Throughout digital transformation ideation and implementation, we are guided by a set of questions. These allow us to identify common pitfalls, align leadership across a business, and avoid pursuing too many quick wins over sustainable results.

1. Questions to Identify Common Pitfalls

✔ Are we giving technology and culture equal footing?

✔ Have we identified skill gaps and recruited accordingly?

✔ Are data governance and ethics accounted for?

✔ Are we launching too many siloed initiatives?

✔ Are we evaluating technology based on long-term value, not just novelty?

2. Questions for Leaders

✔ Is there a unified strategy that all stakeholders understand and accept?

✔ Are accountability and ownership clearly defined across projects?

✔ Are we compliant with all ethical, legal, and data privacy standards?

✔ What feedback loops exist to ensure continuous improvement?

✔ Are we creating a context in which leaders can self-sustain future iterations?

3. Questions to Prevent a "Quick Win vs. Sustainable Win" Approach

✔ Does this initiative solve a root problem or only a symptom?

✔ Will the solution adapt well to future iterations?

✔ Are we building long-term capabilities or one-off fixes?

✔ What long-term metrics are we using, and are they effective performance trackers?

✔ Are we creating a balanced, risk-adjusted technology portfolio?

05.
Digital Transformation in action: Two Case studies

What does an effective strategy look like in practice?

Two examples, both from the public sector, offer glimpses into successful digital transformations. First, the Flemish government's modernisation push. Second, Estonia's programme to foster digital literacy and become a centre of AI expertise.

It is useful to look at public organisations because their challenges are typically greater compared to private companies.

05.1

Flanders: Focusing on System-Wide Alignment

The Flemish government has pioneered a digital transformation model that combines ethical oversight, data literacy and a culture of experimentation.

However, its modernisation drive also highlights the issues that the public sector faces, which are present to a significant degree in the private sector. Digital pioneers have to contend with deeply integrated legacy systems, low device usage among the population, and a heavy regulatory burden.

In Flanders, these obstacles have been overcome through the adoption of a fully holistic approach. It is system-wide alignment in the truest sense. The driving force of this alignment is a newly created, cross-departmental agency, Digital Flanders, that has spread a vision of digital transformation across government.

We're not talking about e-government anymore, but about digital government, because we realise that government has to be digital in its entirety — and it's not something special, it's just something we have to be."

Hans Arends, Flemish government official

Working from aligned goals, Digital Flanders has implemented cross-departmental digital tools (like a data exchange platform), consistent ethical oversight, and multiple training and experimentation programmes. It has also created an AI expertise centre, which is responsible for driving AI adoption and exemplifies a learning-oriented approach.

Our AI expertise centre is responsible for drafting a strategy, stimulating innovation, building trust in AI, and preparing the administration for it."

Hans Arends, Flemish government official

05.2

Estonia: Moving towards a Digital-Literate society

Estonia has established itself as a world leader in digital transformation. Estonia's CTO, Ott Velsberg, is not shy about his country's ambitions. He says that "AI-powered government" is the aim by 2030.

Many regard Estonia as the world's most digitally advanced country. According to the Estonia 2024 Digital Decade Country Report published by the European Commission, Estonia is a "front runner" in the digital provision of key public services and its population has an above-average level of data literacy.[2]

Estonia's approach is a perfect case study of the factors that contribute to successful digital transformation: cross-departmental alignment, a long-term outlook, and a learning-oriented approach.

> *Our approach is continuous innovation, not a one-off project. If we see a new technology, we test it, and we see if it can be scaled. That's how we stay ahead."*
>
> *Ott Velsberg, Government CTO of Estonia*

These principles show up in a host of practical ways. Public tools like Data Tracker and Consent Service prioritise citizen-centric governance. Nationwide campaigns aim to achieve data literacy of 80% by 2030. And a practical approach to legislation ensures innovation is balanced with the public interest and inclusivity.

> *People trust what they understand. For AI to succeed, we invest heavily in transparency – like showing who accesses your data and why, and giving citizens control."*
>
> *Ott Velsberg, Government CTO of Estonia*

06.
Conclusion:
Building an Adaptive Future

Digital transformation is about much more than adopting the latest, likely overhyped, AI solution. Done well, it armours your organisation against a never-ending avalanche of threats posed by emerging tech.

At the same time, it helps you take advantage of the opportunities of innovation. It is about remaining competitive.

The lessons gained from the public sector are highly relevant. Sigli combines these learnings with its extensive experience with private companies to create a tested, flexible and detailed model.

If you would like to learn how Sigli can help you plan, execute and maintain an effective digital transformation strategy, please don't hesitate to get in touch.

About Sigli

Founded in 2014, Sigli is a forward-thinking company at the forefront of digital transformation. We specialise in helping businesses accelerate their growth by leveraging the power of AI, cloud solutions, and cutting-edge technology to streamline operations, enhance product development, and reduce costs.

Our expertise lies in empowering organisations, particularly SMEs, to implement AI solutions that create real value while mitigating risk. We work with local companies from various industries, including insurance, logistics, e-learning, finance and consultancy, guiding them through their digital transformation journey.

At Sigli, we collaborate with some of the most forward-looking brands, providing tailored solutions that bridge the gap between traditional business practices and the future of AI-driven innovation. We are proud to be an ISO 27001-certified company with offices in Lithuania, Belgium, Poland, Germany and the UK, serving a diverse clientele across Europe.

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Explore how Sigli is helping businesses unlock their digital potential.

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