An executive's guide to effective digital transformation

A research-backed playbook
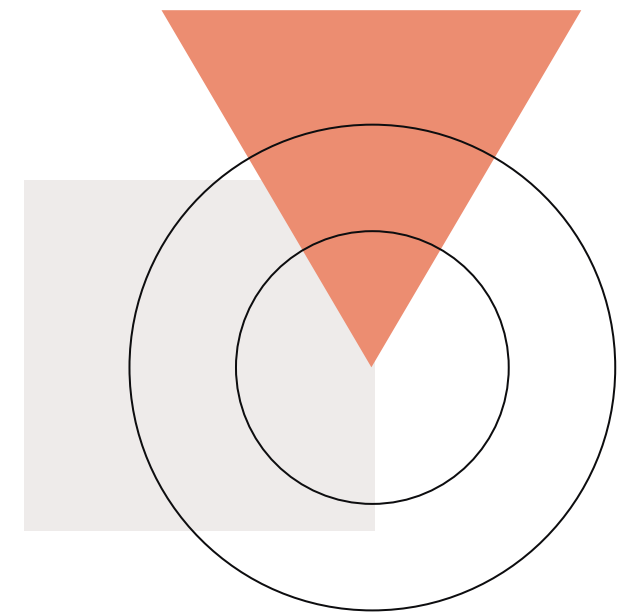
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01

# Enable the right digital transformation, today

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As companies have to adopt more dynamic ways of work—like agile and hybrid—they need to develop new digital capabilities to support this evolution. This shift is causing leaders to "digitally transform" themselves. But despite their glittering promises for businesses and executives, most (70%) digital transformations fail. While there are high expectations that implementing new digital technologies will help companies become more agile, efficient, and customer-centric, leaders and companies consistently come up short. So, what is the solution?

The Work Innovation Lab and the Connected Commons partnered to conduct hundreds of hours of research on how organizations can build the right digital capabilities—and how to avoid building the wrong ones. This playbook is packed with actionable ways to build the digital capabilities your organization needs to evolve for more dynamic, distributed, and complex work.

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Measure operational effectiveness, not individual work output
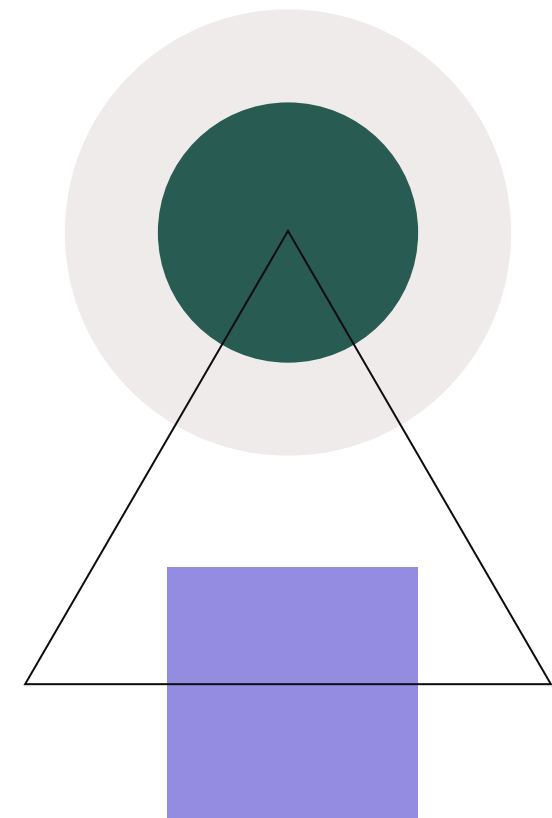
Measure operational effectiveness, not individual work output

With the shift to more distributed work, many companies have resorted to monitoring and measuring employees' work output (often ambiguously termed "productivity"). Apart from eroding employees' trust, when businesses fixate on monitoring and measuring their employees' work output, they lose sight of how work is happening—and whether it is happening most effectively. An individual who generates a lot of work output is not necessarily doing their highest value work. They may be creating duplicative work or collaborative overload for others. Or, they may be on the brink of burnout.

Despite the appeal to organizations—output is often easy to measure, after all—fixating on work output can mask ineffective work practices and actually cause an organization to be less efficient.

Prioritize operational effectiveness

Building the right capabilities for today's dynamic and distributed work requires prioritizing operational effectiveness. One way to think about operational effectiveness is to ask: is my company able to perform similar activities better than our competitors perform them? Most organizations can't answer this question with reasonable confidence, which is a sign of operational ineffectiveness.

In our research, we've found that there are five key markers of operational ineffectiveness that are applicable to virtually all organizations.

Five key markers of operational ineffectiveness:

1. Time spent in unproductive meetings

Today's knowledge workers spend 85% of their time in meetings. Much of this time is unproductive. Unproductive meetings are especially problematic for executives, with 71% of executives saying meetings are unproductive and inefficient and 64% saying meetings come at the expense of deep thinking.

> ### 71% of executives say meetings are unproductive and inefficient.

2. Time wasted coordinating work

> ### 58% of knowledge workers' time is spent coordinating work, rather than on skilled and strategic work.

When businesses fixate on individual work output, they lose sight of how work is coordinated—and they can't help their employees reorient their time and energy towards skilled and strategic work.

✓ Five key markers of operational ineffectiveness:

3. Time wasted on duplicative work

On average, each knowledge worker spends 129 hours per year on work already done by someone else—more than three weeks per year.

Duplicative work is often driven by a lack of integration between tools. Time wasted on duplicative work can compound if work processes are not intentionally rebuilt as work changes.

4. Time wasted toggling between apps

The simple act of switching apps can result in a 64-second cost to get back on track. If a disruption is so great that a worker loses their train of thought, then the recovery time can be as much as 20-30 minutes.

5. Time wasted due to a lack of automation

Much of workers' day-to-day work can be automated. From a technical standpoint, an estimated 45% of an employee's time can be automated with existing technology.

Yet organizations don't often have clarity into where inefficiencies exist and, in turn, which processes they should automate to help employees focus on higher-value work.

The cost of operational ineffectiveness

The true cost of this operational ineffectiveness is time wasted on low-value work, inefficient use of resources, a lack of velocity, and plummeting employee engagement levels. Often, this is invisible to employees and organizations—they don't experience them consciously, but they do feel the friction in their day-to-day work and see the results in missed goals. To maximize your organization's success in a digital age, you need to measure these indicators of operational effectiveness.

03

Prioritize collaborative intelligence, not more collaboration tools
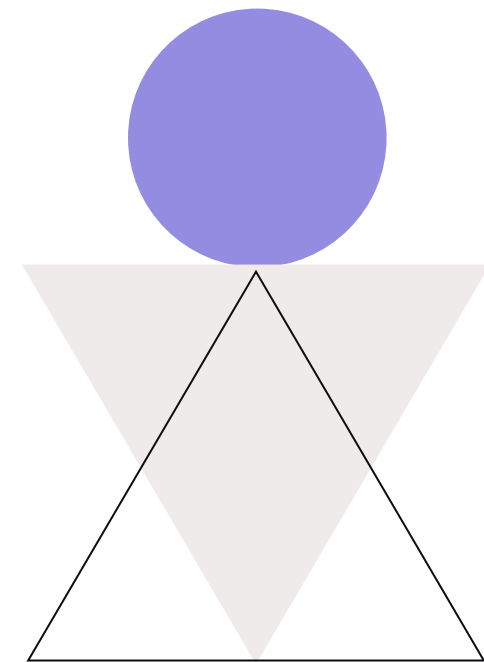
Prioritize collaborative intelligence, not more collaboration tools

Today's workers are subsumed in a hodgepodge of collaboration tools that have become akin to digital teammates. From 2019 to 2021, the number of workers using collaborative technologies grew by 44%. Businesses are spending more money on collaborative applications than ever before—global spending on collaboration applications grew by 28% year on year in 2021.

> From 2019 to 2021, the number of workers using collaborative technologies grew by 44%.

Every additional collaborative tool a company adds to its tech stack contributes to collaborative overload and app switching. In one study, employees at Fortune 500 companies switched between apps approximately 1,200 times throughout the workday. The same study showed that excessive switching between apps increases cortisol production in the brain, which makes it harder to focus and can result in lost productivity.

More collaboration tools can, counterproductively, make collaboration more challenging because workers struggle to understand where work is happening. In studying one of the fastest-growing tech companies in the world, Rebecca Hinds, Head of the Work Innovation Lab found that a rapidly scaling company had adopted more than 300 SaaS tools. This contributed to tool overload, impaired collaboration, and wasted money. Research has found that 35% of cloud and software spend is wasted due to redundant apps.

COLLABORATIVE INTELLIGENCE

Collaborative intelligence is the ability of your workers, teams, and organization to understand how collaboration is happening. Collaborative intelligence enables workers to understand where they and their teams fall on the collaboration continuum (Figure 1). At one extreme, workers are lonely, languishing, and under-engaged. At the other extreme, they are overloaded, overwhelmed, and burnt out. More impactful, collaborative intelligence enables your employees to pinpoint "essential collaboration" for maximizing performance and well-being.
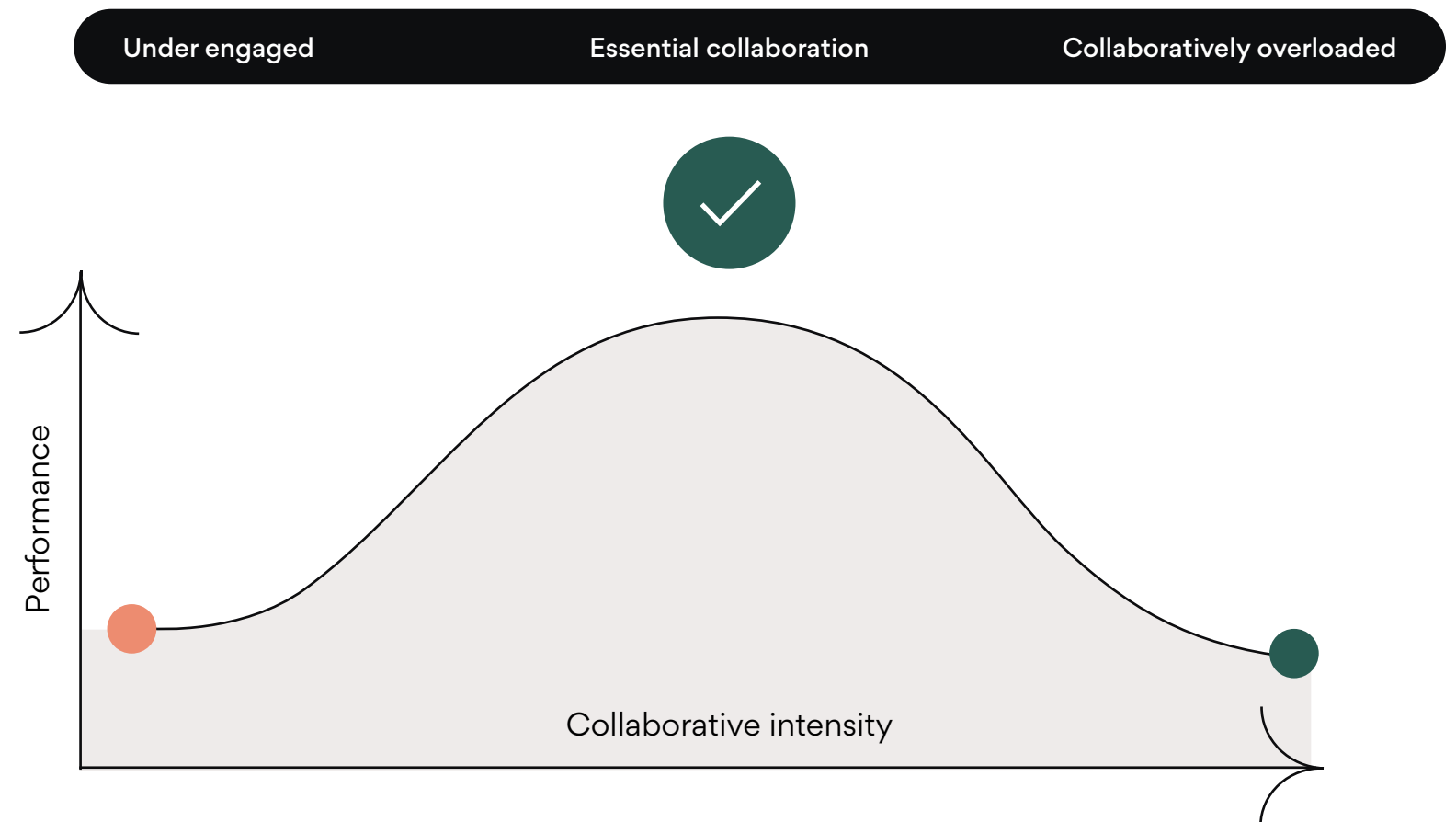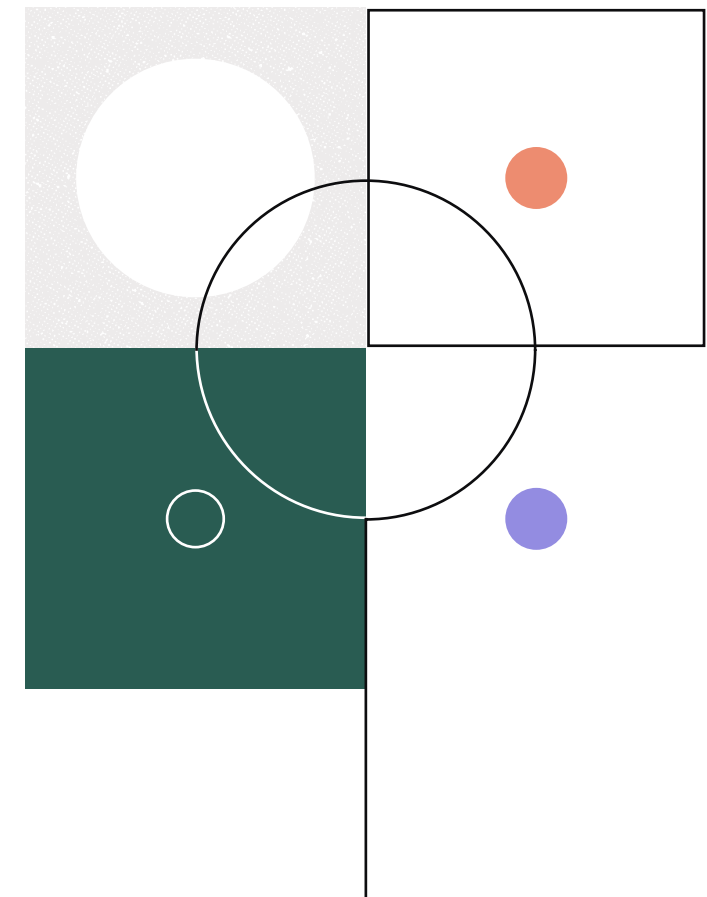
Under engaged	Essential collaboration	Collaboratively overloaded

Figure 1

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Asana's journey:
The collaborative intelligence dashboard experiment

Asana's journey: The collaborative intelligence dashboard experiment

Our research suggests that a key digital capability for today's dynamic work is collaborative intelligence. Without this intelligence, employees can't reasonably or accurately understand how they are collaborating.

We wanted to see whether we could empower people to make decisions about how they are collaborating with others. Our study participants were a large, globally distributed team at Asana, a work management platform. We built a "collaborative intelligence" dashboard for each participant at Asana who opted into the study. The dashboard displayed how much time people spent coordinating work and key collaboration metrics, such as:

- The number of times they initiated collaboration with someone else

- The number of times someone else initiated collaboration with them

- The number of different teams that they collaborated with

- Each of the three metrics above benchmarked against their peers

For two weeks, participants completed a daily diary entry and reflected on the metrics displayed on their dashboard. Throughout the study, participants described how the collaborative intelligence dashboard gave them newfound clarity into their work behaviors. 93% of participants made at least one concrete change to the way they were working in response to their dashboard. One participant told us:

> "
>
> This exercise has been eye-opening as [to] how I spend my time...and [I] would have never had that level of awareness without it."
>
> **EXPERIMENT PARTICIPANT**

As part of their own collaborative intelligence, workers need to have benchmarks and comparative points to assess the "health" of their collaboration. More than half (55%) of respondents in our study said that the comparison of their actions to others was the most valuable part of their dashboard (versus how they, individually, were allocating their time). Unless employees have some benchmark of what "good" collaboration looks like, they won't know how to manage their work and improve workflows.
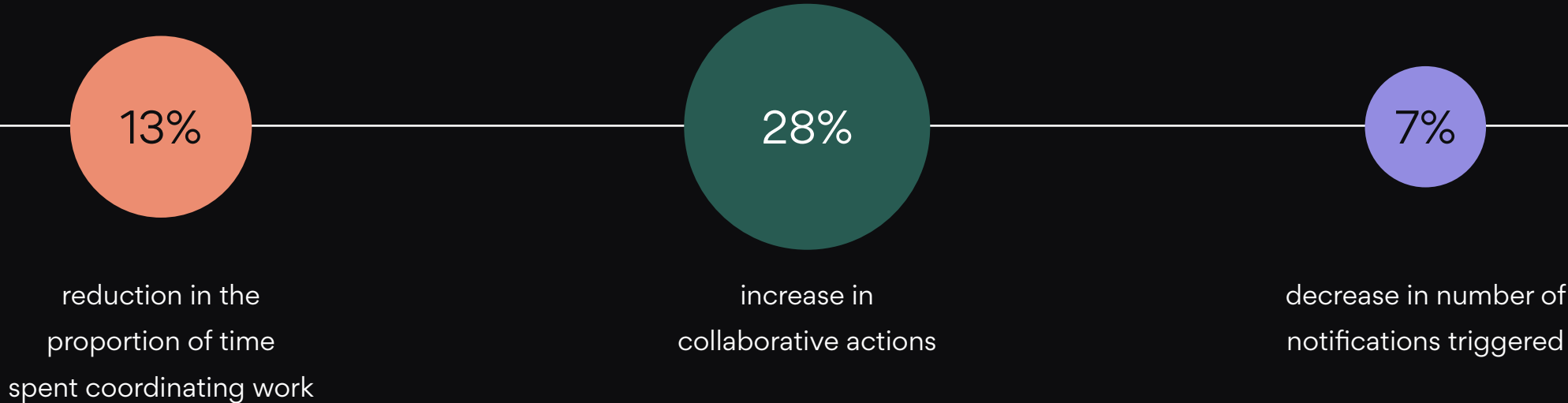
Collaborative intelligence is essential for ensuring that collaboration is purposeful, responsive, and does not overload others. Overall, we found that collaborative intelligence resulted in people being more conscious about collaborating in ways that minimized others' overload.

"

When I first saw this dashboard, I said I would be mindful of how I interacted with others in Asana. It seems this worked and that others were doing the same."

EXPERIMENT PARTICIPANT

We found that collaboration intelligence was most effective when participants set daily priorities before reviewing their dashboards. Participants who set daily priorities individually both decreased "unhealthy" time spent coordinating their work and increased "healthy" collaboration:

13%

reduction in the
proportion of time
spent coordinating work

28%

increase in
collaborative actions

7%

decrease in number of
notifications triggered

By prioritizing collaborative intelligence, you'll enable your workers to build up collaborative hygiene and etiquette that pay efficiency dividends in the long run.

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# Invest in technology designed to support cross-functional work
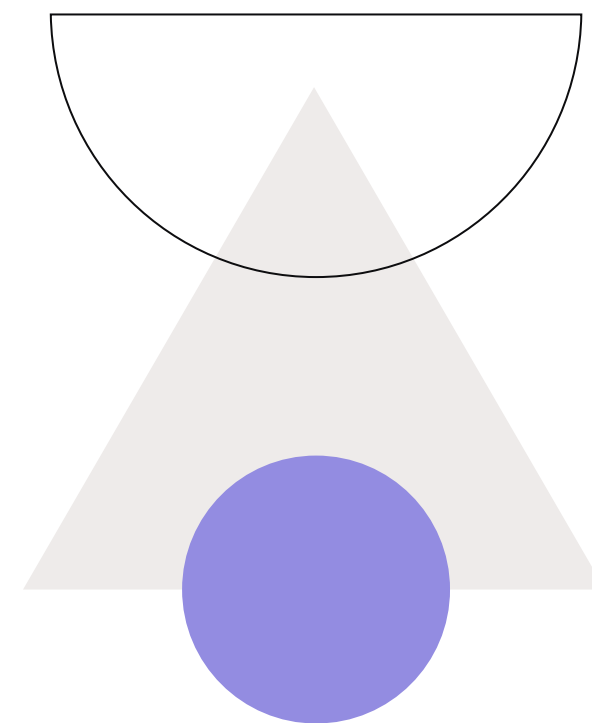
Invest in technology designed to support cross-functional work

As work becomes more complex, teams become more cross-functional. As Chris Marsh, an analyst at 451 Research said, businesses need to take a "more integrated view of their IT landscape [and look] for technologies that help them align their technology and business strategies and not just excel at a specific functional outcome."

Most businesses aren't leveraging their cross-functional teams to their fullest potential—far from it. Businesses today have invested in too many hyper-specialized tools that lead to poor coordination among cross-functional teams. According to research by Hinds and coauthors, tools tend to be optimized for within-team collaboration at the cost of cross-functional collaboration. This creates a tradeoff frontier between within-team collaboration and cross-functional team collaboration. As a result, teams overwhelmingly optimize for within-team collaboration even when it impairs cross-functional collaboration, leading to inefficiencies and poor business performance.

Teams overwhelmingly optimize for within-team collaboration even when it impairs cross-functional collaboration, leading to inefficiencies and poor business performance.

Cross-Team Effectiveness
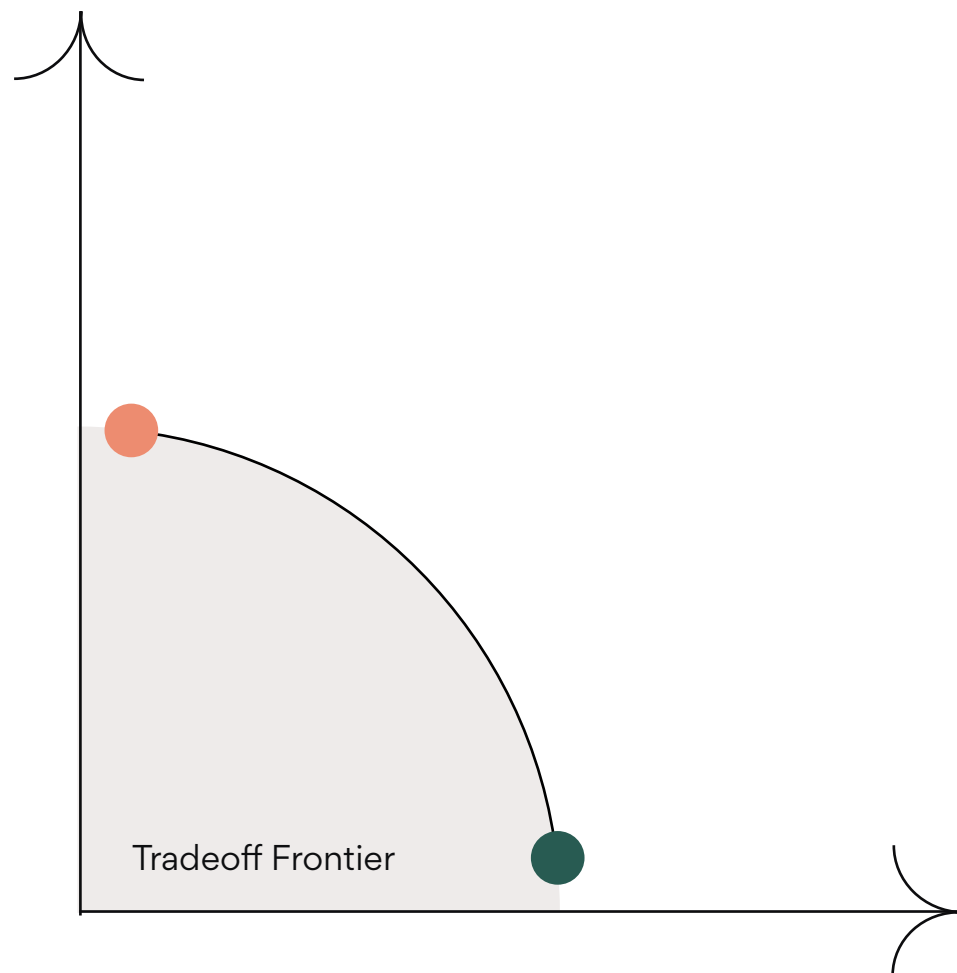
Tradeoff Frontier

Within-Team Effectiveness

Despite its advantages, the increase in distributed work can make collaboration even more static and siloed.

According to research by Accenture, 75% of companies are struggling to collaborate across different business functions.

Companies need to invest in technology that supports cross-functional teamwork. Leaders need to think critically about their company's tech stack and recognize that each additional tool can impair cross-functional collaboration. When investing in technology, they need to assess the extent to which a prospective technology supports cross-functional collaboration. To do this, leaders should answer the following questions:

1. Which two of your functional teams are most siloed (e.g., Sales and Marketing)?

2. How many apps and technologies have you invested in that are heavily used by, and support collaboration between, both functions?

If you haven't invested in tools that are embraced by different functional groups (especially traditionally siloed ones), cross-functional collaboration—the lifeblood of your organization—will suffer.

This particularly applies in a distributed work environment, where employees care about whether or not their company's tech stack is streamlined and supports cross-functional collaboration. An estimated one-third of employees say they would seriously consider taking a role in another organization that guaranteed a better day-to-day tech stack. Investing in tools that support cross-functional teamwork is key to winning—and retaining—talent.
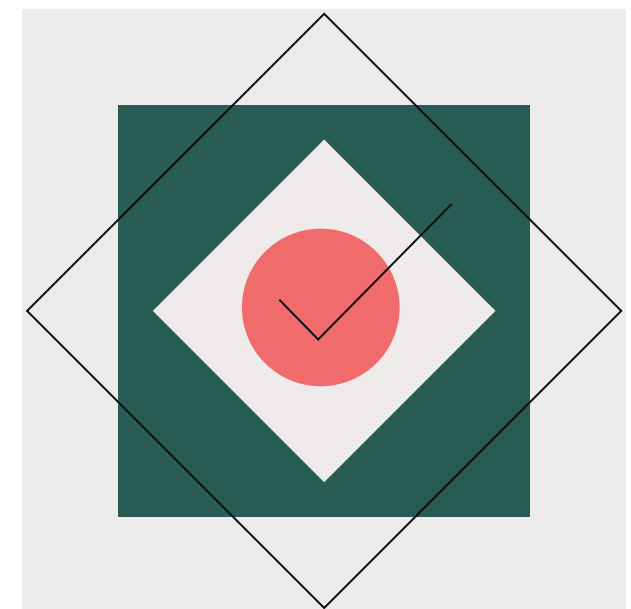
Create lasting digital transformation across your organization

Most companies cannot afford another failed digital transformation. By strategically focusing on the right digital capabilities outlined in this playbook, you can streamline work in a more cohesive and impactful way and boost overall efficiency so that employees have more time to focus on what matters most. Measure occupational effectiveness, prioritize collaborative intelligence, and enhance cross-functional collaboration to set your organization up for success.

Not sure where to start? We've included a digital capabilities checklist at the end of this playbook to help you assess if you are on track to build the right digital capabilities.

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Your digital capabilities checklists

✓ Your checklist for measuring operational effectiveness

ASK YOURSELF	TAKE ACTION
How much time do you and your employees spend in unproductive meetings?	Perform a Meeting Doomsday. At The Work Innovation Lab, we've shown that employees can save up to 11 hours per month per person just by eliminating unproductive meetings.
How much time do you and your employees waste coordinating work?	Choose one cross-functional project and ask team members to track and document all instances of time wasted coordinating work. At Asana, we created a form for employees to document all instances of organizational friction, especially those involving cross-functional teams.
How much time do you and your employees waste duplicating work?	Create a mechanism (a survey or form, for example) for employees to track and document all instances of time wasted duplicating work.
How much time do you and your employees waste toggling between apps?	A good place to start is to assess how many different apps your employees use on a daily basis, on average.
How much time do you and your employees waste by performing work that could be automated?	Ask employees to propose all ways they'd automate their day-to-day work. This enables you to identify themes and prioritize your automation investments.

Your checklist for prioritizing collaborative intelligence

ASK YOURSELF	**TAKE ACTION**
Do you have a good sense of the effectiveness of your apps and technologies for healthy collaboration?	Start by answering: • How many collaboration tools have you invested in over the past two years? • What is the total number of collaboration tools used by your workplace? • Which tools integrate with each other and which ones are creating information silos? Review and analyze these answers to determine if your organization is suffering from collaborative tool bloat that is impairing collaborative intelligence.
Have you invested in some form of collaborative intelligence?	Consider investing in: • A tool that enables you to assess where collaborative silos exist between different functional groups. • A tool that enables you to pinpoint when workers are collaboratively overloaded.

✅ Your checklist for investing in technology for cross-functional collaboration

ASK YOURSELF

TAKE ACTION

Do you have a set process for vetting new workplace technologies?	Develop a consistent way to assess if (and how much) a prospective technology supports cross-functional collaboration.
Do you actively consider the impact of new technologies on cross-functional teamwork?	Start by answering: • Of the total number of tools you and your employees use, what percentage facilitate cross-functional collaboration? • Consider which two of your functional teams are most siloed (e.g., Sales and Marketing). How many apps and technologies have you invested in that are embraced by, and support collaboration between, both functions? If you answer "0" or "1" to either of these questions, you'll need to invest in more integrations, more documentation on the tools cross-functional teams should use to collaborate, and, ideally, an integrative platform that ties all cross-functional work together.

The Work Innovation Lab is a think tank by Asana that develops human-centric, cutting-edge research to help businesses evolve today to meet the growing changes and challenges of the future of work.

Learn more at workinnovationlab.com.