



# THE ROLE OF DIGITAL TRANSFORMATION IN REDUCING FRICTION AND IMPROVING ORGANIZATIONAL PERFORMANCE

## Change is the new normal

The COVID-19 pandemic ushered in an era of volatility and complexity, forcing organizations to be “always ready” to handle changes. As a result, many companies were forced to alter their business models quickly in response to the pandemic, often by pivoting to new markets or expanding their offerings to meet changing customer needs. For example, we heard of how Uber expanded its food delivery service, Uber Eats, to compensate for a sharp decline in its core ride sharing business. Similarly, Walmart increased its focus on its eCommerce strategy to cater to rising online shopping, while Unilever repurposed its production line to meet the increasing demand for hygiene products.

In a constant state of flux and yet with a desire to elevate themselves, organizations undergo significant structural changes. These changes usually follow the centralization-decentralization cycle depending on where the organization is currently in this continuum. The trigger is a response to shifts in market forces, organizational culture or technology trends. So, a business unit

can get split into multiple entities only to merge after a while.

At the core of these changes is the desire to meet customer needs. However, these structural changes have their pros and cons that impact the way the organization functions and grows to meet the changing market dynamics

A key organizational challenge is to work as a single team and deliver to the customer irrespective of the structure. In a way, the organization must almost virtually centralize-decentralize every day throughout its lifecycle to meet customer needs, irrespective of the structure it has put in place. While technological advances have made locations not a significant obstacle anymore, yet there are other types of challenges. For instance, conflicting priorities among teams, teams working in silos for most of the product or service development cycle, unclear roles and responsibilities, lack of transparency leading to trust deficit, multiple touch points and meetings with different stakeholders, repeated information aggregation and under optimal resource utilization. All these create friction and hinder organizational performance.

## The legacy and evolution of Software development methodologies

**Friction causes much damage** - A study by CPP, owner of the renowned brand Myers-Briggs Type Indicator, almost 70% of employees (67%) have made a special effort to avoid a colleague because of a disagreement at work, which is likely to create tension in the team[ f39a8b7fb4fe4d9f485c825.ashx (themyersbriggs.com)]. The same study said that almost three hours are spent weekly in the US to resolve workplace conflicts, and this is time taken away from addressing market needs and satisfying the customer. This is just the starting point - other effects include low morale, missed business opportunities and even a dent in a company's reputation.

Often, an organization with high friction focuses on just getting things done rather than doing so in a competitive manner that will secure its business. That's because team friction deflects an organization's attention from the main course. Suffice it to say that preventing and eliminating conflict must be a top priority for any business leader.

While we discussed the flipside of friction, it's important to understand the positives of having a team that works well together. The collective knowledge of such teams is a distinct

competitive advantage, and they are best equipped to fulfill the demand, irrespective of underlying structures and hierarchies. In short, high-performing teams must have an amorphous nature to adapt and evolve to changing market conditions swiftly and remain competitive. That's the order for survival in today's world.

## It's time to change/ A well-integrated team makes the difference

Organizations must spend their efforts and time working towards business goals. As a result, frequent structural changes or interventions to remove friction will be counter-productive to that objective. Instead, they must look at solutions that enable seamless information flow across teams and educate teams on the common purpose, the current state and steps to reach the desired state. Technology can deftly fill the role of an enabler.

It is time organizations undertake digital transformation initiatives. Digital technologies can help reduce friction in a company because they enable faster, more efficient, and more accurate processes. By automating manual processes, reducing communication barriers, and providing access to real-time data

and information, digital technologies can improve the speed and quality of decision-making, collaboration, and customer engagement.

Some of the key solutions that make a massive difference in frictionless organizations are:

**1.Collaboration solutions:** Digital technologies covering productivity tools, virtual whiteboards, intelligent document sharing, task management, and collaborative content creation enable teams to collaborate on projects and share information in real-time. This reduces the potential for miscommunication or delays and increases productivity. With rapid advances in AI, intelligent collaborative solutions will emerge soon from a blend of out-of-the-box solutions customized to the organization's workflow.

**2.Enterprise knowledge management:** In today's digital world, organizations generate huge volumes of data across business groups and functions. This data resides in different formats and sources. As a result, users struggle to locate the correct data even in their smaller workspace, not to mention locating internal documents at the organizational level. Initiatives like enterprise content search using AI and NLP techniques will play a pivotal role in democratizing organizational knowledge for employees, irrespective of their tenure. Such access will greatly impact new employees, empowering them to perform better.

**3.Cloud computing for end users:** End user cloud computing technology provides teams with easy access to shared resources and data from anywhere, at any time. The success of any end-user computing initiative depends on the ability to introduce new technologies without expecting system expertise, ensuring that different components of a new platform can be launched seamlessly. Today's solutions emphasize adding new technologies to desktop and mobile devices smoothly and with less noise to ensure end user experience stays the same across devices and geographies.

**4.Digital workflows:** The value comes from streamlining processes and digitally connecting a series of independent tasks performed in an organization. In a typical workflow spread across different organizational groups, employees spend effort switching between several applications built on diverse technology with its own user interface. As a result, the user expends significant mental effort in switching contexts and eventually takes more time to complete the tasks. With the advent of Low-Code No-Code solutions and generative AI apps, many workflows can

be digitized and streamlined to provide a great experience to stakeholders in accounting and finance payment processing, employee onboarding, customer service claims processing, supply chain management, IT support tickets, and marketing campaign management, for example.

**5.Process automation:** Digital technologies have automated repetitive tasks such as data entry, scheduling and report generation. However, with AI and the ease of developing applications using AI techniques, organizations must relook at new candidates for automation instead of the traditional way of assessing manual tasks. This includes digital assistants answering and solving recurring queries, quality check automation, image analysis, resume screening and converting multiple micro tasks into micro bots to increase the productivity of employees.

**6.Data analytics:** A key mandate for enabling a frictionless organization is to increase transparency among the stakeholders, thus leading to an informed decision making process. Data analytics initiatives can help teams collaborate more effectively by providing a shared source of truth. By working with the same data and metrics, teams can align their efforts toward common goals and reduce friction caused by conflicting priorities or misaligned incentives. Data analytics also can help organizations become more agile by providing real-time feedback on business processes and enabling quick adjustments to strategies and tactics.

**7.Intranet modernization:** By providing a centralized information platform for employees to communicate with each other, intranets reduce the potential for miscommunication or misunderstandings caused by fragmented communication channels. Modern intranets are designed to be more employee centric, providing a personalized experience with easy access to tools and resources needed to perform their job and preventing switching between multiple portals. The traditional design of intranets by the department is morphing into a centralized one, with all action and information items consolidated into a single view.

In summary, every organization has to undertake these key digital initiatives to improve employee efficiency, increase productivity, make more informed decisions, enhance customer engagement and gain a competitive advantage. When teams across an organization come together to solve a problem, the ability of the technology ecosystem to make the teams feel that they are a single trusted unit with a common goal is the ultimate success indicator of these digital initiatives.

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