PROJECT MANAGEMENT IN DIGITAL TRANSFORMATION

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1. INTRODUCTION

The first thing I'd like to elaborate on is the playground for project managers today. Here we are. What's your environment? The second thing is to discuss the role of project management in digital transformation. You've probably heard of "*digital darwinizm*". I'd say this is the most important image of my presentation today. I'll tell you a story. Five years ago, I was invited by a big company, one of the top three in their field. They wanted to digitalize their business, and launch B2B and B2C e-commerce. The owner, who was also the CEO was present, along with five other directors at the kick-off meeting. We agreed on their tasks, and scheduled the next meeting for two weeks. By then, they did nothing. I was pretty surprised. I told them, it's okay, you'll have two weeks more to work on your tasks. But after the second and third meeting as well, nothing happened. I was a little bit angry because I talked to them about the reason why they didn't perform their tasks. They told me they didn't have time because of the ongoing activities. I came to the CEO immediately and I asked him for his support. He said, yeah, yeah, I'll support you. What do you want from me? I told him, I want you to give at least one day per week for your directors to work on this big thing. And he told me, no way. So, this can be the reason. I've heard similar things from other keynote speakers. This can be the reason for the failure in digital transformation today.

2. PEOPLE PERSPECTIVE

I would like you to focus on the people, on the innovations, on the subject of culture. Because it's the most important thing for my experience. Let's be clear about the digital transformation. There are different implications, of course. However, the majority of the companies are now in between second and fourth phase of the transformation, using the technologies in order to automate the processes to make them more efficient.

But full digital transformation today is, I would say, the theoretical maximum. And it's something that, to be honest, I didn't see in our region that any company achieved full digital transformation. But, especially for small and medium enterprises (SMEs), it's quite good to start with the digitization. It's much better to have a small customer relationship management (CRM) solution in the database rather than doing it in papers or in something separate. Additionally, technologies are very important. They are just infrastructure, they are the basis, but they are not the solution. Probably you are aware of that, but I would like to emphasize some of them:

Increased productivity and efficiency, Improved data and analytics, Better resource management, Resilience to environmental influences, Greater agility, Enhanced customer relations, Responsiveness to market changes and demands, Modernization of IT components, Creating an environment for innovation and accordingly Increased revenue

That's something that you will run into very quickly when you start the digital transformation of the company. First of all the question is, should we be top-down or bottom-up?

Of course, it depends, but the best option is to combine these two approaches. And yes, without strong support from the top management, without them being ambassadors and advocates for digital transformation, there is no way to success. But it's much easier if you can find small groups of people within the company that can support the transformation from the bottom. Silos are a huge problem today in the companies. I would say that's something that you will see in maybe more than 90% of the companies. You have different partners, you have their goals. And today, the role of the project manager, because of that, is much more complex. Because you have to work in a process-managed organism. Your role is not only to develop a solution, but you have to be in real-time cooperation, communication with all other parts of the company. Persistence within the organization, that's quite normal. And that's something that you will see anywhere.

3. DIGITAL BUSINESS ECOSYSTEM

Of course, we cannot neglect that at least 99% of the companies is to get some money. Which means that we have to refer on the return on investment part, when trying to project the budget for digital transformation. The benefits will not come so fast. The digital transformation is a kind of marathon.

In the example related to the already mentioned company, the profit by product was counted solely as the distinction between input and output is price. And then I told them, okay, we have like 10,000 products, product number one. Do you have some marketing related to that product?

They told me, yes, a lot of marketing for that product. But where is that? They do like general marketing costs. This together could create a room for any beautiful transformation. And I would like you to remember this point.

The second important part, when we are talking about environment, the playground for model managers, is being aware that you are or you have to be part of bigger digital business ecosystem. Creating your own business without partnerships, without a lot of integrations.

Nowadays, I have not seen big business without building a digital business ecosystem. This is an example of e-commerce ecosystem. In the heart of the ecosystem is the e-commerce platform. So, the place where the merchants and owners of the products sell their products to the end customers. Then you can see or any other model.

What I would like to emphasize is also the role of KPIs in e-commerce. What do you think, what's the average expectation related to delivery today from the buyer? How many days are OK for them to wait for the product? 2.4 days, at the moment. And it was close to 4, three years ago. So, what they do actually, when they complete the purchase, they just put the clock on and say, I'm waiting, you have 2 days or 3. At the same time, you have to think about the payment. It has to be seamless, easily done by the end users. The marketing has its role as well. From the perspective of processes, what's the problem in this part? What actually stops e-commerce from doing its full potential? Which part of this ecosystem? So, the delivery, in part, is huge dust, not only in this area.

From the perspective of project management, what does it mean? For instance, maybe 5 years ago, you could focus only on developing the platform. But today, you have to work in parallel with many other components, many other partners in this part. So, in project management, the most important and the most difficult part is to implement and to develop and upgrade this parallel system. Accordingly, this leads to the other parts of the ecosystem.

I want to discuss the leverage of e-commerce. So, how many of 1,000 visitors will actually buy something online? I'm talking in general, of course. Once you're coming from 100, you buy. I don't know if it's right, but usually it's twice. 5%? Yeah, I think that the right number is 5%. And from the perspective of the US buyers, it's 2%. When you put that on the paper, you can have a fast e-commerce profile, a good marketing, many visitors, and a few shopping carts. But more than 15 years in Serbia, I'm talking about the average shopping cart, you also see this. Project manager might be thinking - is it important for me? Yes it is, because today the role of project manager is much more complex, because you have to think about all these things. And it's not only that you have to provide a solution, you have to develop and maintain it. We have done this many times in the past, we have a very technical team, and we develop many solutions from different lines of work.

But then you run into the problem that, for instance, you put it in a webshop, but they didn't invest in the marketing part. And people will say, oh, we invested so much money in the webshop, but the sales did not increase. On of the most successful e-commerce systems, is Amazon. Maybe you are here with some of their solutions, and if you are looking at other e-commerce systems, for instance, Airbnb, please not that we see them as the accommodation service.

But at the same time, you can now buy and put bags in the Airbnb, or rent a car, or do whatever. Some technologies are out, of course. I mean, you don't want to spend much time on this part. A good project developer today has to be aware of these technologies. You don't need to program blockchain, and such. But you have to be aware of these technologies. You have to know what the infrastructure is. It would help you if you are familiar with software solutions. Based on my experience, human resource (HR) management is very important. Any kind of HR, there's many processes, many roles, different connections, et cetera. I emphasize the importance of the stakeholders engagement to be a good project management. It's really important. Additionally, we have to support people. We have to try to motivate them. And, yeah, it's possible. Because if you think, if you speak with CEOs and people from C-level, they say, oh, it's not possible. It's not possible to motivate the people. It is actually needed. We don't have to talk about HR as such on this. Project manager has to be aligned with the needs of the

situation that we live in. And the education that the project managers as well. So, the project manager should behave like an operational guide within the project. It has to be well-corrected and aligned with the top management.

And I believe that most people should be prepared for the change. It comes from different perspectives, from the perspective of philosophy, from the perspective of mindset. But nowadays, some new approaches appear. I don't know if you've heard about DevOps, but it's a practice for managing IT infrastructure. These approach is being replicated and applied in the industry nowadays. But today, not only in the IT sector.

5. CONCLUSION

Finally, to conclude, everything you have heard it's not like a cutting-edge thing. It's not like a new trend in the field of content. This is what it is in real life and business. This presentation is the current situation in digital environment.

Again, there is no magic formula for digital transformation. There are some things that are important. Again, I would say the mindset and organizational changes, technologies, the data-driven organization is must.

And, at the end, I would like to address the starters. I see that there are students here, involved in this forum. You have numerous opportunities here. And why? It's because there is a big gap here. There is a vast playground for combinations. Finally, I would like you all to think about your own projects, your own businesses, why not your startups? because there is so much space here.