COMMUNITY HOUSING INDUSTRY ASSOCIATION NSW

Community Housing INDUSTRY ASSOCIATION VICTORIA

Digital Transformation

07 Implementation Guide

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Distribution

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Contents

1. Introduction

The purpose of this document is to set out the steps community housing organisations (CHOs) need to follow in defining and implementing digital transformation initiatives across their organisations.

This comprises the following:

This document should also be read in conjunction with the following which are included in the CHIA Digital Transformation Toolkit pack:

Document Name	Description
08 Digital Transformation Planning Toolkit.xlsx	Provides a toolkit of templates on defining and prioritising digital objectives, defining projects aligned to objectives, assessing risk and defining a digital transformation roadmap.
01 Developing an IS IT Strategy.pdf	Provides a stepped-out process for CHOs on how to develop information technology and information systems strategies.

Document Name	Description
02 IS-IT Strategy Toolkit.xlsx	Aligned to the strategy document, the toolkit provides series of templates to use in defining your strategy.
03 Assessing IT Improvements.pdf	Investigates and researches the available opportunities for IT improvements needed by CHOs and document the findings with recommendations.
04 Digital Readiness Assessment.pdf	Sets out the approach on how to determine the state of a CHO's digital readiness and the results of a survey completed by 29 CHOs in NSW and Victoria
05 Persona Journey Mapping.pdf	Sets out a proposed persona journey mapping approach for CHOs
06 Persona Journey Mapping Toolkit.xlsx	Sets out a framework using situation stages for documenting persona journey mapping using proposed tenant and operational journeys covering: • Doing • Thinking • Pain points • Issues • Improvements.
09 Case Studies.pdf	Sets out a range of case studies across a selection of industries, with each study focussing on the challenge(s) that each organisation has faced, the solutions it implemented and the results that have eventuated

2. Delivering Digital Transformation

Digital transformation is not just about technology. Its scope is much wider and includes:

1. A readiness to innovate
2. Dealing with cultural change
3. Creating new services and / or initiatives to cope with the current and emerging plethora of challenges facing CHOs today.

In essence it is about:

1. Better ways of **d*oing*** things
2. ***Creating*** value
3. ***Improving*** the customer / supplier experience
4. ***Automating*** tasks
5. Improving how services are provided in more ***efficient*** ways to deliver experiences in a ***co-ordinated, consistent and cost-effective way.***
6. ***Building collaborative capabilities*** that can better support CHOs in delivering services

7. ***Fostering business resilience*** and capabilities for the future and thereby reinforcing CHOs' growth potential.
8. ***Focussing on people and processes as well as technology*** - the latter is the catalyst for helping or supporting you to provide these better ways of doing things and providing solutions.

Refer to ***09 Case Studies.pdf*** to gain an understanding of the types of digital initiatives which different organisations in various countries have implemented and assess the merits of how these could be applied to your organisation in understanding what is possible.

In relation to its application in the community housing sector, as part of the CHIA NSW and CHIA Vic Digital Transformation guide, digital transformation has been defined as follows:

> ***"The integration of digital technology into all areas of CHOs' operations fundamentally changing how the organisation can operate, delivering increased accessibility to tenants through the introduction of additional service channels and providing an enhanced customer experience."***

Whilst some CHOs may specialise in specific types of activities and services, they all more or less do the same thing but many do the same thing in different ways and they typically have different policies and procedures which set out what they do.

In a housing context, the key word from the above definition is **how** can digital transformation deliver added value to tenants, applicants, customers and stakeholders. It is important to bear in mind that digital transformation is not the silver bullet as to how housing services may or should be delivered. At the end of the day, it is merely an additional channel that community housing providers can offer by exploiting technology effectively so as to enhance how services are provided and widen accessibility. It should not be over-complicated.

There are many aspects to consider for CHOs:

1. Knowing what is possible.
2. Knowing or identifying where they are now.
3. Assessing their level of maturity in relation to digital transformation.
4. Knowing even where to start.
5. Knowing what is needed.
6. Determining how best to implement what they decide on.

The next section focuses on what is possible.

The potential benefits of digital transformation are:

1. **An improved or optimised customer experience.**
2. **Innovative service delivery models.**
3. **Increased organisational agility.**
4. **Increased staff productivity through enhanced process efficiency and automation.**
5. **Improved business process.**
6. **Reducing operational costs.**

2.1 Possibilities & Application

One finding in ***04 Digital Readiness Assessment.pdf*** is that, of the 28 CHOs responding to the CHIA NSW and CHIA Vic Digital Readiness survey, there was a strong appetite for digital initiatives. This aspect is also considered later in this guide in relation to the pathways CHOs face in approaching digital transformation, however a key focus of this guide is how to address these challenges.

While any digital transformation project will involve an initial outlay, the return on the investment can usually be seen relatively quickly. The tables below set out areas where CHOs could assess in determining where digital transformation could be deployed. Refer also to ***03 Assessing IT Improvements.pdf*** for further details on the types of improvements that CHOs could make

2.1.1 Customer Experience

Transform by:	Benefits
1. Digitising forms and making them intuitive using rule-based software	Makes it easy for a person to submit service requests, applications or enquiries Paper forms can get lost, damaged or filed incorrectly causing frustration to the person who submitted the form and then the staff member who incurs unnecessary time in trying to find it. Have you ever undertaken any time-based surveys and quantified the costs in terms of unnecessary staff time being wasted on such types of activities?
2. Providing self-service facilities through a portal on a mobile app	Online portals allow customers to self-serve from anywhere, on any device, at any time with the result that accessing services is: • More convenient for everyone • Particularly beneficial to tenants with limited access to transportation • Especially useful for those who cannot call or visit during normal working hours.
3. Providing a digital workflow engine integrated as standard within the self-service app	This allows people to immediately know the status of their request, which saves them time as well as time savings your staff as it will alleviate the need to keep contacting you to find out what is happening. Think parcel tracking for community housing – what will make life easier?
4. Automating emails	Automation of acknowledgements will enable people to know when their response has been received. Provide people with an automated case number so they can quote it when following up on their service request or enquiry
5. Online payments	As CHOs diversify into other forms of housing, the facility for residents to easily make online payments is now an imperative, irrespective of the device being used. Again, digital can improve the customer experience by supporting how people can do things better and easier.
6. Contractor / supplier portals	Your contractors and suppliers are equally customers. Implementing supplier portals will make it easier for your suppliers to submit invoices to you

Transform by:	Benefits
7. Back-office workflow automation	Similar to a digital workflow engine for self-service users, workflow can automate receipt of invoices to selected staff for processing. Workflow can also be used to automatically notify staff of tasks they need to do which saves them from needing to remember what they should do. Such notifications do not need to be generated and processed using emails as this would only clog up a user's inbox. Instead, notifications can be displayed on a task list within the main body of the housing system on the relevant screen in relation to the relevant business function.
8. Chatbots	Chatbots and virtual assistants offer benefits in supporting self-service and automation. They can be programmed to swiftly answer your residents' frequently asked questions (FAQs), allowing your customer support teams to focus on topics that matter the most. They can also lead to faster response times and be offered automatically in different languages. A large housing association in the UK managing 18,500 homes (Believe Housing) deployed a chatbot[1], which, over the course of October 2020-2021 answered 11,186 non-urgent and repeat questions, exceeding its predicted usage target. This translated to £43,625 in cost savings based on an average cost of £3.90 based on research undertaken by Gartner across the UK on the average cost per contact (call or email) through a traditional call centre Other examples on use of chatbots are provided in ***09 Case Studies.pdf.*** Of course, speaking with a human will always be an essential option, however, as case studies show, use of virtual assistants and chatbots do reduce the number of calls being made. Benefits are: • Access 24/7 across a variety of channels • Language selection and display make it easier for communication • Provides an additional method of digitisation and automation
9. Customer relationship management	Assess the capabilities of your current core system for tenancy management. Some suppliers offer comprehensive customer relationship management functionality, which is essential for managing all forms of contacts with tenants, household members, residents, applicants, suppliers, support agencies. Benefits to be gained are: • A single 360-degree view of each person held in the system. • Overall increased knowledge of all people you provide services to. • Information on communication preferences. • Better understanding of needs and concerns, gleaned from the data you can hold. • Consulting with people, recording and analysing results.

[1] https://futr.ai/housing - Guide to Chatbots in Social Housing

2.1.2 Operations

Transform by:	Benefits
1. Implementing mobile working	Supports access to and uploading of tenancy and maintenance information whilst working remotely on-site, thereby generating: • Time savings in having the data accessible when on-site and then not needing to update the main system when returning to the office • Better facilities for staff to make their job easier • Enables staff to be more efficient and provide a better service by having information easily available at hand.
2. Workflow / automation	Many small things can cause frustration at work – duplication of tasks, delays in getting management sign-off, inconsistent processes, incomplete data, clunky processes. As noted above, in relation to customer service, use of workflow can drastically reduce the amount of manual work needed by staff in: • Knowing when to remember when things need to be done • Following through with other members of staff • Responding to enquiries • Knowing what to do in relation to specific tasks • Generating letters or communications in response to enquiries In turn, this requires considered assessment of how you should change your current business processes to take advantage of workflow software. This of course takes time however it should form part of your continuous review of operations. Creating a digital platform where workflows are automated, processes are streamlined, and information is easily accessible will improve employee experience. Fewer frustrations will arise and with it, a more satisfied team. The cost benefits of streamlining processes through use of automation and workflow should not be under-estimated. Combined with use of mobile technology, have you quantified what the cost would be if you freed up say 10% of staff time through use of such technology? What would that be worth?
3. Implementing collaborative working practices across teams	In conjunction with the transformation of how tenants can interact with you, improving the customer experience, consider how workflow can be used as an in-house communication channel such that staff are aware when things happen. This then enables you to assess how collaboration can be achieved across customer service teams and reduce the extent of silo-based operations.
4. Data collection and storage	As noted above, digitising forms reduces the risk of paper forms and documents being lost. Similarly, if a form is digitised and submitted online or via email etc, it can be securely held and easily accessed.

Transform by:	Benefits
	Data can be collected much faster and uploaded to the relevant databases or document management repository. This therefore means no lost files or wrongly entered data and no paper forms left lying around. Again, have you ever quantified the time spent by staff in manually filing documents. Data security is also improved, and compliance becomes more manageable.
5. Document management and automation	In some older legacy systems, it can be quite a time-consuming process to compile a letter. Digitising your documents, managing the way in which they are stored and automating responses offer significant benefits in: • Easier customisation of letters, and population with information already held in the system • Automatically storing a document that is generated within the system against the originating record • Allowing capture of appropriate meta-data for each item (e.g., template reference and subject / title) • Supporting all forms of documents, including photographs • Supporting a range of communication channels (letters, emails, text SMS messages, records of phone calls). Note that SMS may well be seen as an archaic form of communication in the not-too-distant future, as a self-service portal style app on a smartphone is by far a cheaper option of messaging. • Allowing importation and assignment of documents generated outside the system to the appropriate record(s) • Allowing search by relevant parameters (e.g., date, title, person, subject, template, priority, classification) • Easily cloning communications and templates, by changing some of the data fields or text and renaming the template. This can reduce the time and effort required by users where minimal changes are required to an existing communication template. The simple act of replacing paper forms with digital forms can make a huge difference. No more time spent printing out or mailing forms or letters – they can be sent instantly. If the tenant is using a self-service app, the document can be accessed from there (with appropriate security mechanisms in place).
6. Self-service	Customers can self-serve rather than having to speak to a member of staff, getting the answer they are seeking in most cases. This therefore enables the CHO to free up staff resources so more time can be spent with people in need. With digital workflow, data automatically feeds through to all relevant databases rather than being manually uploaded to each, again saving time and cost.

2.1.3 Technology

Transform by:	Benefits
1. Cloud technology	Covid-19 highlighted a major benefit of cloud computing in being able to work remotely, access files and data as well as engaging with staff and tenants, thus proving how business continuity can be made maintained in the face of extenuating circumstances. Cloud computing is defined as *a delivery model for enabling convenient, on-demand network access to a shared pool of computing resources in which various servers, applications, data, and other resources are integrated and provided as a service over the Internet that can be rapidly accessed with minimal management effort or service provider interaction*.[2] Reference is made above to contractor / supplier and self-service portals above. Cloud computing offers advantages and benefits in terms of ease of access to information and in processing transactions, enquiries and service requests. Reference is also made above to mobile computing. Cloud computing offers mobile access to corporate data, irrespective of the device being used to access it. Furthermore, document retrieval, uploading and downloading are straight-forward using cloud tools and applications. Having a cloud infrastructure can also result in reduced IT management costs. Instead of procuring expensive equipment for your organisation, costs can be potentially reduced by using the resources of your cloud computing service provider. Care should of course be taken in evaluating proposals as the supplier will charge for the costs in providing the service, however, cloud offers the potential to reduce operating costs through: • Cost of system upgrades, hardware and software being included in the service contract • Fewer time delays • Energy consumption costs could possibly be reduced. Cloud computing is a greener technology than traditional IT solutions. By moving to the cloud, businesses can potentially reduce their energy consumption and carbon footprint significantly.[3] • Obviating the need for dedicated IT systems management staff • Access to automatic updates of the software applications being used Having data stored in the cloud ensures it is backed up and protected in a secure environment, with the supplier needing to ensure it meets data security standards.
2. Data analytics	Analysing customer services, patterns, usage and service take up are key to knowing how successful your transformation initiatives are.

[2] https://nvlpubs.nist.gov/nistpubs/legacy/sp/nistspecialpublication800-145.pdf
[3] https://www.cyber.gov.au/acsc/view-all-content/publications/cloud-computing-security-considerations

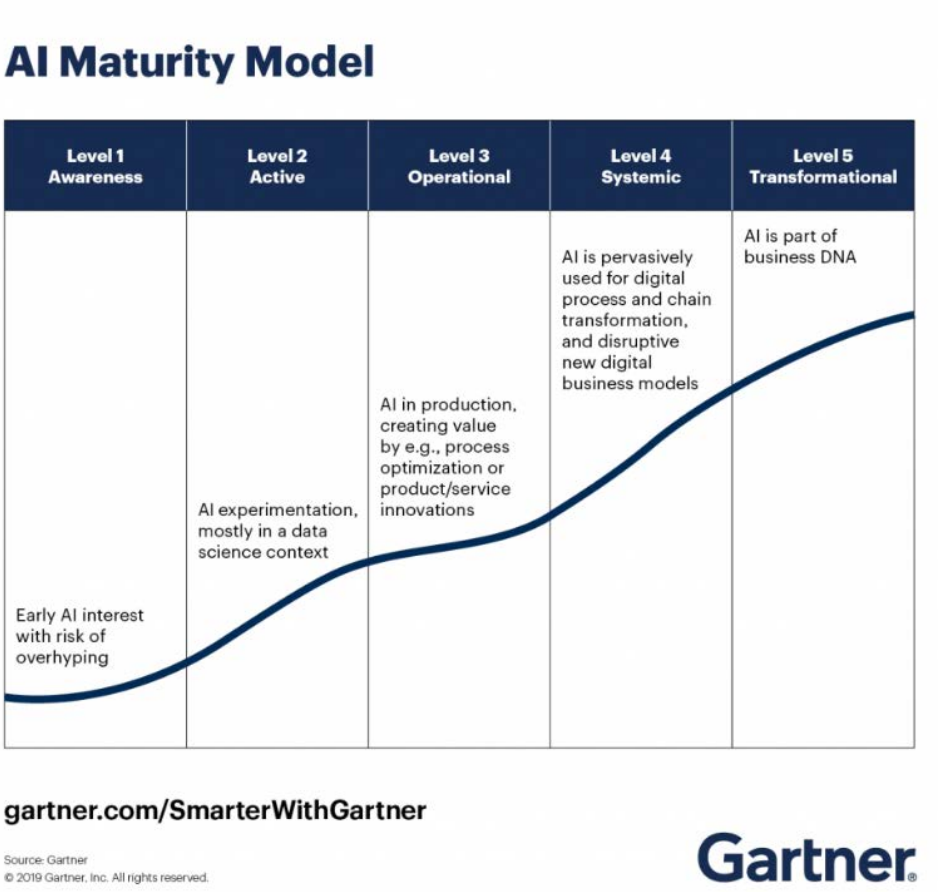
Transform by:	Benefits
	To use this knowledge, your systems must firstly have the capability of holding the data needed to fully support service delivery operations. This is more than just holding core data on tenancies, people and households. It is about knowing more on tenant preferences such as contact method, preferred language and holding information on consultation exercises and outcomes. The more data that is held means: a. It needs to be maintained and reviewed properly. b. A data management strategy should be in place. c. Mechanisms need to be provided in the core systems to ensure it is entered correctly i.e., from using lists of values where ever possible. d. Proven reporting tools need to be used in being able to extract it and analyse it. The use of the term 'big data' is increasingly being used and typically refers to the: a. Large volumes of data in many environments b. Wide variety of data types c. Velocity at which much of the data is generated, collected and processed[4] Such types of data are increasingly being used by organisations to improve operations, gain greater insights in to customer behaviours and provide better customer services. In essence, there are three key aspects to determine: a. What data to collect and measure. b. How to measure it. c. What it all means and how to use it. As some of the main suppliers to the housing sectors are offering more sophisticated systems, the potential to hold more information is increasing and becoming ever more flexible. CHOs therefore need to consider what information they can hold on service needs and expectations and use that data effectively to deliver and monitor the progress of initiatives. Once you are on your way in implementing your digital roadmap (as set out in this document), every aspect on a tenant or applicant's journey should be captured i.e., every session accessed across web and mobile apps, on every device by every user. Only by recording and then accessing reliable data, can you determine the value of your digital initiatives. Once extracted, it is then important to display the results effectively using reporting tools that are up to the job. The benefits of capturing data and having the means to report on it are: a. Ensuring data-driven decisions can be made. b. Better visibility on operational initiatives.

[4] https://www.techtarget.com/searchdatamanagement/definition/big-data

Transform by:	Benefits
	c. Glean valuable insights on customer behaviour – what do they like; what puts them off; what do they feel etc? d. Deepen customer engagement. One of the key challenges however is integration between systems, especially if you are using an array of systems and apps. If integrated well, and with a good reporting tool at your disposal, you can gain a comprehensive understanding of your customer's experience across various channels.
3. Internet of Things (IoT)	IoT is becoming increasingly commonplace across an array of industries and the technology provides significant opportunities for CHOs over the next 5 – 10 years. IoT is defined as "*the interconnection via the Internet of computing devices embedded in everyday objects, enabling them to send and receive data.*" IoT devices share the sensor data they collect by connecting to an IoT gateway or other device where data is either sent to the cloud to be analysed or analysed locally. Some housing organisations are already approaching this area in other countries. Refer to ***09 Case Studies.pdf*** and ***03 Assessing* IT *Improvements.pdf*** for further details. Benefits can be gained across various operational areas such as: • Asset management – sensors installed to monitor asset performance to prompt when replacements and maintenance are due • Care services – devices to monitor health and wellbeing of elderly people
4. Mobile	As noted above, providing mobile technology solutions offers tremendous benefits for: • Staff being able to work remotely and on-site in tenants' homes, viewing and inputting data directly with online updating direct to the database without needing to write notes and then enter information to the main system upon return to the office. • Tenants, applicants, carers and support agencies in being able to use an app on a mobile device to view information relating to rents; repairs; applications; cases; circumstances etc as part of self-service
5. Artificial intelligence (AI)	AI is evolving across many industries and housing should not be immune. Gartner defines AI as *applying advanced analysis and logic-based techniques, including machine learning, to interpret events, support and automate decisions, and take action.*[5] In setting out a maturity model for deployment of AI, Gartner outlines how AI is used to enhance existing applications and processes. For example, it might automate decisions or classify complex data. Both of these examples would traditionally require human intervention and, consequently, increased costs, however AI enables the enterprise to accelerate the process.

[5] https://www.gartner.com/smarterwithgartner/the-cios-guide-to-artificial-intelligence

Transform by:	Benefits



AI is already used widely in the real estate industry in several stages of the buying, selling, and mortgage processes. Real estate companies are using AI products to assist buyers in finding the right mortgage and the perfect house with a range of algorithms to model requirements, appraisals and valuations.

In social housing, from a self-service perspective, AI can be used in conjunction with chatbots and virtual assistants as discussed above in automating answers to questions.

One housing association in the UK (Housing Solutions) has adopted an AI manager 'skill' for Amazon's Alexa so that residents can access its portal using voice commands on their Alexa device.[6]

AI can also be used pro-actively to e.g.,

- Predict rent arrears
- Suggest optimal payment plans for long-term arrears cases that have the best likelihood of being kept to, whilst eliminating benign short-term cases.
- Generate recommendations for sustaining tenancies
- Gleaning information on trends on tenant behaviours

[6] https://www.housing-technology.com/wp-content/uploads/HTG-AI-Machine-Learning-Guide_2021.pdf?inf_contact_key=2825424d3ac8423b5f295a5859edbbf316358d5485884e2f31e6019a0d26c8b0

Transform by:	Benefits
	• Asset performance (combined with IoT) The potential benefits are: • Reducing caseloads • Pro-active and predictive analytics can target action before situations worsen • Free up staff time • Increase efficiency • Save costs

2.1.4 Strategy

Transform by:	Benefits
Partnering with third parties	Partnerships with third party organisations can be explored and deployed to assist tenants in accessing the internet. Benefits to be gained potentially are: • Tenants have better access to the internet through provision of equipment, devices etc and possibly discounted telecommunication services subject to the nature of any partnering arrangement that can be secured • Training can be provided by partnering agencies or support groups
Pro-active consultation and results analysis	Consulting with tenants on what they use in accessing the internet and the proportion doing so will enable you to know the extent in use across your portfolio. Combined with your persona journey mapping sessions, this will also show commitment to listening and identifying resident views on their needs and future service delivery through use of technology.

2.1.5 Business Case Models: Self-Service & Automation

In terms of customer experience and operations, with regard to self-service and automation, think about the volume of calls you receive and respond to as well the volume of emails you receive and respond to. Then think about the average time to fully deal with each of these calls.

Based on your staffing overheads based on the time spent, you can derive an estimated cost for each activity and then calculate an overall cost, monthly and annually.

In addition, think about the number of calls / emails and time you spend on:

1. What may be deemed as avoidable enquiries and their causes for each month e.g., unnecessary clarification, misunderstood letters, uncertainty of due dates, repeat contact
2. Calls made in progress chasing

Compile a matrix such as the example below and in Excel, calculate the potential costs.

Compare this to the costs in procuring a self-service app over x years.

Activity	Call Volume Monthly	Email Volume Monthly	Average Time to Process / Resolve	Cost	Overall Monthly Cost	Overall Annual Cost
Tenancy & Rents	-	-	0:00	$	$	$
1. Contact re arrears	-	-	0:00	$	$	$
2. Change of contact details	-	-	0:00	$	$	$
3. Change of household member (add or remove)	-	-	0:00	$	$	$
4. Change of income	-	-	0:00	$	$	$
5. Authorise Centrelink consents	-	-	0:00	$	$	$
Requests	-	-	0:00	$	$	$
1. Repair	-	-	0:00	$	$	$
2. Complete a survey on quality of a repair	-	-	0:00	$	$	$
3. Meeting/talk to Housing Manager	-	-	0:00	$	$	$
4. Transfer to another property	-	-	0:00	$	$	$
5. Property alteration or modification	-	-	0:00	$	$	$
6. Arrange a payment plan	-	-	0:00	$	$	$
7. General complaint	-	-	0:00	$	$	$
8. Anti-social behaviour complaint	-	-	0:00	$	$	$
9. Complete annual or ad-hoc surveys	-	-	0:00	$	$	$
10. Make a payment	-	-	0:00	$	$	$
Total	-	-		$	$	$

Avoidable Enquiries	Tenancy & Rents	Repairs
No. calls (unnecessary clarification, misunderstood letter, repeat contact)	-	-
No. calls received progress chasing	-	-

Avoidable Enquiries	Tenancy & Rents	Repairs
% Avoidable Calls		
No. calls (unnecessary clarification, misunderstood letter, repeat contact)	Calculated	Calculated
No. calls received progress chasing	Calculated	Calculated

Include the research and estimates as part of your business strategy.

2.2 Planning

Achieving these benefits requires careful thought and thorough planning. In view of the potential scope for implementing digital transformation in a CHO, it is therefore important that a digital strategy is prepared separately to the IS / IT strategy, however, it will need to make references where appropriate to specific initiatives set out in the overall IS / IT strategy.

Careful consideration therefore needs to be given as to the scope and the overall objectives which should be realistic and achievable.

The document ***01 Developing an IS/IT Strategy.pdf*** sets out that the SMART method should be used in defining objectives for each IS / IT initiative and prioritising projects which need to be aligned with business goals.

The same approach can be used for defining digital objectives however it is important to distinguish the differences between the objectives of an IS / IT Strategy and a Digital Strategy:

IS / IT Strategy	Digital Strategy
1. Identifies how to change, fix or improve the CHO's technology platform and systems infrastructure aligned to its business plan, goals and drivers. 2. Identifies a range of initiatives aligned to the business drivers and sets out priorities for implementation	1. Sets out ways to transform the CHO by identifying the: a. Technologies to embrace b. Processes to automate c. New ways of working in delivering customer services d. Improvements needed to customer experience, operations and organisational culture e. Methods to build business resilience. 2. Incorporates collaboration across the organisation. 3. Assesses the digital tools and solutions needed to support an improved customer experience.

IS / IT Strategy	Digital Strategy
	4. Determine and prioritise the digital assets, tools and initiatives that are required to deliver the transformation framework.

It is a sobering fact that many digital transformations fail. Various studies compiled by academics, consultants, and analysts over the past few years indicate that the rate of digital transformations failing to meet their original objectives ranges from 70% to 95%, with an average at 87.5%.[7] The reasons for this therefore need to be understood.

1. Are objectives unrealistic?
2. Are organisations being too ambitious?
3. Are organisations taking on too much?
4. How will the change be managed; can it be successfully managed
5. How will projects be implemented?
6. Have digital risks been properly identified, managed and mitigated?

Some of these surveys indicate that some organisations do not set any objectives at all.

In January 2022, the Harvard Business Review Analytic Services[8] (HBR) conducted its fourth annual digital transformation survey, which included 727 executives from around the world in various industry sectors (including government and not-for-profit organisations).

According to the January 2022 study, embracing failure has become a common theme with digital transformation, but few have put it into practice. The study points out that organisations achieving success in their digital transformation projects allow for mistakes, they encourage transparency, and they support open communication.

Many new initiatives quietly fail due to a lack of focus or by questions later surfacing on their relevance (which would seem to imply potential lack of thorough planning).

HBR also identified that cultural acceptance of digital transformation is the largest obstacle facing most organisations, however as was identified in the CHIA NSW and CHIA Vic Digital Readiness survey, many CHOs stated their staff would embrace digital change. Drivers of this hesitancy in the HBR study include:

- Constantly changing goals
- A lack of aligned key performance indicators
- An absence of clarity surrounding a defined vision for transformation efforts.

Other factors why digital transformation projects fail are due to:

1. Overly ambitious and unrealistic timeframes and expectations

Not enough businesses focus on the transformation part of digital transformation, and the transformation part has always been about people. This has been the blind spot for so many digital transformation efforts—it's what a lot of companies are missing,"

Charlene Li
Chief Research Officer
PA Consulting[1]

[7] https://hbr.org/2022/09/3-stages-of-a-successful-digital-transformation
[8] Harvard Business Review, (2022) January, *Digital Transformation Refocused: New Goals Require New Strategies*

2. Poor execution and governance
3. Ability to manage change, leading and managing the transition between the old and the new

Combined with this, there is the fear of failure to consider. The HBR survey has identified that an attitude of embracing failure, and being ready to make mistakes is paradoxically a key factor in achieving success in digital transformation projects. CHOs with limited resources will likely feel that if they invest money in a large technology project and it fails, it will be very wasteful and their reputation will be damaged. There is also the added fear of potentially taking the lead with technology changing so fast, which was also a finding of the CHIA digital readiness survey for 47% of those responding.

Contrasting this, the study also summarises that for those organisations which achieve success in their digital transformation strategies, they are able to:

1. Provide extra scope to their teams to improve customer experience through the collection and analysis of data.
2. Establish a newfound creativity in delivering innovative business models
3. Leverage an expanded data collection for a customer-focused experience, allowing them to shift to the next phase of outward-facing digital transformation focusing on insights and automation.

McKinsey's market research also verifies such findings. It asserts that most organisations achieve less than one-third of the impact they expected from recent digital investments and success with digital transformations has always been hard to achieve.[9] In its 2022 global survey, McKinsey examined what the top performing companies are doing differently from the rest, and identified the following three factors[10] which have emerged as being critical to capturing value from digital transformation:

1. The use of digital technology to achieve strategic differentiation on customer engagement and innovation rather than cost efficiencies.
2. The development of proprietary assets, such as artificial intelligence, data and software, rather than a reliance on off-the-shelf tools.
3. A focus on attracting staff with strong digital awareness and better overall integration of skills across the organisation.

Echoing these findings, in a survey of 1,500 Australian small to medium enterprises (SMEs) undertaken by MYOB in June 2022, 59% say they are currently experiencing bad digitisation[11] - where their business and people management software apps and tools run in silos, rather than seamlessly integrating with each other. More than a quarter (27%) of the Australian SMEs surveyed have experienced costs blowing out because of disconnected digital tools, and across Australian businesses approximately $1.4bn is being wasted each year on unused digital tools. The research revealed SMEs are currently wasting the equivalent of one working day each week (7 hours) on average carrying out tasks caused by a lack of integration between their digital tools, while 9 in 10 (91%) businesses are wasting valuable time on manual tasks or having to duplicate jobs, such as entering information from one system to another (53%), checking for consistency across the platforms (39%), and editing or fixing errors after information is transferred between systems (21%).

[9] Five moves to make during a digital transformation," McKinsey, April 24, 2019
[10] Three new mandates for capturing digital transformation's full value, McKinsey, June 17, 2022
[11] https://itbrief.com.au/story/aussie-small-business-losing-money-on-bad-digitisation

Noting that the McKinsey survey covers large commercial companies, many of which operate globally, both the HBR and McKinsey survey results contain clear pointers on what CHOs should avoid when defining their digital objectives and when implementing their digital transformation strategies. The MYOB survey also indicates a need to undertake clear planning.

Clearly defining your business transformation objectives after careful and diligent planning is key to successfully implementing a digital strategy.

The same approach is no different to the community housing sector. These principles also apply to the community housing sector.

Furthermore, it is important not to be overly ambitious in what you are aiming to achieve.

Taking into account the rate of digital transformation failures, it is important to learn how to walk before you run.

3. CHO Pathways to Digital Transformation

When assessing the digital planning processes for CHOs, it must be stressed that one size or approach does not fit all.

There is a myriad of pathways and potential barriers to digital transformation that CHOs face and which limit the extent to which digital objectives can be realistically achieved.

Opportunities and scope for digital transformation across the community housing sector will be affected by some or all of the following constraints, subject to their size, resources and where they are operating:

Potential Constraint	Factor
1. Overall capabilities	The breadth of digital transformation can potentially be quite extensive. With competing demands to meet CHO business objectives as well as staff limitations, particularly for smaller CHOs, such situations pose considerable implications as to practicalities of first defining and then implementation a digital transformation programme.
2. Human resources	Smaller CHOs are much less likely to have the luxury of being able to employ in-house IT personnel and therefore needing to rely on external assistance, which clearly comes at a cost. With general difficulties in IT related recruitment and retention, combined with the overall skills shortage in IT across Australia, this may well equally apply to rural-based CHOs. Likewise, in general terms, smaller sized CHOs will likely have limited capability to second staff to digital projects nor are they likely to have a sizeable blend of staff with digital skills.
3. Location	Needs will differ for metropolitan CHOs compared to those operating in rural locations. For regionally-based CHOs, tenant access to reliable internet facilities will more than likely vary compared to those operating in metropolitan areas.

Potential Constraint	Factor
	a. It is noted that in its budget on 25 October 2022, the federal government included provision for faster internet to mainly regional areas across Australia with the expansion of full-fibre access to 1.5 million homes by 2025. People who have copper connections will have the choice of having a full-fibre connection instead, which will deliver faster internet speeds, with regional Australia one of the first beneficiaries. b. The high-speed network was meant to resolve the digital divide in Australia, but two years on from its completion there remains a stark difference between the haves and have-nots; those who have a decent internet service and those still waiting or suffering from poor speeds and reliability on their NBN service.[12] c. The Australia Digital Inclusion Index 2021 report states that the divide between metropolitan and regional areas is marked. In 2021, metropolitan areas recorded an average Index score of 72.9 (1.8 points higher than the national score). Regional areas, however, recorded an Index score of 67.4. This is 3.6 points less than the national score, and 5.5 points less than metropolitan Australia. There is some indication this metro-regional gap may be narrowing, with Index scores in regional areas increasing at a higher rate (from 62.3 in 2020 to 67.4 in 2021) than those recorded for their metropolitan counterparts (from 70.1 to 72.9).[13] d. Whilst this situation may well change in time, combined with this is also the rate of digital take-up in rural areas, and common factors such as the: • Cost of connection • Cost of equipment • Fear of technology / lack of confidence e. Clearly this will have an impact on the scope of digital objectives that can be realistically implemented, particularly by regional CHOs.
4. Current systems and platforms	Use of older legacy systems will likely limit the potential, scope and timeframes for when digital transformation initiatives can be planned and implemented e.g., • Capability to implement greater automation may be constrained by lack of functionality in the legacy system. • Supplier has no immediate plans to provide self-service apps or mobile functionality in their core product, such that the CHO has no option but to evaluate alternative providers, which in terms of timescales, would adversely impact the timing and achievement of any related digital objective.

[12] https://www.theguardian.com/technology/2022/may/08/they-will-do-nothing-to-fix-it-why-the-nbn-still-matters-to-many-voters; https://www.computerweekly.com/news/252526532/Australia-budget-close-in-on-digital-divide-cyber-resilience?utm_campaign=20221107_Australia+budget+closes+in+on+digital+divide%2C+cyber+resilience&utm_medium=EM&utm_source=MDN&source_ad_id=252526532&asrc=EM_MDN_251338146&bt_ee=0wcrbdVjwem+QFxP5f%2FtlzXWt1UUvF3rAHZa8xTynm%2FmcObbmIEsBEJjnnr26%2Fbd&bt_ts=1667863921737

[13] https://www.digitalinclusionindex.org.au/digital-inclusion-the-australian-context-in-2021/

Potential Constraint	Factor
	• Legacy systems are often costly to maintain and update, and in some cases, may prove challenging to integrate with more modern elements of your systems and technology infrastructure. • Older legacy applications used in the housing sector also pose restricting implications in terms of reporting. In essence, if the data is held in the system, then it should be possible to report it. If, however the system does not provide the capability to record the required information in the first place, clearly you are limited in what you can know about your operations. • Current platforms may also be prone to not being joined up and pose limitations to data interaction. The most common barrier to better/seamless integration between business applications is dealing with the myriad of legacy systems ill-suited to either communicating with their more modern counterparts or supporting a web services-based approach to technology and data. • The problems posed by legacy systems is further compounded by the costs of establishing integration (vs. in-house expertise, to a lesser and related extent), the potential lack of open interfaces (APIs) from some of the main housing suppliers (which also can be viewed as supplier lock-in) and difficulties of custom development. If current systems are creating obstacles to moving forward, it is therefore time to re-evaluate them and what they offer. This will obviously incur time and cost to do this, which, in turn, from a budgetary perspective is likely to defer any work on digital transformation until system weaknesses can be addressed. The document ***01 Developing an IS/IT Strategy.pdf*** provides a stepped-out process for CHOs on how to develop information technology and information systems strategy, assessing system gaps and weaknesses.
5. Data management / quality	Reliance on older legacy systems is likely also to have an adverse impact on the extent of analysis that can be undertaken. Again, this is likely to affect smaller CHOs however, weaknesses in data management and quality can of course affect all organisations. Inaccurate data will make it difficult to make informed decisions and implement change. The CHIA NSW and CHIA Vic Digital Readiness Survey identified that in terms of data management, whilst it was encouraging to see that nearly half of the respondents undertook regular reviews of their data, over half do not or were not prepared to state a view. It was also notable that whilst only 11% do not treat their data as an asset, a quarter of the respondents did not express a view. Only one-third of respondents have defined a data management strategy with nearly a further third not being able to state a view. It is therefore imperative that CHOs should take a pro-active approach in managing their data. Without due care taken, the amount of effort to address evolving and compounding issues may well take significant resources and time to resolve. Again,

Potential Constraint	Factor
	this will of course require time and resources to undertake, but a key question is whether you can afford NOT to do this.
6. Working practices	Lack of collaboration across service delivery is one of the main obstacles to digital transformation. Of the 28 CHOs responding to the CHIA Digital Readiness Survey, 61% have an operational structure based on departmental silos (topic 36), however from topic 38 it appears that nearly all are in the process of or have implemented collaborative approaches to service delivery. Case studies show that most digital transformations fall short because teams are not empowered to partner together as one and are not set up in a way that promotes pure collaboration across functions. Such studies also show that show that organisations which have a collaborative approach and structure to customer services have greatly improved the experience they provide to their customers. In so doing, such organisations have been better placed to reap the benefits from the introduction of digital technology initiatives, which in turn have contributed to the establishment of an integrated seamless customer experience. It is distinctly likely that a fair number of CHOs operate against the traditional methods of service delivery e.g., tenancy managers undertaking tenancy management functions; property managers undertaking asset management functions and so on rather than generic customer service staff who deal across all functions. Clearly CHO size and scope of its operations play a part in why this is or would be the case.
7. Budget capabilities	Digital transformation inevitably entails investment in both new technology and people, with either staff being seconded from their current roles; new staff being appointed or with external resources being hired. In later sections, this document sets out how estimated costs need to be determined for each project as part of the process of aligning a digital objective to the organisation's business strategy. Digital transformation projects ***can*** be quite expensive subject to their scope and require significant internal and external resources, all at a cost. Clearly the likely cost of some projects may well deter or prevent some CHOs from effectively pursuing their objectives or at best delaying what they can do with the financial resources at their disposal.
8. Lack of understanding	Just under two-fifths of respondents indicated that they fully understand the value of digital initiatives (topic 41), however, with another two-fifths of respondents not understanding its value or not being able to state a view and with the remainder not being able to state a view, this would imply that many would benefit from much greater guidance and material. It is possible that some CHOs know they have a problem that could be addressed with some form of digital transformation, but do not know how to solve it.

Potential Constraint	Factor
	As this document shows, digital transformation can mean many things and be interpreted in different ways, which may add to the varying degrees of understanding.
9. Lack of resident buy-in	The Digital Readiness Survey revealed that nearly 40% of the CHOs responding have consulted their tenants on potential interest / take-up of digital channels and current access to facilities (topic 86). Just over one-third (36%) have consulted tenants on potential interest in take up of digital channels (topic 14). Awareness and understanding of how tenants use the Internet is clearly growing although with over half of respondents in disagreement or not being able to state a view, this would indicate more work is needed in this area. Nearly half of the respondents stated they are not exploring or have not explored potential partnerships with other organisations to assist tenants in accessing the Internet.
10. People / digital skills	Having staff with the right skills and mindsets is a fundamental aspect of digital transformation. Not only that, problem-solving is just as important. Recruiting suitable staff with digital skills and knowledge may present some challenges for smaller-sized and / or rural based CHOs. The digital readiness showed that only one-third of respondents believe they have staff with strong digital skill sets (topic 34). Measures may need to be taken to upskill staff. For CHOs which have completed major system implementations, they will know that one of the most difficult things to do is to get staff used to working with new technology and any new processes that have been introduced. Digital transformation will bring change to how your CHO will operate and deliver services. Staff therefore will need to follow a new approach in working. This will require training as well as following or implementing a change management programme as discussed further in the point below.
11. Change management	The scope of the digital change can be a significant barrier to overcome particularly for smaller organisations. This document sets approaches to change management below. The CHIA NSW and CHIA Vic Digital Readiness Survey revealed that two-thirds of CHOs responding have established change management practices in place, however 18% do not and a further 21% were unable to state a view (topic 44). Digital transformation will result in some considerable changes to organisations and with any major change, CHOs should have at least established approaches in place (taking into account the use of agile techniques set out below) to support staff through the change process. A common barrier to digital transformation (as indeed with other projects) is a conflict of opinions as to whether to do it and how to do it.
12. Cybersecurity	CHOs need to consider the implications of digital transformation on cybersecurity. Whilst it is not necessarily a barrier to pursuing a digital pathway, it needs to be assessed. Refer also to ***11 Cybersecurity.pdf.***

Irrespective of their size or location, the pathway to digital transformation involves:

Factor	Actions
1. Customers	• Identify touchpoints where issues exist and pain develops. • Identify the improvements needed to address those pain points. • Assess how digital technology can address customer service issues – remember, how do things *better.* • Think about how to create a more compelling customer experience, irrespective of who that customer is. • Think about how to create a seamless integrated customer experience – how can technology and digital apps help. • Identify how to exceed expectations.
2. Operations	• Re-assess how customer services are delivered. • Identify the internal pain points, blockages, obstacles, communication hurdles and service resolution issues. • Assess how collaboration would improve how you do things in better and more efficient ways. • Think about how to transform your operations and what is needed to support this. • Review, re-define and implement new business processes – digitizing existing processes and continuing as before is counter-productive and is not enough. • Assess how digital technology could better help your staff to do what they do. • Digitise business processes as appropriate.
3. Communities	• Assess your current state of digital inclusion. • Consider what you can do either by yourself or by partnering to improve the extent of digital inclusion. • Assess what help you can provide in improving digital skills across the community. • Assess how you can work with other agencies to encourage take up of new service channels. • Consult with tenants on their experience with you (journey mapping). • Consult with tenants on digital initiatives – what would make the customer experience better for them.
4. Staff	• Think about the change management implications to enable your staff to operate more effectively using digital tools and apps. • Promote a digital culture. • Embrace a coach and communicate approach. • Define a communication plan.
5. Technology	• Encourage innovation.

Factor	Actions
	• Assess the development, procurement and implementation of digital tools and apps to support the delivery of services. • Assess how automation can be deployed to better support service delivery operations. • Establish cybersecurity policies, procedures and training for staff if you have not already done so. • Align information system and technology objectives to business goals as set out in ***01 Developing an IS/IT Strategy.pdf.***
6. Data	• Treat data as an asset. • Review the quality of your data and maintain it. • Ensure data accuracy through effective configuration of your current systems.
7. Reporting	• Assess your future reporting needs to monitor how effective your digital initiatives will be. • Ensure your systems can support the level of required reporting.
8. Strategy	• Compile a digital strategy (using the guidance provided in this document) considering all options, challenges and potential solutions aligned to your business goals.
9. Methodology	• Take incremental steps. • Deploy agile ways of working. • Assess where and how to reduce risk.

CHOs must use their own judgement in:

1. Following the steps outlined in this document in defining digital objectives in relation to the factors set out above
2. Determining the rate of progress that they can feasibly make on their digital pathway.

Despite the challenges set out above, it is however abundantly clear that digital is here to stay. It is not going away and will become greater over time as the pace of technology evolves further. Lateral thinking is therefore needed e.g., greater collaboration and sharing of innovation is one aspect to consider. Note that the suite of documents provided in the CHIA NSW and CHIA Vic Digital Transformation guide also examines collaborative approaches to software procurement and some of the software suppliers operating in the sector are open to that approach.

4. Preparation & Pre-requisites

Based on the above, the key to implementing digital transformation successfully is therefore to:

1. Understand what digital transformation is:
    a. Explore possibilities
    b. Acknowledge that it is covers more than technology
2. Clearly define and prioritise your digital objectives:
    a. Know your position.
    b. Understand the constraints and challenges that you will need to address, what you can feasibly do and what you cannot.
    c. Understand your state of digital readiness.
    d. Know where your weaknesses are.
    e. Ensure that your digital objectives are aligned to your business goals.
    f. Always think about the impact on business processes.
3. Understand what your customers and suppliers want from you:
    a. Consult with customers, suppliers and users.
    b. Consult with staff.
    c. Understand the pain points and issues with current journeys.
    d. Identify where you can make improvements through digital transformation initiatives as outlined in section 2 of this document.
    e. Be realistic as to how such improvements can be implemented
    f. Understand what they will cost in terms of procurement and services.
4. Be realistic as to how you plan your projects:
    a. Establish good governance structure.
    b. Be realistic as to what you can achieve with what you have by when.
    c. Be sensible with the resources you have in terms of what can be delivered.
    d. Be clear on project goals and understand why you are doing what you have decided to do.
5. Communicate clearly and manage change effectively:
    a. Clearly communicate the organisation's vision and where digital transformation will add value and why you doing it.
    b. Without collective buy-in from the organisation on the vision of and path to transformation, these efforts will undoubtedly fail.
    c. Assess organisational commitment to cultural change.
6. Ensure you maximise your best use of human resources:

a. Upskill existing staff and commit to regular training.
b. Appoint staff with strong digital skills capable of supporting new digital initiatives.
c. Create a culture of continuous learning.
d. Empower and inspire staff with a bottom-up approach to change.
e. Create environment of where it is acceptable or encouraged to try new things, take risks.
f. As part of your change management activities, offset the fear of any uncertainty amongst staff.

7. Consider and plan the best use of technology:
    a. New technology investment should clear three criteria:
        i. Will it drive a good customer experience?
        ii. Will it enable your CHO to be productive or improve how you are productive?
        iii. Will it deliver a good user experience and if so, how?

This document and the associated ***08 Digital Transformation Planning Toolkit.xlsx*** will guide you through the steps to be taken in defining and implementing digital transformation projects.

5. Defining Digital Objectives

The first step in successfully implementing any digital transformation initiatives is to define your digital objectives which should cover the following steps:

1. Assess your digital readiness to identify current weaknesses. This serves as preparation to identify your target state. This will enable you to:
    a. Review the business context in which you are operating.
    b. Identify current areas of weakness.
    c. Identify how and where your organisation delivers value.
2. Consider large-scale transformative trends which ***could*** have an impact on your organisation
    a. For each trend identified, assess the business drivers which may require your organisation to plan and implement a strategic response.
3. From the customer persona journey mapping exercise, you will have done, you will have identified:
    a. Current customer and staff pain points.
    b. Identify where digital improvements can be implemented.
    c. Categorise initiatives.
4. Assess strategic and digital objectives which will include:
    a. Aligning the objectives identified from the preceding stages above to your overall business goals.
    b. Where appropriate, use the objectives identified from the preceding stages above to inform future planning and preparation of your business strategy.
    c. Technologies to consider to reach your digital transformation strategic objectives.
    d. Initiatives needed to achieve strategic goals.
    e. Preparation of business cases and financial models.
    f. Resource and budgetary implications.
    g. Challenges and constraints which may prevent you from realizing your digital objectives.
    h. Prioritising digital transformation initiatives.

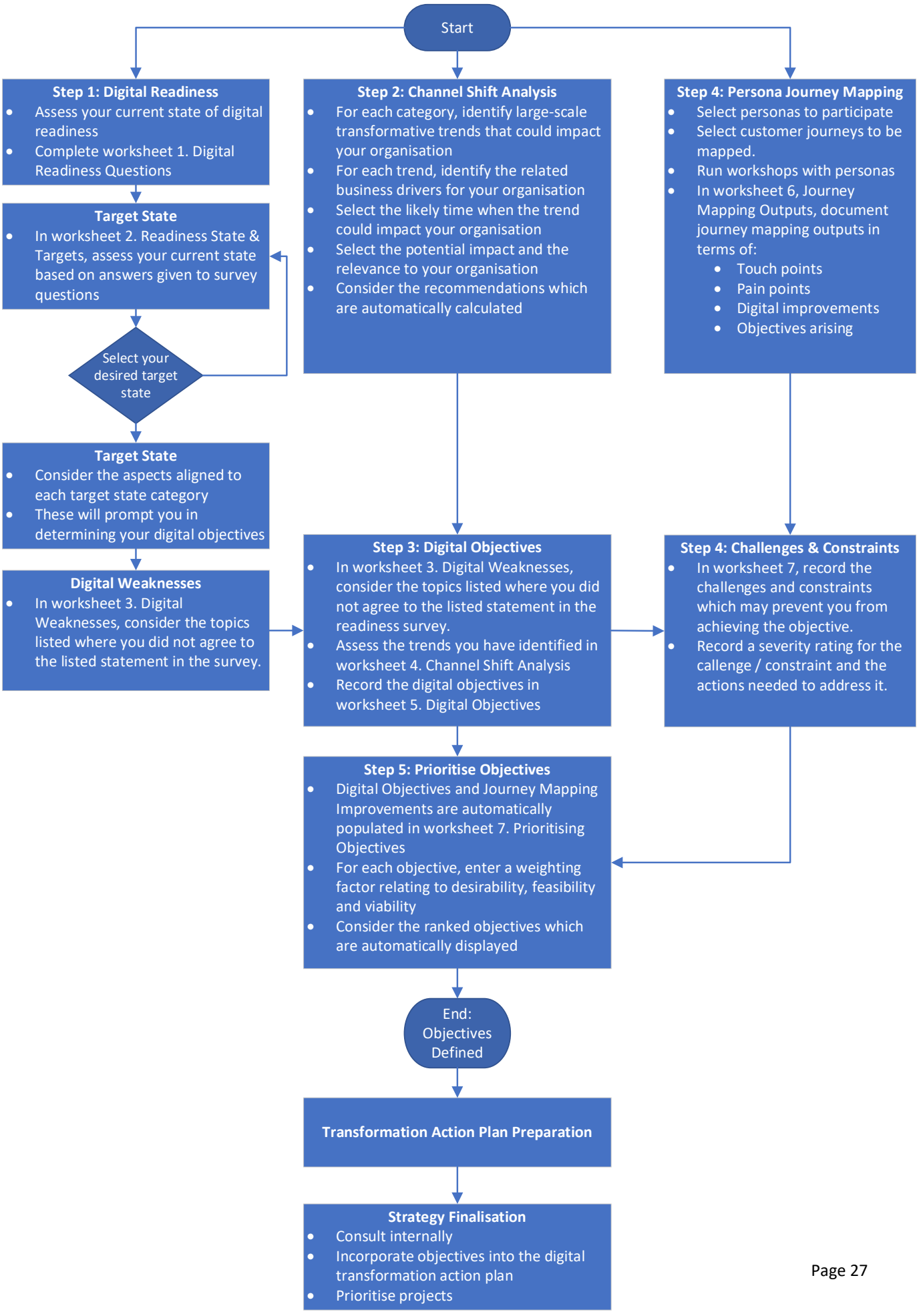
"Too many organisations have been sold on the idea of digital transformation before they even know where they were heading. They think they need to invest in a lot of technology and infrastructure upgrades and pay down a lot of technical debt. That needs to be done, but it's going to be very inefficient if you don't yet know toward what end you are making those investments"

Professor David Rogers
Columbia Business School[6]

Using the ***Digital Transformation Planning Toolkit.xls,*** and based on the above, follow the steps and guidance below in defining and prioritising your digital objectives.

Note that the steps below are aimed at providing a **generic** approach to defining objectives, however the scope of their application will clearly vary based on CHOs' specific situations and circumstances, as indicated in section 3 above.

[6] https://hbr.org/2022/09/3-stages-of-a-successful-digital-transformation


Start
Step 1: Digital Readiness
Assess your current state of digital readiness
Complete worksheet 1. Digital Readiness Questions
Target State
In worksheet 2. Readiness State & Targets, assess your current state based on answers given to survey questions
Select your desired target state
Target State
Consider the aspects aligned to each target state category
These will prompt you in determining your digital objectives
Digital Weaknesses
In worksheet 3. Digital Weaknesses, consider the topics listed where you did not agree to the listed statement in the survey.
Step 2: Channel Shift Analysis
For each category, identify large-scale transformative trends that could impact your organisation
For each trend, identify the related business drivers for your organisation
Select the likely time when the trend could impact your organisation
Select the potential impact and the relevance to your organisation
Consider the recommendations which are automatically calculated
Step 4: Persona Journey Mapping
Select personas to participate
Select customer journeys to be mapped.
Run workshops with personas
In worksheet 6, Journey Mapping Outputs, document journey mapping outputs in terms of:
Touch points
Pain points
Digital improvements
Objectives arising
Step 3: Digital Objectives
In worksheet 3. Digital Weaknesses, consider the topics listed where you did not agree to the listed statement in the readiness survey.
Assess the trends you have identified in worksheet 4. Channel Shift Analysis
Record the digital objectives in worksheet 5. Digital Objectives
Step 4: Challenges & Constraints
In worksheet 7, record the challenges and constraints which may prevent you from achieving the objective.
Record a severity rating for the callenge / constraint and the actions needed to address it.
Step 5: Prioritise Objectives
Digital Objectives and Journey Mapping Improvements are automatically populated in worksheet 7. Prioritising Objectives
For each objective, enter a weighting factor relating to desirability, feasibility and viability
Consider the ranked objectives which are automatically displayed
End: Objectives Defined
Transformation Action Plan Preparation
Strategy Finalisation
Consult internally
Incorporate objectives into the digital transformation action plan
Prioritise projects

Step 1: Digital Readiness

Assessing your state of digital readiness will help you determine where you are today and where you want to be in the future.

Refer to the document ***04 Digital Readiness Assessment.pdf*** which sets out the background and approach on how to determine the state of a CHOs digital readiness as well as the results of a survey completed by 28 CHOs in NSW and Victoria.

This document proposed use of the following bandings and the criteria to be used in assessing digital readiness across five specific topics.

Consider these when determining your target state.

These are summarised below:

	Basic / Minimal	Developing	Established	Leading	Advanced
Customer Experience	• No digital interaction with customers exists or at the very least thinking is at the minimal stage as to how digital technology can be utilised. • A website may exist but this does not support any effective interaction with customers. • Customers largely rely in traditional or accustomed means in contacting CHO staff, e.g., by phone, office visit, at home or by email.	• Increasing awareness of digital channel benefits to customers. • Consideration being given as to how digital channels can be used and how they would benefit or improve the current customer experience.	• Customers have use of a portal or able to submit service requests and enquiries through the CHO's web site. • Pro-active engagement with customers, suppliers and stakeholders is in place across a variety of platforms. • Solid use is made of social media channels to promote services.	• Customers and suppliers are accustomed to using digital channels to interact with the CHO. • Staff are organised in teams around the customer rather than the organisation. • The CHO regularly and pro-actively engages with customers, suppliers and stakeholders to assess the merits and benefits of using digital channels as well as reviewing its overall track record on customer service. • The customer experience across all channels (digital and non-digital) is seamless.	• Feedback from pro-active engagement with customers, suppliers and stakeholders is actively encouraged, with action taken, made public with lessons learnt being continually applied. • Seamless two-way integration is established through digital channels such that customers, suppliers and stakeholders can immediately know the status of a service request, transaction or enquiry.
Operations	• Largely traditional methods in service delivery • Business functions and units typically operate in silos rather than collaboratively • No or limited experimentation or questioning of current methods of service delivery and better ways of engaging with customers • Staff may use smartphones and tablets but do not have any real or value-added access to digital tools or software to operate effectively in the field when dealing with customers	• Increasing awareness of digital channel benefits to customers • Moving towards defining digital capabilities and identifying scope • Consideration being given or explored to leveraging digital channels which are or will be impacting on service delivery channels are managed • Collaborative practices emerging with breakdown of internal silos	• An organisational-wide collaborative approach to service delivery is in place • Business processes have been reviewed and amended to support collaborative ways of working • Fully integrated systems are in place which minimise the extent of manual intervention needed to communicate internally and undertake specific operational tasks • Staff are recognising the value of working collaboratively	• Service delivery collaboration across the CHO is well-established and supported by integrated systems and digital tools • A strong customer focussed culture has been adopted and is continually reviewed • All digital policies and procedures have been identified and developed • All digital resources and staff training are focussed on meeting the needs of customers and continually improving the customer experience	• All digital policies, procedures and digital activities are core to service delivery and business operations • Non-digital services and processes are or have been re-engineered, joined up and re-born as digital • New management practices and organisational structures have emerged or are emerging to align with digital approaches to service delivery across the CHO
Organisation, Culture, Governance, Risk & Security	• Limited appetite in the organisation for implementing digital service initiatives • Resistance to change apparent • Limited skill sets in the organisation to effectively embrace digital technology • Limited buy-in from senior management for digital solutions • Digital proposition not fully understood • Limited understanding or application of information management and data security	• Value proposition of digital beginning to be recognised by management • Some cross-organisational awareness of digital opportunities • Commitment to risk aversion which may be affecting or inhibiting change • Understanding of data security • Growing awareness amongst some staff of how digital applications and tools could be of benefit • Social media channels being monitored / assessed but still viewed as a risk rather than an opportunity	• Roles and responsibilities for delivering the digital strategy are clear and understood • Benefits of digital channels are well-defined and understood • Staff understand the benefits and opportunities through use of digital applications and channels • Data security and review mechanisms are in place with cyber-security policies established	• Experimentation is encouraged across all channels • Many staff are digitally aware, embrace the digital strategy and support cultural change • Staff have the necessary resources available to them and have had training to fulfil their respective roles for delivering the digital strategy • Staff seek to re-define their roles and KPIs in line with the digital strategy and organisational KPIs • Cybersecurity policies are aligned to the Essential 8 guidelines and are regularly reviewed • A business continuity is in place and is regularly reviewed • Regular training is provided to staff on cyber security	• CHO management fully understands and embraces digital channels, leading by example • All staff are digital aware • Digital culture is fully embedded within the organisation and is continuously being monitored, improved and refined. • Staff pro-actively explore and implement ways to improve operations and productivity using digital tools

	Basic / Minimal	Developing	Established	Leading	Advanced
Technology	• Limited or no dedicated IT commitment and / or budget for digital initiatives. • Reliant mainly on legacy technologies which may have been in use for some time. • Minimal or no defined IS / IT strategy in place. • Adopts a largely reactive approach to procuring technology and software. • No integration of digital channels with business processes or systems.	• Some integration of digital applications and channels with business processes, systems and communications. • Main focus remains on departmental ITT solutions and not how digital channels could better support customers. • IS / IT strategy being assessed / formulated. • Consideration being given to budget implications of implementing digital applications and tools.	• An IS / IT strategy has been defined with an annual budget allocated with digital transformation initiatives identified and included. • Systems integration either as a fully integrated suite or across multiple systems is in place, which supports the CHO in ensuring the operation of joined-up services and ensuring a 360-degree view of the customer can be maintained. • CHO has an established IT team / department. • IT systems and solutions comply with best practice in business continuity and security. • IT is focussed on delivering the benefits set out in the digital strategy.	• The IS / IT strategy is aligned to the CHO's business goals and sets out a clear vision for future initiatives and projects, which have been costed for budgetary purposes • IT enhances the delivery of digital services and ease of implementing, maintaining and / or developing new digital services • IT team input ensures digital services are responsive to customers' chosen devices and comply with accessibility standards • IT team is adept at training and supporting CHO staff in use of digital applications, channels and tools	• The IS / IT strategy is entirely aligned to the CHO's vision and business strategy • IT is constantly optimising the benefits of digital service delivery • Resources and budgets are in place for supporting digital channels and activities • Business processes and IT systems are being driven by a combination of digital channels and customer needs • The CHO has resources in place to anticipate and respond to new technologies and digital innovation • Exploring and experimenting with new technology is common practice to identify how it can be best exploited and implemented
Strategy	• The CHO may have a business plan but this does not include any provision or clear plan for digital transformation or initiatives • Thinking is still mainly in its infancy with either no or only limited attempts in considering how digital solutions may benefit the CHO and its customers • A website may exist but there is no digital strategy in place	• Beginning to explore the impact of digital initiatives and how emerging technologies could better support operations and service delivery • Business plan makes reference to potential use of digital applications • Consideration is being given to defining a digital strategy	• A digital strategy is in place • The CHO business plan makes specific reference to digital initiatives and how digital can support the business • CHO is focussed on its customers, suppliers and stakeholders together with how emerging technologies can better support their needs • Benefits of social media are understood and drive activity	• Customer needs and expectations are driving innovation in service delivery, either through new services, products and relationships • New methods of delivering services are being actively or continuously explored • The business plan sets out a range of innovative new services and sets out how digital technology can support operations • Digital is fully integrated into organisational plans and the business review cycle	• The digital strategy is embedded in, and indistinguishable from, the CHO's vision and business strategy • The CHO, in its entirety, continually seeks ways to use digital channels and technologies to re-define customer services and generate new benefits • New services are born digital as a matter of course i.e., it is considered as part of strategy formulation and not afterwards • Digital services and channels are driving the CHO's structure and reporting

Use the worksheet *1. Digital Readiness Questions* in ***08 Digital Transformation Planning Toolkit.xlsx*** aligned to this document.

The Likert scale is used to frame permitted responses for the vast majority of questions. In most cases, strongly agree will result in a score of 5 and strongly disagree would result in a score of 1.

In some cases, however, the questions are deliberately worded such that strongly disagree would result in a score of 5 and strongly agree would result in a score of 1.

It is recommended that your organisation holds internal workshops to consider the statements set out in the survey to reach an agreed view on each answer. Use your combined judgement in selecting the appropriate answer for your organisation.

For the 29 CHOs which originally responded to the CHIA NSW and CHIA Vic Digital Readiness Survey, this may be a useful exercise to undertake again.

Scores are calculated for each readiness category and displayed in worksheet *2. Readiness State & Targets* such that you can then identify the appropriate banding that the model has calculated,

Against this, you can then assess what your target state should be. In selecting your desired target state, this will assist you in defining the digital objectives which form the basis of your digital transformation plan and are based on the outcome of your readiness assessment. This will also enable you to assess and identify the areas where you have weaknesses which should be used to inform the actions you need to take.

To assess your digital readiness, please use worksheet *2. Readiness State & Targets* in the Excel toolkit ***(08 Digital Objectives Toolkit.xlsx)*** aligned to this document.

Consider your current state as generated in response to your answers to the questions in worksheet ***1. Digital Readiness Questions***.

Having assessed your digital readiness results for each readiness category, now review your identified weaknesses in worksheet *3. Digital Weaknesses* in ***08 Digital Transformation Planning Toolkit.xlsx***. This worksheet summarises by topic where you selected any of the following answers to the digital readiness questions:

- Strongly disagree
- Disagree
- Neither agree nor disagree

Having then reviewed your weaknesses, return to worksheet *2. Readiness State & Targets* and select the desired target digital state from the list of values. Aspects to consider will be automatically populated which will assist you in defining your future digital objectives and determining the actions you need to take.

Step 2: Channel Shift Analysis

The purpose of the channel shift analysis is to record the trends that you are aware of which may impact how your CHO may operate and deliver services in the future.

Technology trends are evolving and accelerating the digital world which we live in. The magnitude and scale of these changes are continuously offering scope for new innovations to be implemented and alternative ways of doing things and delivering services. A key aspect is to assess the implications these trends will have on your organisation.

1. Start by identifying the large-scale transformative trends that could impact your organisation and align them to the digital readiness categories. For example, in relation to customer experience, what trends are you aware of that could improve or adversely affect how you interact with customers? How will the shifts in technology power and capacity create more touchpoints with customers and provide better ways of analysing data? What are the implications on data privacy?
    a. Think of these trends in terms of whether they are measurable, tangible and fully predictable facts i.e., something that ***will*** happen rather than where something ***might*** happen.
        i. Even if something might happen, it is important to consider it as trends can evolve or change and have an influence on the future.
    b. The table set out in ***Digital Transformation Planning Toolkit.xlsx*** provides you with suggestions of macro trends for illustrative purposes, however, not all may be relevant to you and may not need to be considered. Delete these as necessary. If adding new rows, ensure the list options are displayed and the recommendation formula in the preceding row is copied
2. Behind these trends, identify or break them down in to business drivers. Why are these trends occurring? What are the causal forces behind them?
3. De-prioritise trends that are expected to happen beyond 24 months.
4. Prioritise the trends that have a high impact and relevance to your CHO by selecting the drop-down options.
5. In a workshop setting with selected staff, discuss which trend you would like to pursue and limit it to one opportunity.

Some examples are provided in worksheet ***4. Channel Shift Analysis*** of the toolkit. Other suggestions for trends in relation to digital categories are below:

Category	Macro Trend
Customer Experience	Digital experience
	Improving accessibility
	Transparency
	Personalisation
	Market research / feedback
Operations	Collaborative working
	Automation
Organisation, Culture, Governance, Risk & Security	Digital skills
	Cybersecurity guidelines
	Data protection
Technology	Artificial intelligence
	Automation

Category	Macro Trend
	Cloud computing (new business models being enabled by a cloud platform) Internet of Things Big data Customer portal Mobile apps
Strategy	Digital strategy Reporting predictive analytics Blockchain

Step 3: Digital Objectives

Having determined your target state for each digital readiness category, consider your digital weaknesses and identified the large-scale transformative trends which may affect your organisation, you are now ready to define your digital objectives.

Using worksheet ***5. Digital Objectives,*** carry out the following steps

1. Select the digital category in column C from the list of values.
2. The target state categories you identified in worksheet ***2. Readiness State & Targets*** are automatically populated in column D.
3. Select the digital topic in column E Topic from the list of values
4. Summarise the action you need to take in column F Action
5. The Digital Objective is column G is automatically populated.

Step 4: Persona Journey Mapping

From the persona journey mapping exercises undertaken, for each journey, you should have been able to identify the emotions faced by people (tenants and staff) in certain situations; the state of the related touchpoints; the issues arising and the improvements that can be identified, particularly from a digital transformation perspective.

For each persona, each journey should be mapped out using the following grid, which is described in more details in ***05 Persona Journey Mapping.pdf*** and ***06 Persona Journey Mapping Toolkit.xlsx.***

Persona Enter Persona Name	Situation [Name] Journey Phases			
	Catalyst	Initial Actions	Progress	Outcome
Doing				
Thinking				
Touchpoints				
Issues				
Improvements				

The improvements identified and documented from the persona journey mapping exercise should then inform the prioritisation of the digital initiatives that need to be considered. Ultimately, the outcomes from the persona journey mapping exercise can assist in reviewing and / or building an empathetic and customer / supplier centric lens, enabling you to identify specific issues to address or potential opportunities and avenues to implement service initiatives.

Refer to the worksheet *6. Journey Mapping Outputs* in ***08 Digital Transformation Planning Toolkit.xlsx.*** This worksheet is intended as a summary of the grid set out above, whereby the potential improvements are linked to digital objectives, from which specific initiatives can be determined.

Step 5: Assessing Challenges and Constraints

Having assessed your digital aspirations from your assessment of your digital readiness; your digital weaknesses; channel shift trends and the improvements identified from persona journey mapping, these need to be set in context of the constraints and challenges that you face in achieving them.

Using worksheet *7. Challenges & Constraints* in ***08 Digital Transformation Planning Toolkit.xlsx,*** for each objective which has been identified, align this to a strategic business goal. Then realistically assess what may prevent or deter you from implementing the objective.

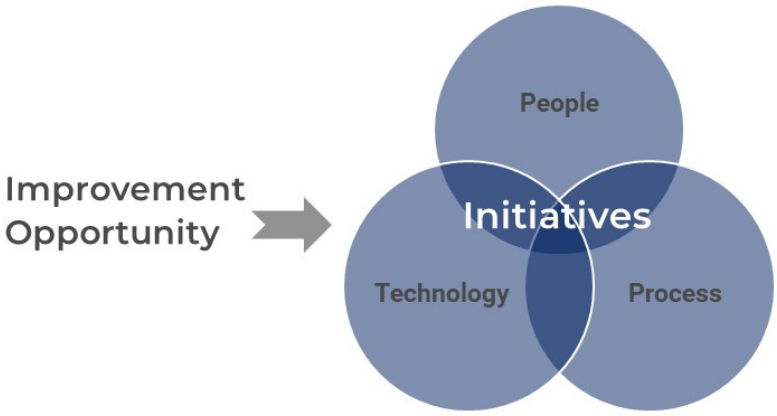
Section 3 CHO Pathways to Transformation suggested an array of typical challenges that you face. For example, if you are a rural CHO, due to the current situation on the NBN rollout, connectivity may be a significant constraint.

For each challenge or constraint, select a rating level from the list provided and then describe the actions that you could possibly take to address the issue.

The challenges and constraints that you record need to be taken into account when prioritising your digital objectives.

Step 6: Prioritising Objectives

The digital objectives defined in worksheet ***5. Digital Objectives*** and the improvements identified in worksheet ***6. Journey Mapping Outputs*** are automatically populated in worksheet ***8. Prioritising Objectives.***

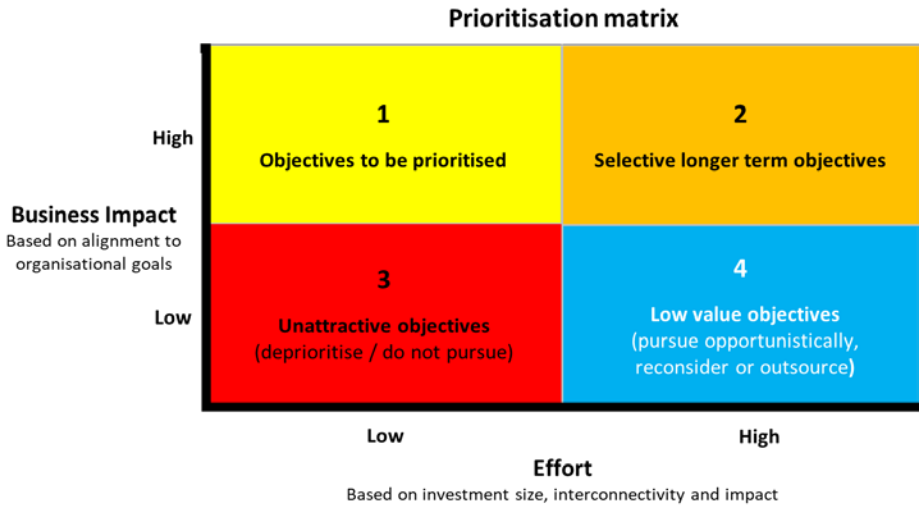


Before prioritising, these should be assessed against the constraints and challenges that you have identified in your respective pathways to achieving digital transformation in worksheet ***7. Challenges & Constraints.***

Align each digital objective to your defined business / strategic goals. Without clear alignment, decision making will be slow and the value in digital transformation efforts will more than likely evaporate or decline.

An outcome-based approach should be adopted. For each objective, record the desired outcome(s), being clear about the issue(s) to be solved and the relevant digital solution.

For each digital objective, the task is to prioritise them based on the importance to your organisation, ensuring that you understand what is possible. An impact / effort prioritisation matrix is therefore provided which displays an initial recommendation as to what you should do based on values of high or low which you input for expected business impact and likely effort.



For **business impact**, consider how beneficial the objective will be to your CHO if it is implemented and how it will transform your organisation. For example:

1. Is there a compelling vision for the digital transformation objective / programme that is clearly aligned to the organisation's strategy? This can be assessed in terms of whether:
    a. The aim and purpose of the programme is clearly and consistently articulated in documentation and by stakeholders.
    b. There is a consistent view (documented and amongst stakeholders) of what constitutes success and how it will be measured.

2. Are the benefits clearly defined and being used to prioritise the development and delivery of capabilities to the business?
3. Is there a clear and agreed strategic vision and outcomes that the changes are going to deliver? A clear understanding of what strategic outcome is required.
4. Based on what you are doing now, will this objective result in things being done in a better way?
5. In determining impact, what do you need or want and why?

For **effort**, consider how hard or difficult it will be to implement the objective in terms of planning, time, resource and cost. For example:

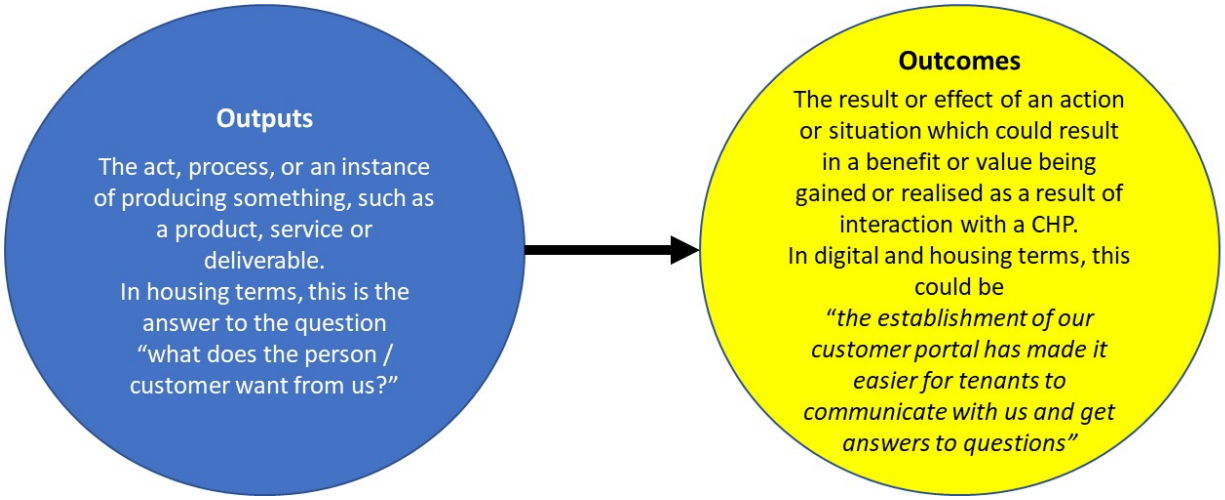
1. What resource capacity do you have to implement digital transformation projects? Will these be full-time or seconded? This could mean establishing a digital transformation team or manager who actively manages digital outcome delivery, balances the digital investment portfolio, and inspires others to think in terms of innovation and what is possible.
2. Do you have any underutilised resources in your CHO who can be deployed?
3. What skill gaps do you have that make it difficult for you to achieve the goal?
4. What areas of your CHO are capable of solving problems but need innovative leadership to do it?
5. Last but not least, can you actually do what you have identified?
6. Take into consideration the challenges and constraints you identified in the previous worksheet.

Based on the values you input, the recommendations are automatically calculated:

1. Prioritise.
2. Be selective.
3. Deprioritise.
4. Reconsider or outsource.

So, for example, you may have identified various objectives but the weight of the challenges of the constraints are such that they are unrealistic or unachievable, so therefore your options would be to deprioritise or reconsider.

When prioritising digital objectives, think also of the outcome and outputs, as these will feed into your digital strategy document once you have completed the digital transformation planning phase.



This provides an initial prioritisation from which you can assess further.

For objectives initially recommended as 'Prioritise' or 'Be Selective', weightings are then recorded in relation to:

1. Desirability
    a. Does this objective pose a solution that your customers need?
    b. Has the demand or need been identified or verified?
    c. Have you consulted your tenants?
    d. Do you know their new needs?
    e. Do you know whether their needs have changed?
    f. How will this initiative be viewed by your residents?
2. Feasibility
    a. Will this objective improve or enhance your levels of operations and service delivery?
    b. Will this objective enhance your capabilities, service levels and overall performance?
    c. What are you trying to achieve?
3. Viability
    a. Will this objective contribute to your organisation's strategic objectives?
    b. *Why* are you doing this?
    c. Do you have the resources to do this?
    d. Do you have the skills to do this?
    e. How will you do this – in-house or outsource to specialists?
    f. Do you have the technology capacity as well as the technical capability to do this?

Each weighting is set initially to 33% however, change these as appropriate.

You can of course prioritise objectives initially recommended as de-prioritise or reconsider.

For each weighting factor, select a priority (high, medium, low or not applicable).

A ranking is then automatically calculated and the prioritised objectives are displayed in ranking order.

Replicate the above impact / matrix chart either on a whiteboard, in a PowerPoint slide or using a tool such as Miro and insert the objectives using post-it notes or graphics to give you a complete picture of how you have prioritised your digital objectives.

Always refresh the pivot table Prioritised Objectives if you amend values or add new objectives to ensure that an ordered ranking is generated.

6. Digital Transformation Action Plan

The steps involved in formulating a digital action plan are summarised below:

6.1 Vision

Having identified your digital objectives by determining your current and future digital readiness state; assessing general trends and the improvements arising from your persona mapping exercises, consider how best you would summarise:

1. What you intend or need to do.
2. How it aligns to your business strategy.

Document your vision for inclusion in your digital housing strategy.

6.2 Project Planning

Once you have finalised prioritising your digital objectives, you are then ready to start mapping out a digital transformation action plan, with projects defined, resources allocated and risks assessed.

Using worksheet ***9. Project Planning,*** map out the projects needed to achieve the objectives you have prioritised.

The digital objective descriptions and rankings are generated based on the prioritised objectives in worksheet ***8. Prioritising Objectives***. When these are refreshed, the list of objectives is automatically updated. Up to 3 projects can be defined for each objective. If fewer projects need to be defined, delete the row as required. If more projects are relevant to the objective, insert a row and copy the formula from the preceding row.

In prioritising objectives, the worksheet requires you to assess the impact and effort as outlined above. In project planning, it is then important to consider what success means and how it can be measured effectively, especially when considering the research on the proportion of digital transformation projects which fail. From prioritising each of your digital objectives, the toolkit asks you to record the desired outcome. In one sense, this will be used to measure success, however, at the project stage, a common view of benefits must be identified with measures identified which avoid extensive data gathering or detailed analysis.

At this point, it is important to reflect that so far, you have defined and prioritised a range of digital objectives with a recommended action calculated based on the impact / effort matrix. Your projects have not yet been defined.

Worksheet ***9. Project Planning*** provides a column to report the project type (select from People, Processes or Technology). In defining projects, consider the following, remembering that digital transformation is about:

1. Better ways of d*oing* things
2. Creating value
3. Improving the customer / supplier experience
4. Automating tasks
5. Improving how services are provided
6. Building collaborative capabilities that can better support CHOs in delivering services
7. Fostering business resilience and capabilities for the future and thereby reinforcing CHOs' growth potential.

Due to their scope and impact, digital initiatives form part of a wider transformation of the business involving organisational, operational as well as infrastructure changes. As such, it is possible that multiple work streams will need to sit alongside other projects, hence why it is important to identify the type of project that is to be undertaken.

Project Type	Factors to Consider
People	If the objective relates to working practice such as improved collaboration, this will clearly impact your people, not only as a change (which is discussed later in this document) but from a process and technology perspective. Training therefore needs to be considered as well as consideration to impact on working practice e.g., implementing a mobile application is likely to result in staff being able to spend more time outside the office.
Processes	In aiming to implement better ways of doing things, improving experiences and building collaborative capabilities, such projects will inevitably impact on changes or improvements to your business processes. You therefore need to think how they will need to marry up to any new technology that is being implemented as part of the overall objective, new ways of using applications, ways that improve performance. If a technology project is related to the objective, you then need to be assessing its impact at the procurement or development stage, and reviewing the issues caused in your current processes.
Technology	The implementation of technology will affect processes and people. The deployment of new technology typically demands new ways of working, which in turn poses organisational implications. The simple use of the term 'digital transformation' is sufficient to indicate that there will be significant change through innovation. It is therefore essential to consider the complete scope.

It is important that the CHO is sufficiently disciplined to manage a wider programme of changes to meet its strategic aims. This will include:

1. Establishing a clear vision of the future that is understood and shared by stakeholders.
2. Maintaining a strong focus on business benefits and any critical dependencies.
3. Establishing an overall design in sufficient detail to plan and align the work of teams alongside other projects and business changes.
4. Breaking delivery into phases that will deliver benefits early, mitigate key risks and allow lessons to be learned.
5. Establishing a clear strategy and plan for transitioning from current systems, operations, organisations and suppliers to new arrangements.

The Australian Government Digital Transformation Agency (DTA) has published its Digital Service Standard.[15]

The Digital Service Standard applies to Australian Government services that are:

[15] https://www.dta.gov.au/help-and-advice/about-digital-service-standard

1. Public facing.
2. Owned by non-corporate Commonwealth entities.
3. New informational or transactional services (designed or redesigned after 6 May 2016).
4. Existing high-volume transactional services.

The standard does not apply to state, territory or local government services; however, these jurisdictions may decide to apply the standard to improve their service delivery.

When formulating your projects, this provides a useful checklist for the standards to be deployed in digital service provision. Some of these may not necessarily be relevant to CHOs however they do provide important pointers to what needs to be considered when formulating projects. These are:

Standard	Summary
1. Understanding user needs	Research to develop a deep knowledge of the users and their context for using the service
2. Have a multidisciplinary team	Establish a sustainable multidisciplinary team to design, build, operate and iterate the service, led by an experienced manager with decision-making responsibility
3. Deploy agile and user-centred processes	Design and build the product using the service design and delivery process, taking an agile and user-centred approach.
4. Understand tools and systems	Understand the tools and systems required to build, host, operate and measure the service and how to adopt, adapt or procure them.
5. Make it secure	Identify the data and information the service will use or create. Put appropriate legal, privacy and security measures in place
6. Consistent and responsive design	Build the service with responsive design methods using common design patterns and the style guide.
7. Use open standards and common platforms	Build using open standards and common government platforms where appropriate.
8. Make source code open	Make all new source code open by default.
9. Make it accessible	Ensure the service is accessible to all users regardless of their ability and environment.
10. Test the service	Test the service from end to end, in an environment that replicates the live version
11. Measure performance	Measure performance against KPIs set out in the guides. Report on public dashboard.
12. Do not omit the non-digital experience (refer to the document in the CHIA NSW and CHIA Vic document pack relating to digital and non-digital channels)	Ensure that people who use the digital service can also use the other available channels if needed, without repetition or confusion.

Standard	Summary
13. Service use encouragement	Encourage users to choose the digital service and consolidate or phase out existing alternative channels where appropriate

Using worksheet ***9. Project Planning***, for each objective, ensuring projects have unique names, complete the project information using the yellow drop-down cells or by entering details in the white cells

Enter the overall start date for your digital transformation programme.

For each project you have identified, record the following:

1. Project type.
2. Name of project sponsor
    a. Establishing project ownership is vitally important and should be a member of the CHO's leadership team.
    b. Depending on the number of projects identified, a clear ownership hierarchy should be identified
3. Name of project manager.
4. Year of implementation.
5. Intended month when project will start.
6. Anticipated duration.
7. List the benefits aligned to the desired outcomes you expect to achieve.
8. List any additional considerations.
9. List any dependencies.
10. Set out the estimated budget costs in terms of:
    a. Staff costs
    b. Technology costs
    c. Contract costs
        i. Note some of these costs may only be identified through a formal procurement process, however, initial market research could be undertaken to identify outline ball-park costs.

Remember, poor project set up, poor decision-making, poor discipline and most important of all, poor project resourcing are major ingredients of project failure. Poor preparation often leads to poor decision making.

The purpose of defining a project plan for each project is to show how the work will be done and how the objectives will be achieved. It also sets out the basis on which progress will be measured and understand the tasks and activities that need to be performed. It is important that the project plan includes work breakdown structure, is responsive to change, regularly reviewed and kept up to date. In setting up a project plan, work through the objectives to determine the related aspects that

need to be included, e.g., applications, business processes, organisation changes. A complete list of deliverables and milestones should be documented and included.

Another key area is assessing whether you have the in-house skills and resources to deliver the projects to achieve each objective.

Questions to assess therefore are:

1. Do you have in place sufficiently robust and mature project management processes you can trust?
2. Has delivery of the programme been split into phases designed to deliver benefits early, learn lessons, and mitigate key risks? Assessing this will need to cover:
    a. Programme plan setting out how the digital projects identified fit in with other projects and the business changes needed to deliver benefits to the organisation.
    b. Benefits plan setting out when (and how much) benefit will be delivered to the CHO.
    c. Roadmap setting out when capabilities will be available and any dependencies outside of the programme

6.3 Defining Requirements

Based on the schedule of projects identified in worksheet ***9. Project Planning,*** it is important to create a project library in your document management repository such as SharePoint.

For each project, summarise the requirements as shown in this illustrative example, ensuring that these effectively capture the business need to meet the objective you have defined:

Digital Objective	Desired Outcome	Project	Requirements
Leading Customer Experience: Digital Channels – Implement increased number of channels	Improved ways of communicating with tenants digitally	Two-way communication	• Incorporate digital workflow engine to automate notifications to staff • Facility for tenant to view status of enquiry • Display expected resolution date • Display communications • Etc
	Improve accuracy of information tenants submit to us	Intelligent forms and automation	• Rules based, intuitive configurable online forms • Incorporate within portal • Etc
	Broaden tenant / customer channels	Mobile ready services	• Enterprise mobile platform • Mobile tenant app aligned to portal • Mobile staff app with online integration to back-office system • Etc

6.4 Change Management

As noted above, digital transformation is highly likely to result in an array of fundamental changes to how your CHO delivers services in the future in terms of business process and culture change as well as technology change. In essence, it requires a strong cultural shift to embrace continuous change, hence why CHOs need to set out their vision and purpose for their digital journey.

Building a service isn't just about the task itself.

To do it well, you need to create the right team and a culture of continuous improvement.

Australian Government
Digital Transformation Agency
https://www.dta.gov.au/help-and-advice/build-and-improve-services

To achieve success, a disciplined approach to change is needed, supported by innovation management practices that generate results, counterbalanced by practices that address the most common failure points.[16]

In effect, this requires an agile approach to change management. The agile approach was initially introduced as an alternative approach to software development but is now used universally across all types of projects, including approaches to change management. It encompasses a leaner, more collaborative, flexible and iterative way to approaching change.

The agile change management approach moves away from a classic set of rigid change deliverables and focuses on the right change activities, at the right time, to achieve the required outcomes.

Agile recognises that user needs change and it therefore builds in the ability to change priorities from the outset as understanding grows as to the nature of the change. Refinements are made and details added as the delivery progresses.

For this reason, the DTA recommend taking an agile and user-centred approach in designing and building digital services on the basis that they will be easy to use and convenient for the people who need to use them, as well as helping them to stay in the digital channel.[17] Using agile methods allows you to be more proactive and respond easily to change, both in technology and policy.

Some CHOs may well have a change management strategy established which sets out the approach to be adopted for all initiatives which will result in a change to the organisation. Some CHOs may not.

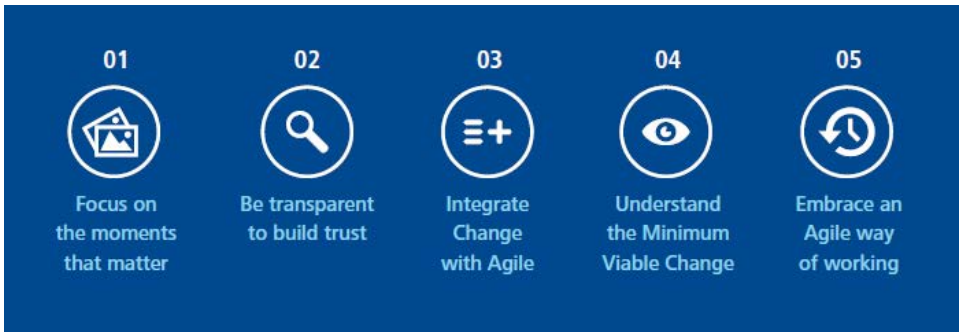
There is a multitude of reference sources which set out varying views as to the number of principles of change management which should be adopted. PWC, for instance, set out 10 principles as illustrated in the adjacent diagram.[18]

[16] Brown, Alan W. (2019), *Delivering Digital Transformation*

[17] https://www.dta.gov.au/help-and-advice/digital-service-standard/digital-service-standard-criteria/3-agile-and-user-centred-process

[18] https://www.strategy-business.com/article/00255

Deloitte set out how agile change management is guided by a set of five principles that help change practitioners focus efforts on the most important activities, determined by customer value and stakeholder impact.[19]



A key point to note is that digital transformation necessitates building for the future whilst, at the same time, maintaining business as usual. One analogy put forward is that it is like changing the engine of a plane whilst in flight – the plane is going to go down first before it goes up again,[20] which of course can be a scary thought. For each digital transformation project, questions for CHOs to consider when assessing the impact of any change are:

1. How well has change been received and / or perceived by staff in previous initiatives that have been implemented?
2. What is the perceived need for change amongst staff and managers?
3. How well were past changes managed and implemented?
4. What was the level of communication and what should it be and how often?
5. What is the CHO's culture and its typical response to change? Is it open and receptive? Or is it likely to be negative and restrictive?
6. How do we address, consider and adopt new ideas in relation to digital transformation?
7. How do we break these ideas down into the operational tasks for each project we have defined?
8. What form of leadership is required to co-ordinate and manage the change instilled through digital transformation and delivering the objectives we have defined?
9. Who will lead the digital transformation in the CHO? What skillsets must they have? What is the overall impact of that type of leadership change in the organisation?
10. In moving from a traditional silo structure to collaborative, integrated team working, how do we manage that change?
    a. Internal competition between departmental silos is the most significant barrier to digital transformation based on a survey by Forrester in 2015, as stated by 43% of organisations surveyed with a mature state of digital transformation.[21] The reasons cited for this were that digital activities focus on client outcomes (the importance of which are discussed in this toolkit) above internal structural needs, as they use digital technologies to expose gaps and overlaps in how:

[19] https://www2.deloitte.com/au/en/pages/technology/articles/agile-change-lessons-front-line.html
[20] Gupta, Sunil (2018), *Driving Digital Strategy: A Guide to Reimagining Your Business*
[21] Forrester (2016), Leading Digital Business Transformation Report, March

i. Value creating actions are delivered.
ii. Automation reduces waste and inefficiencies.
iii. Early insight is gained through experimentation.

b. On that basis, in addressing the change management implications of collaboration, how do we then bring teams together and empower them to focus on tenant / customer outcomes, connecting different elements depending on the nature of an enquiry or service request to improve the customer journey (hence the importance again of undertaking customer persona journey mapping).

11. How do we implement resulting changes in business processes?
    a. What level of training is required?
    b. How much ongoing training is required?
12. How do we convey that the changes being initiated by digital transformation are not viewed as solely IT-led initiatives? How do we shift how staff think and work in an increasing digital age?
13. Will unfamiliar technology cause uncertainty on future roles and jobs? Will there be an impact on staffing numbers?
    a. This indicates why it is important to clearly set out the potential benefits of digital transformation e.g., automation will generate more time savings enabling staff to spend more time with tenants etc.
14. What is our approach to both blockers and supporters of the change?
15. As these projects may well differ from any past work, how good are we as an organisation at doing new things and how do we convey that as a change principle to our staff?
16. How much understanding does our leadership team have of digital technologies and their implications for our business operations?
17. Is the culture of the organisation ready to deliver changes in an agile way?
    a. It is important that staff, from project teams to board level are fully aware of the ways of the implications of an agile way of working (through training and regular communications).
    b. Reporting and governance structures are ready both within and to wider stakeholder communities.
18. Do all the stakeholders fully understand what an agile approach entails, including the resource commitments, empowerment and governance arrangements that will be required to enable effective delivery?
19. Are there plans (and contingency plans) in place to transition from current systems, operations, organisations and suppliers to new?

There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things, because the innovator has for enemies all that have done well under the old conditions, and lukewarm defenders in those who may do well under the new.

Niccolò Machiavelli

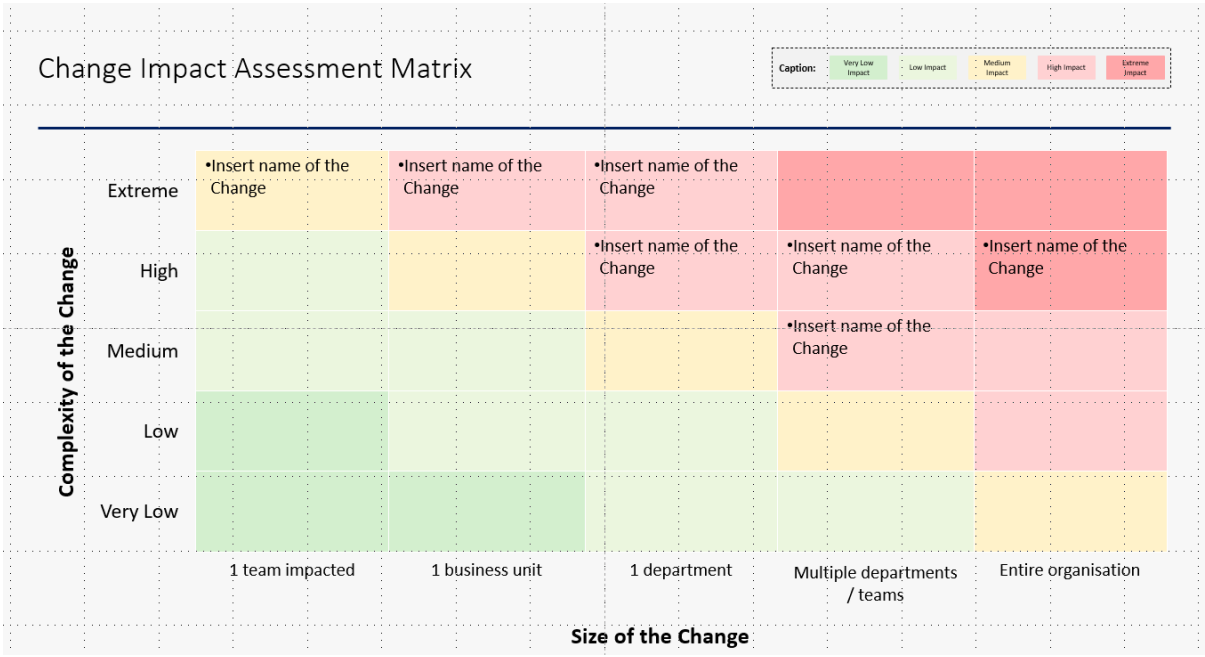
The Prince

a. This will require a strategy or plans setting out how the business will continue to be managed during transition, including any periods of parallel running and integration required between old and new systems.

b. If different generations of systems will co-exist and rely upon each other for any period, are plans and contracts adequate to support this?

20. Does the CHO have the skills and resources in place to for the digital transformation team to operate alongside other projects and business changes and to integrate agile deliveries with legacy systems if necessary?

Using the worksheet ***10. Change Management***, consider the change implications for all of the digital projects you have defined in worksheet ***9. Project Planning.*** Based on the complexity of the change, a score is calculated based on the number of changes you have identified for each project. Once you have completed your assessment, you can then map out a change impact assessment matrix using the chart example below.



Once the changes for each digital project have been identified, it is then important to assess your readiness for the changes ahead. After completing the exercise, where would you place an arrow on the chart below for digital transformation projects that you would implement? The more your CHO is change resistant, the more change management activities will be needed.

Once your change assessment has been completed in relation to each objective and the associated projects, adapt the following template below to summarise the extent of the changes:

Change Impact Assessment

Key:	Very Low	Low	Medium	High	Extreme

1. Executive Summary		
Complexity of the change	Insert a summary of what will be impacted by the change	
Size of the change	Insert a summary of which groups of people will be impacted by the change	

2. What will be impacted by the change?		
Type of change	Description	Impact intensity
People	Insert your own description	
Sustems / Apps	Insert your own description	
Processes	Insert your own description	
Role	Insert your own description	
Structure	Insert your own description	
Culture	Insert your own description	

3. Which groups of people will be impacted by the change?		
Group name	Description	Impact intensity
Business unit 1	Insert your own description	
Business unit 2	Insert your own description	
Business unit 3	Insert your own description	
Business unit 4	Insert your own description	
Business unit 5	Insert your own description	
Business unit 6	Insert your own description	

6.5 Success Factors

A column is provided in worksheet ***9. Project Planning*** for each project. Defining success factors for each project can be challenging, however, they can be aligned to the potential or perceived benefits that the worksheet asks you to record.

Example: a benefit from the introduction of a customer portal may be "increased satisfaction." The key to proving this is to measure the rate of satisfaction. This would therefore be broken down by:

- Target of x% usage of portal by residents in specific group categories defined by age, family composition, ethnic diversity etc
- Results based on y% expressing satisfaction level to either a survey function provided in the portal; periodic email follow-up (e.g., how was your experience, which is increasingly common in the retail world) or a periodic survey on social media

It is important that benefits are depicted clearly, tangible and not in vague terms. Again, think in terms of the SMART approach as set out earlier in this document and in others which comprise this toolkit. Furthermore, it is important to ensure that the metric will actually be used and that the data can be compiled easily. The purpose of success factors is to provide proof that the service is being used; by how many and whether it has served its primary intention i.e., did it enable the person to achieve an outcome to what they wanted or sought in the way of advice or response.

Examples of other metrics are the targets and actuals for:

- Increased number of online applications
- Number of tenants registered to use online services
- Number of service requests made for e.g., repairs via online channels
- Number of requests made via mobile apps
- Rate of responses to requests via digital channels

- Improved and enhanced tenant feedback in surveys, communication and tenant participatory services
- Increase in staff time freed up with a reduction in data input and validation
    - Clearly, this would be dependent on knowledge of how long it takes a staff member to do x process now and then compare it to the results of the digital initiative such as the results of automation.

6.6 Risk

Implementing digital transformation carries with it significant risk in view of its potential scope across the entire organisation. A holistic approach to risk management is therefore needed encompassing operations, IT and cyber risk. As part of the digital transformation action plan, digital risk needs to be defined, addressing core risk categories.

A risk is defined[22] as *the effect of uncertainty on objectives, and risk management is the coordinated set of activities carried out to address this uncertainty*. It can also be described as an uncertain or perceived event or situation which, if it occurs, may have a potential detrimental or adverse impact on the organisation's capability to achieve its stated digital objective.

The end objective of managing the level of risk as part of your digital transformation action plan is to build digital resilience, ensuring your staff, processes and technology are as well-equipped as they can be, to cope with disruption and drive transformation with an associated level of trust and confidence.

Digital resilience is defined as:

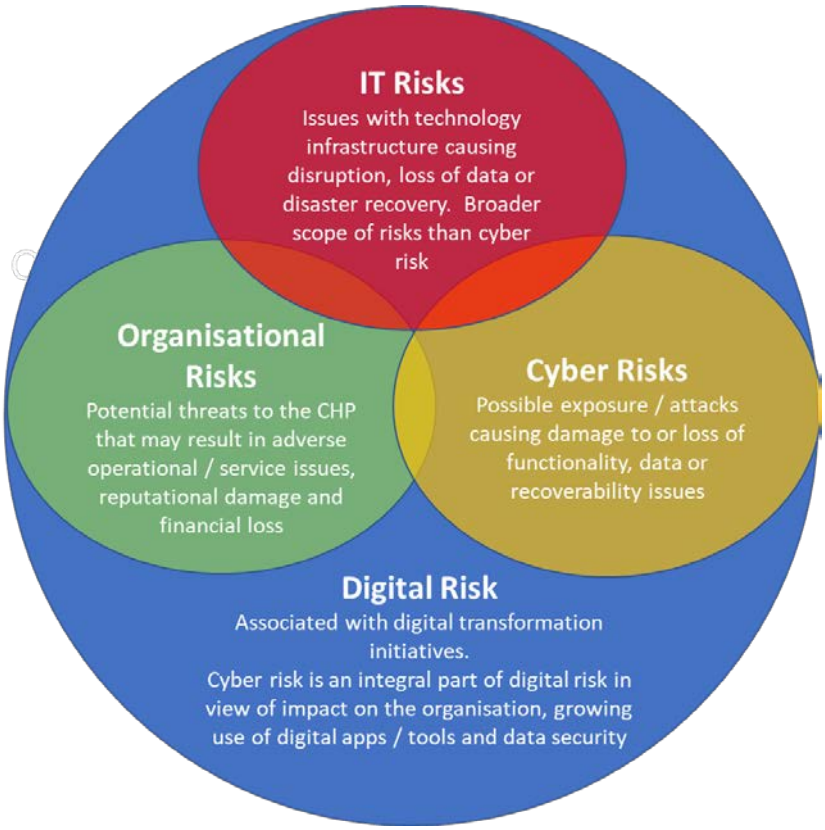
The CHO's capability to achieve ongoing change
through use of technology in an increasingly digital world
to streamline process and enhance the experience of its customers

It is possible that risks may be identified that you have not experienced before or are unfamiliar with based on an evolving digital landscape.

Unmanaged or poorly mitigated risk can result in serious adverse consequences such as:

[22] AS/NZS ISO 31000

1. Poor or worsening customer relationships
2. Damaged financial performance
3. Negative impact on reputation
4. Implications for future governance



Common digital risk factors are as follows:

1. Potential complexity of IT environment driven by growing digitisation.
2. Lack of integration.
3. Increased cybersecurity attacks, breaches and incidents as the digital access and platforms expand.
4. Process automation, particularly with the addition of new technology, which may not have been fully considered.
5. Key changes to policies and procedures.
6. Resources and skill sets.
7. Growing importance of data privacy, trust, compliance and balancing this against increased analytical capabilities.
8. Shifts in working and attitudes towards technology use which can impact on operations.

Risk levels should be quantified based on the assessed likelihood of the situation occurring and the consequences that would need to be assessed, using the approach defined in AS/NZS 4360:2004 RISK MANAGEMENT Australian/New Zealand Standard[23]. Risks should be categorised as follows:

		Consequences				
		Minimal	**Minor**	**Moderate**	**Significant**	**Severe**
Likelihood	**Almost Certain**	Moderate	Major	Major	Critical	Critical
	Likely	Moderate	Moderate	Major	Major	Critical
	Possible	Low	Moderate	Moderate	Moderate	Major
	Unlikely	Very Low	Low	Low	Moderate	Major
	Rare	Very Low	Very Low	Low	Moderate	Moderate
		N/A	**Low**	**Medium**	**High**	**Extreme**
			Impact			

[23] https://www.standards.org.au/standards-catalogue/sa-snz/publicsafety/ob-007/as-slash-nzs--4360-2004

Using the above matrix, a risk rating is then be calculated using the following criteria:

Rating	Key	Description
1	Very Low	Minimal Impact
2	Low	Limited Impact but issues to address contributing to wider risk
3	Moderate	Issues likely to arise but manageable
4	Major	Significant risk to operations is situation continues Issues probable or continue in current format and / or frequency Adverse impact on operations
5	Critical	Serious impact on operational efficiency Productivity seriously impacted Regulatory implications need to be addressed Organisation in potential jeopardy and failure

Based on the above, use worksheet *10. Digital Risks* in ***08 Digital Transformation Planning Toolkit.xlsx*** to identify your risks.

Core digital risk categories and suggested risk factors to consider are shown in the table below.

Using the toolkit, for each risk category, select a corresponding risk factor from the dropdown list of value.

Ensure you adopt a holistic approach when considering the risks associated with each objective you have identified. Defining digital risk must therefore involve representatives from across the CHO and not just confine it to IT or legal / compliance.

It is suggested that CHOs use a workshop setting for a selected group of staff to discuss the possible risks for each digital objective and associated project or initiative.

Using a software application such as Miro, or alternatively, using a whiteboard, draw 5 columns for each of the categories below and use the table in the toolkit to identify the associated risks, the likelihood of each risk occurring, the potential consequences or impact and determine the mitigation actions that will be needed to address or minimise the risk.

Sample risk factors in relation to suggested risk categories are outlined below.

Risk Category	Category Overview	Sample Risk Factors to Consider
1. Compliance and legal	CHO's capability to meet its regulatory and compliance obligations	• To what extent will any digital initiatives impact current legislation and standards? • To what extent will any digital initiatives impact on the CHO's current compliance obligations? • What is the impact on compliance in the event of the failure of a digital transformation initiative? • To what extent are our risk-based programs integrated? • Are policies and processes documented? • What is the impact of digitalisation on current policies and processes? • Is there a strong culture of dynamic policy updates, along with supporting and procedural changes in the CHO? • How is data privacy managed? What will be the impact on data privacy as a result of digital transformation?
2. Cybersecurity / IT	CHO's capability to address cybersecurity risks which have a direct impact on continuity of IT operations. IT risks cover technology capability, data loss and overall disruption	• Is a cybersecurity policy in place? • How will data breaches be addressed? • Have staff been given cybersecurity training? • Is a disaster recovery plan in place? • What is the functional, informational and recoverability impact of identified risks? • For on-premise applications and systems, is a systems management framework in place? • What is the current state of systems integration? • Can the systems infrastructure cater for the addition of new tools and apps? • How will they be integrated?
3. Operational	CHO's capability to maintain operations, deliver services and	• How will operations be disrupted and how can this be best mitigated? • Will the project or initiative achieve the intended operational results?

Risk Category	Category Overview	Sample Risk Factors to Consider
	meet current business goal during the transformation process	• What resources will be needed to deliver projects? • To what extent will the CHO need to rely on external resources? • What is the risk of an unsuccessful implementation? • What is the extent of risk associated with third party suppliers needed for the initiative and can they deliver?
4. Organisational	CHO's capability to implement transformation or increased digitalization. To what extent can the CHO's current structure and processes accommodate a changing digital landscape?	• What are the change management implications • Does the CHO a defined change management policy in place? • What are the staffing implications and future structure of the organisation? • How will that be addressed? • How is workplace culture assessed? How adaptable will staff be? • What is the current level of staff digital skills? • What training will be needed?
5. Strategic / innovation	CHO's capability to introduce innovation and new technology	• Is the CHO sufficiently mature to introduce new, unfamiliar technologies or processes? • Have the desired outcomes been fully evaluated? • Is the CHO an innovator or an adopter of what other CHOs have implemented? • What level of cost-benefit analysis been undertaken? • What is the extent of change needed to support the initiative and how will this be managed? • What is the risk of cost / budget over-run? • How will projects be managed? • What level of due diligence has been undertaken on products / third-party suppliers? How have these been evaluated?

6.7 Resourcing

As noted above, resource allocation, amongst other factors, is vitally important to the success of any digital transformation project.

Subject to the number of digital objectives you have identified and the size of your organisation, the appointment of a digital transformation manager on a full-time basis should be considered with dedicated support staff, preferably also full-time. This is important as digital transformation will involve working across the entire organisation of the CHO

Agile working methods are also crucial in manging digital projects. To meet certain objectives, it is distinctly possible that you may have at least specific projects of different types in progress at the same time e.g., people, process and technology related projects.

Key responsibilities of a digital transformation manager are to ensure:

1. Acting as a coordinator across departments or teams e.g., collaborating closely with IT, translating business needs to IT solutions, clearly communicating requirements and removing ambiguity.
2. Fact-based decisions can be recommended and made.
3. Identify actions and remove roadblocks (hence why the formulation of a digital vision and objectives, as well as communicating these to the wider organisation, are so important).
4. Overall management of the digital programme, i.e., all projects which have been defined in worksheet ***9. Project Planning.***
5. Co-ordination of all digital project with transparency provided on each project covering:
    a. Issues
    b. Risks
    c. Milestones
    d. Actions completed and pending
    e. Costs
6. Reinforcing change management and regular reporting on progress to the wider organisation.
7. Acting as a coach and taskmaster to encourage discipline on project commitment and delivery.
8. Determining the impact on business process change and communicating the changes needed.

Depending on the number of digital projects you identify aligned to your business strategy, resourcing naturally plays a key part. Key aspects to address when considering your project roadmap are:

1. If appointing full-time positions to the digital programme, what is the cost impact on resources in needing to back-fill their positions?
2. Considering this, do we have the necessary skills in-house?
3. If not, do we recruit or do we look to outsource and bring in specialist expertise?
4. What is the cost-benefit relation between recruiting or outsourcing?
5. How long will we need specific skill sets?

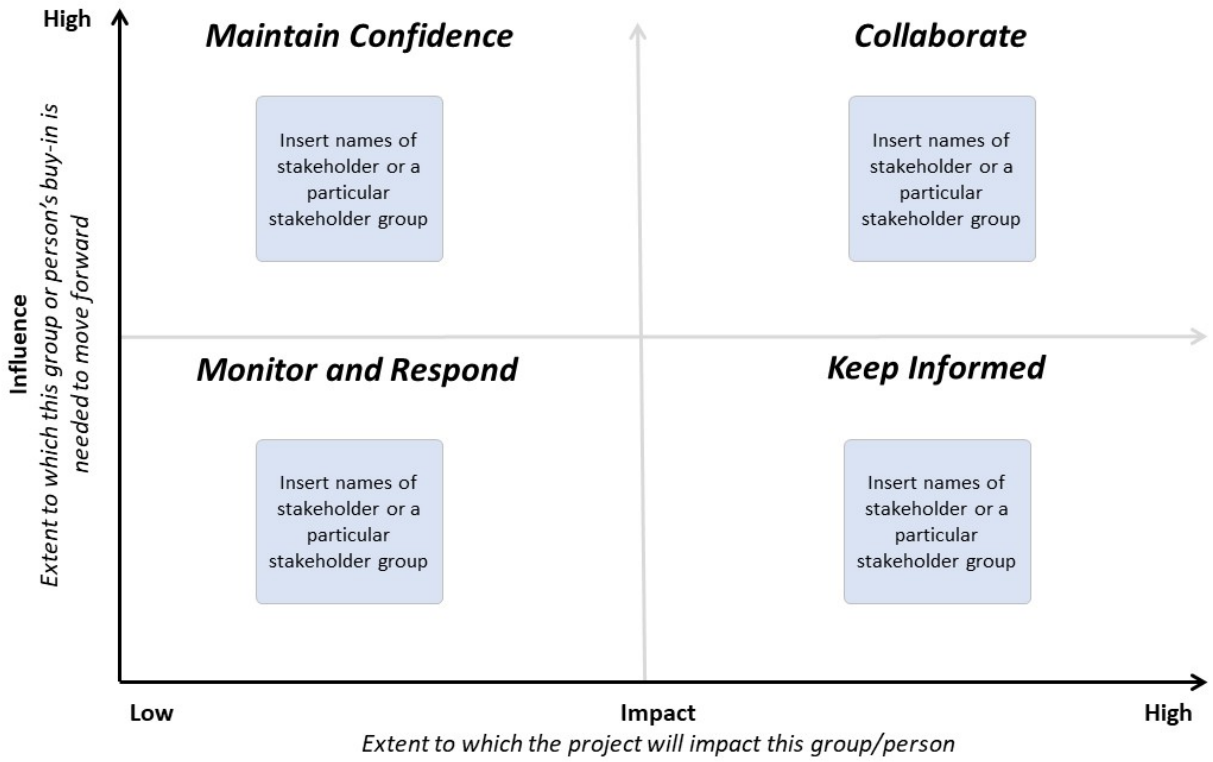
6. How do we balance the number of digital projects as part of the digital programme against likely cost and resources?

6.8 Communication Plan

With the likely extent of change, good communication is essential to ensure staff are kept informed on the progress of each project. To an extent, the communication plan is linked to the extent of change you have identified and how to deal with it.

Aspects to consider when formulating your communication plan are:

1. Your audience – a useful method is to break down your audience by influence and impact:



2. Your messages – suggested messages are set out below:

Message Type	Factors
Current state	• The current situation and the rationale for the change e.g.: o Business issues or drivers that created the need for change such as the technology trends you identified in your channel shift analysis. o Deployment and benefits of digital transformation. o Changes in the housing sector. o Customer experience and ways to improve. o Results of tenant engagement survey. o Financial. • What might happen to the CHO if a change is not made.
Scope of change	• A vision of the CHO after the change takes place.

Message Type	Factors
	• Scope of the changes (including process scope, organisational scope, systems and technology scope). • Objectives for the change (what does success look like). • Overall time frame to implement the change. • Alignment of the change with the business strategy. • How big the change is needed (how big is the gap between today and the future state). • Who is most impacted and who is least impacted. • The basics of what is changing, how it will change and when it will change, including what will not change.
Impact on staff	• The impact of the change on the day-to-day activities of each staff member • "What's in it for me" (WIIFM) from the employee's perspective • Implications of the change on job security and roles (hence why the toolkit sets out a matrix to identify the levels of change). • Specific behaviours and activities expected from staff, including support of the change. • Procedures for getting help and assistance during the change. • Ways to provide feedback. • The expectation that changes will happen and is not a choice e.g., digital transformation is all around us and we must embrace it, we have assessed the benefits and it offers x y z (hence why the toolkit prompts you to identify the benefits of each project you have defined).
Project progress	• The schedule for the project overall. • When will new information be available. • How will information be shared about the project. • Major milestones and deliverables. • Key decision points. • Early success stories.

3. Communication channels – how will you communicate?
4. Timing – when and how often will you communicate with your audience? Include activities such as project reviews, status reports and meetings.
5. Data – what data will you include, e.g., progress report data or keep it general subject to your audience?
6. Feedback – how will you receive and record feedback and how will this feed back into the overall project management?
7. Responsibility – who will be responsible for delivering the communications?
8. Reassessment – How and how often will the communication plan be reassessed for effectiveness and improvement?

Bear in mind that as digital transformation encompasses significant change, communicating must be managed with sufficient due care and diligence, as you do not want to lose trust, therefore it is important to:

1. Communicate directly and simultaneously to everyone by the change.
2. Communicate to all parts of the CHO, noting the influence / impact matrix above.
3. Ensure that actions happen when you say they will and you can report back on them.
4. Be sensitive to potential staffing issues and how change is being received.

6.9 Project Scheduling

Using worksheet ***12. Roadmap,*** having assessed risks, benefits, dependencies, resourcing, budgetary aspects and determined the success facts for each project, map out your digital project roadmap whereby a Gantt style chart will be automatically displayed based on the project start and end dates.

Good planning is key to achieving a successful result. If you want your digital project to succeed, the best solution is to plan in advance by setting up a timeline and process outline. Break each project down into key milestones and tasks, ensuring that each will be documented thoroughly.

Once finalised consider how to summarise this as part of your strategy. The section below suggests compiling a sun-ray style summary chart to convey the range of projects to be undertaken.

Note that throughout the duration of the roadmap, it will be inevitable that some re-planning may be required in response to changes in circumstances. The greater the changes, the greater the extent to which the roadmap must be revised. Typical situations are:

Project Revision	Factor
Revise estimates and resources	Resource availability changes. Conflicting priorities arise.
Revise activities	Changes in scope may occur due to changing circumstances.
Unexpected shortfalls occur	Depending on the number of digital initiatives in progress, unforeseen shortfalls may be identified or arise.
Revise scope and deliverables	A complete revision may be required subject to progress of initial or earlier projects in the digital programme.

7. Strategy Structure

Once all the worksheets have been completed in ***08 Digital Transformation Planning Toolkit.xlsx*** and the planning and prioritisation processes are complete, you now know:

1. Where you are now in terms of:
    a. Your weaknesses from a digital perspective and the areas where you need to improve
    b. The challenges and constraints which may prevent or limit the objectives you can achieve.
    c. The trends which ***could*** affect you to varying degrees
    d. The pain points in your service delivery operations as identified by your customers
2. Where you want to be in terms of:
    a. The improvements you need to implement to address the above
    b. Prioritising the digital objectives which you have identified and aligned to your business goals
3. How you are going to get there in terms of:
    a. The projects to be undertaken and the resources needed
    b. The risks involved in achieving these objectives and the mitigation actions that need to be taken.
    c. The change management implications that need to be addressed.
    d. The communication plan that needs to be implemented
    e. The resources you will need to deliver it.

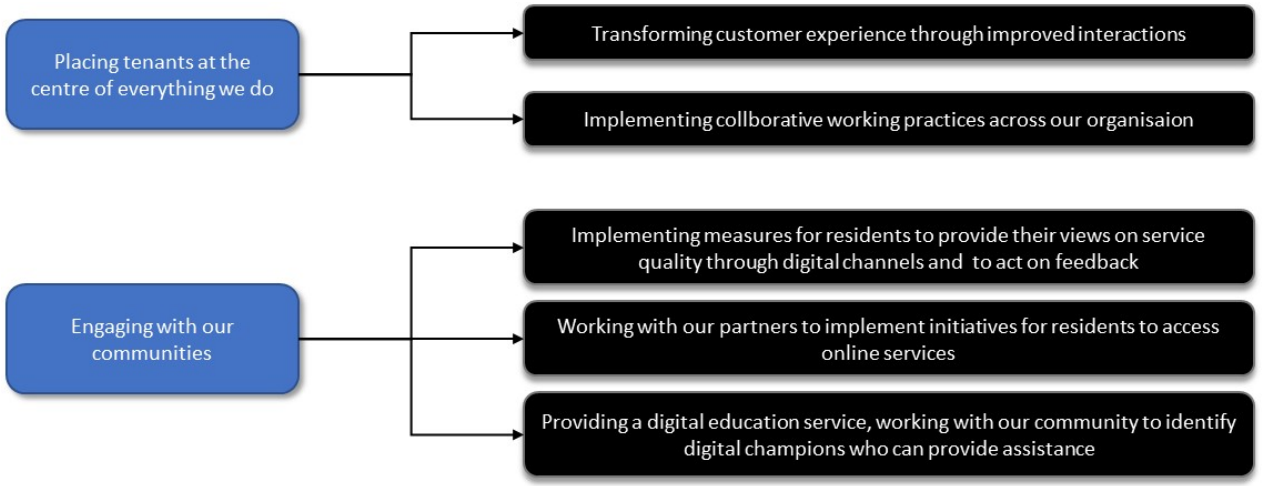
You are now therefore ready to bring this all together in a format for consideration by your Board.

A suggested structure for your digital strategy is therefore set out below:

Section	Topics	Examples to include
1. Vision / Introduction	• Summarise what digital transformation is; what it involves • State the time period for the digital transformation strategy (DTS). Is it the same as your business plan and / or your IS-IT strategy? • Describe what the DTS covers and your vision for a digital service	Provide a clear definition of what digital transformation means. Set out your vision *"Our vision is to a b c etc.* *By x year, we will be providing y services through digital channels which will provide benefits a b c by improving our channels for interaction and self-service, automating our operations further and upskilling our staff."* The DTS sets out what we plan to do in the next x years to provide y [improvements] to our tenants and z [benefits] to our staff and why you are doing it. This DTS covers [summarise the digital objectives your prioritised in ***08 Digital Transformation Planning Toolkit.xlsx***] • Transforming how we interact with our tenants and suppliers • Delivering improved digital services and technology with improved mobile working • Working more collaboratively, with improved reporting, access and data sharing • More streamlined business processes • Ensure we have the resources in place to achieve our digital goals • Improving how we work and interact with our support agency partners • Our goals are to achieve x y z through digital transformation initiatives • Providing training to tenant groups and identifying community champions to help people to get online The DTS recognises that key issues to address are x, y, z etc.
2. Background	• Summarise the key issues you face from a digital perspective (based on the exercises you undertook in this toolkit in defining your digital objectives	Provide a general overview on the changes in technology and approaches to service delivery in various industries, which you will have undertaken from your channel shift analysis in the toolkit. Include as much recent research as relevant such as the Australian Digital Inclusion Index. Summarise the outcomes of your digital readiness exercise.

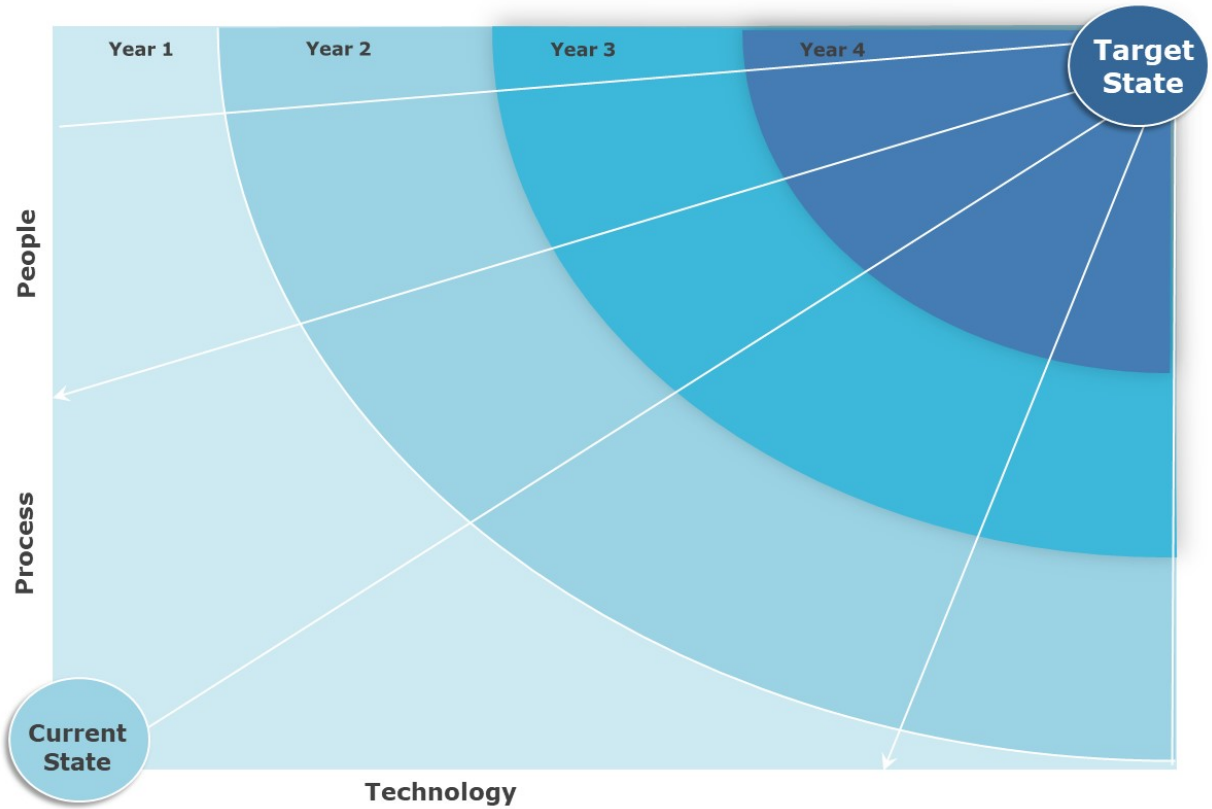
Section	Topics	Examples to include
	and the situations which informed that position) • Based on your consultation with tenant groups and through market research, set out the digital facts in terms of residents who have access to the internet, mobile phones or use digital applications.	If you have consulted with residents on internet and technology use, set out the number of residents who do have access to such facilities but highlight the proportion which do not. Set out the analysis you have undertaken which has been used to support the compilation of the strategy.
3. Principles	• Set out the principles you propose to adopt and follow	These could be a selection of e.g.: • Digital inclusion. • Enabling smarter working. • Being people centered. • Make it simple and helpful for people when they interact with you. • Digital being embedded in what you do. • Working openly. • Supporting our staff by providing the necessary tools, infrastructure. • Collaborative working. • Ensuring privacy and security of data. • Delivering innovation through your services. • Delivering a first-class customer experience. • Being accountable and transparent.
4. Challenges	• Break down the challenges you have identified from your digital readiness assessment, the	Challenges could be: • NBN roll-out in rural communities and access to the internet

Section	Topics	Examples to include
	channel shift trends you have analysed and the outcomes from the persona mapping journeys you have documented	• Costs for tenants in accessing the internet and having the methods and tools to do so • Consulting with our tenants to find out the obstacles and their views on digital service channels • Reducing level of digital inclusion • Expanding the provision of digital housing services • Implementing digital technologies • Improving the collection, analysis and display of housing data through digital platforms • Realignment of customer services and restricting • Having the resources to embark on a digital housing strategy
5. Objectives	• Break down the objectives you have defined in this toolkit into themes • Describe the key outputs targeted by the DTS	Themes could be e.g.: 1. Digital operations a. Transforming the customer experience. b. Transforming the way in which we work. c. Automating processes. 2. Digital skills a. Empowering our workforce. b. Training our staff. 3. Digital inclusion and participation a. Helping those who do not have the means to access digital services and providing education. b. Embracing a digital first approach. 4. Digital technology and connectivity a. Improving our technology infrastructure. b. Improve the management of our data. c. Delivering improved digital services and technology.

Section	Topics	Examples to include
		d. Embedding technology in our homes through smart devices. From the objectives you have defined and once grouped into themes, set out what you will do in each, summarising the projects you have defined from the perspective of the project types and a brief overview of each initiative. Show how each digital initiative aligns to your business plan, ideally in a graphical form e.g.  Describe the key outputs for each theme and what you will do. These could include: • Self-service portal where each tenant will have an account to access the portal and manage their tenancy online • Robust remote working with data accessible on site or in tenant homes to provide real-time updates and information to staff • Comprehensive digital document management held in a secure location to streamline searches, ensure data integrity and security • Establishment of automated processes in our current systems through use of workflow, tasks and notifications.

<table>
<tr><th>Section</th><th>Topics</th><th>Examples to include</th></tr>
<tr><td></td><td></td><td>• Partnerships established with third-party agencies to support our tenants in getting online</td></tr>
<tr><td>6. Benefits</td><td>Set out the financial and non-financial benefits of the outputs you have identified</td><td>Describe the expected benefits and the success factors by which these will be measured from worksheet 9. Project Planning in the toolkit.</td></tr>
<tr><td>7. Business Case Models</td><td>Summarise the results of any business case models</td><td>Include the results of any return on investment for initiatives such as self-service, automation and mobile from exercises you have undertaken on cost-benefit analysis in relation to time spent on x activities where the introduction of a new digital channel or digitisation could provide potential benefits.</td></tr>
<tr><td>8. Priorities</td><td>Summarise the priorities for digital action and why they are needed</td><td>Based on your assessment of your challenges in relation to your position, digital trends and journey mapping outcomes, set out your priorities aligned to the business strategy. These will be drawn from worksheet 8. Prioritising Objectives in the toolkit.
Based on the projects you have defined in worksheet 9. Project Planning, summarise these in terms of the themes you documented above along with the associated actions, targets and delivery period:
<table>
<tr><th>Digital Theme / Objective</th><th>Action / Deliverable</th><th>Target / Success Factor</th><th>Priority / Delivery Period</th><th>Business Strategy Objective</th></tr>
<tr><td>Summarise the objective in relation to the challenge / issue</td><td>What is the action needed to address the objective</td><td>What is the target / success factor / desired outcome e.g., “increase the number of people who can access affordable broadband by working with partners”</td><td>Set out in broad priority terms whether this is:
• Short term
• Medium term
• Long term
Refer to the summary roadmap sun ray diagram below</td><td>Summarise how this objective is aligned to the business strategy</td></tr>
</table>
</td></tr>
</table>

Section	Topics	Examples to include
9. Risk	Provide a risk summary	Summarise all significant risks and how they will be managed from the risk management matrix you will have compiled as set out in this document.
10. Finance	Describe the financial implications	Set out the estimated costs, split between operational and capital in relation to: • Resourcing • Outsourcing (consultant costs if not being fully delivered using in-house resources) • Software acquisition • Other overheads such as consultation, media costs
11. Governance	Describe how the transformation programme will be managed and implemented	Set out the responsibilities for governance and what will be required to achieve the digital objectives Set out the resourcing requirements, in particular the need to appoint additional staff to oversee and deliver the projects. Describe how the projects will be supported and what they will include e.g. • Deliverables. • Reporting on progress. • Learnings. Describe the approach to be taken relating to change management and communication
12. Roadmap	Summarise the projects to be implemented to deliver the objectives	Provide a sun-ray style diagram to illustrate the proposed project roadmap timeframe, grouping the projects into the above themes aligned to the business objectives.

Section	Topics	Examples to include
		 Set out the dependencies of each project

8. Delivering Digital Transformation

It goes without saying that delivering digital transformation requires good project management.

There is a wealth of material available on the principles of project management and approaches to it. This section does not intend to cover these in detail, rather the objective is to set out important aspects to consider in delivering digital transformation.

Section 6 recommends the appointment of a full-time role of a Digital Transformation Manager (DTM) with support from seconded staff in full-time roles to work across the organisation in view of the likely scope of each initiative.

Measuring and reporting on progress is fundamental to success. If deviation is not detected and corrected, project failure is inevitable. Remember the point made early in this document that many digital transformation projects fail.

The DTM must relate progress monitoring specifically to the business needs, hence why it is important to align your objectives in the first place to your business goals. Being on track with a project is not sufficient. You also need to be on track with the business needs because, as set out throughout this document, digital transformation covers more than just technology.

A project manager should work on delivery and monitoring such that there are no surprises. That is easier said than done of course however, dealing with unexpected events is perhaps inevitable. It is the manner in which such events are responded to and the resulting outcomes that are the most important.

8.1 Progress Reporting

Each project will require monitoring in terms of:

1. Task assignment
2. Issues and risk status
3. Change status
4. Variations requested and approved, with impact on work plan and budget

Formal reporting will be required to the CHOs management team across the whole programme and at each project in progress.

Of course, this will vary based on the number of objectives adopted. Reporting is the most direct regular way to show how the programme is progressing, and is used to raise a range of matters for consideration and prioritisation.

Project reporting should typically be undertaken every month and discussed with the management team. Circumstances may be such that more frequent reporting is required.

A suggested format for project reporting should include:

Topic	Explanation
Project status summary	Summarise how the project is progressing, whether it is on schedule, and the current overall status
Planned activities completed	For each project stream, summarise the activity which has been completed in the period of the report

Topic	Explanation
Project risks	Summarise the status of all risks which have been identified, confirming risks which are no longer relevant, due to mitigation actions being taken and the project activity being completed. A separate risk register should be maintained based on the format provided in worksheet ***11. Digital Risks*** in the Toolkit
Project milestones	Indicate in traffic light style illustration whether the project is: 1. On track with no issues. 2. Issues / risks exist. 3. Project is behind schedule. Set out the project milestones and show: 1. Status. 2. Planned completion date. 3. Actual completion date. 4. Summary of any issues.
Project issues	Summarise any detailed project issues and where decisions need to be taken to address them by the management team.
Planned activities	Set out the planned activities for the next period.
Budget summary	Set out: 1. Contract amount (if external supplier engaged) or internal budget amount allocated 2. Expenditure to date 3. Budget balance
Resource allocation	Set out the allocation of resources to each project. As set out above, resources should be devoted full-time. If part-time resources are deployed, there is a very real risk that the project will slip and incur additional costs. A key priority is to protect the team from interference, where resources are pulled away to what are deemed more pressing matters to be dealt with.

8.2 Risk Management

Risks should be continually reviewed and particularly the progress on mitigation actions that have been identified.

Continually assess the priority for action on each risk, especially following changes to the likelihood and impact. New risks may of course surface during the duration of the project, which need to be added to the project risk register.

Likewise, risk mitigation actions should be continually reviewed and updated where appropriate, before the event is due.

If a project task has been delayed, the risk avoidance timing would need to be re-evaluated and reset. If a risk mitigation action is due and implemented, this could mean a realignment or re-scheduling project tasks.

8.3 Issue Management

An issue register should be set up and maintained in a similar manner to risks.

An issue is anything which may jeopardise the success of the project or completion of project tasks, which should always be recorded.

Issues could relate to the CHO's resources, budget, supplier, supplier's resources or specific project aspects such as development, documentation, testing or training.

Warning signs may appear which could be:

1. Issues accumulating faster than they are being resolved
2. Issues staying open too long
3. Management team unable or unwilling to make decisions on issue resolution
4. Wider consultation being needed across the CHO which will ultimately prolong the duration and resolution timescales
5. Closed issues being re-opened again (although this should require a new issue being logged and related back to the original issue).

8.4 Anticipation

Continually anticipate what could go wrong aligned with what is due to happen or what should happen.

There may be patterns why tasks have not or are not being done, such as calibre of resource deployed to the project; lack of knowledge; lack of understanding etc.

Communication is key to identifying problems before they occur as well as addressing those that have.

Communicate with all project stakeholders to ensure everyone is on the same page.

Always aim to pre-empt events before they happen and always expect the unexpected.