



SIGNATURE RESEARCH

BUILDING A DIGITAL ORGANIZATION

HOW DIGITAL STRUCTURE, CULTURE, AND TALENT PRACTICES CAN DRIVE—OR INHIBIT—BUSINESS PERFORMANCE



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INTRODUCTION

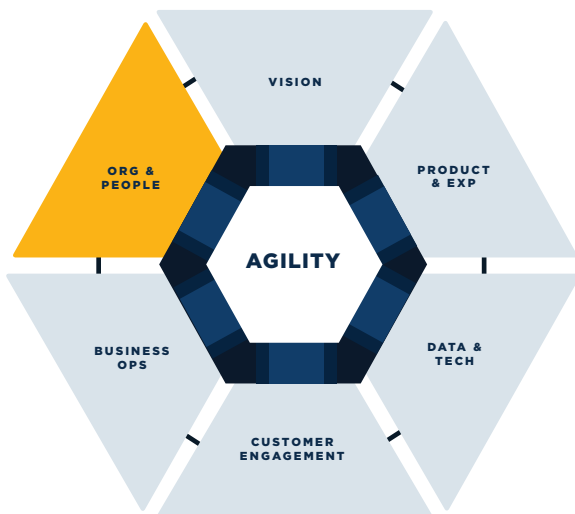
Every organization's digital journey is different—but everyone is seeking the same promised land: to become a digital leader.

Digital companies outperform the market. They grow faster, boast higher productivity, and tend to weather economic uncertainty better than others. To us, digital isn't something you do; it's something you are. A mindset, not a destination. Because the goal isn't just great technology and a seamless customer experience—it's agility. The acceptance that we can't prepare for every outcome, but that we can be nimble enough to respond strategically to any challenge or opportunity, large or small.

But the biggest factor holding companies back from reaching their digital potential? Their people—the way they are trained to think, the way their work is structured, and the way they're organized. In our Be Digital Research in 2022, just 25% of organizations said their entire C-suite is accountable to the digital vision, and that there's work ahead to build decentralized, digital teams. What's more, companies with the right people drive better, differentiated customer experiences.

The cost of not focusing on talent is too great, even when facing competing priorities. The cost of hiring a new employee is more than three times the cost of upskilling a current employee for the right digital skillset.

West Monroe Digital Agility Model



Our **Building a Digital Organization** research identifies the critical culture, talent, and structure practices driving digital agility and business performance. The findings highlight key accelerators of high-performing companies, noting what makes them especially competitive and positioned for success.

West Monroe surveyed 300 leaders globally to uncover key drivers for achieving both high performance and high digital agility, and to identify barriers that organizations are trying to overcome. This report focuses on 14 different practices that organizations can leverage—perhaps not all at once, but over time—to create optimal dynamics for performance and digital agility.



EXECUTIVE SUMMARY

This research examines key digital organization and people drivers and accelerators that correlate to strong business performance, featuring insights from 300 survey respondents and 30 interviews with executives and subject matter experts.



Leaders know digital is important but don't understand the role it plays in driving business performance.

NICK HAHN

Product Experience & Engineering Lab, West Monroe

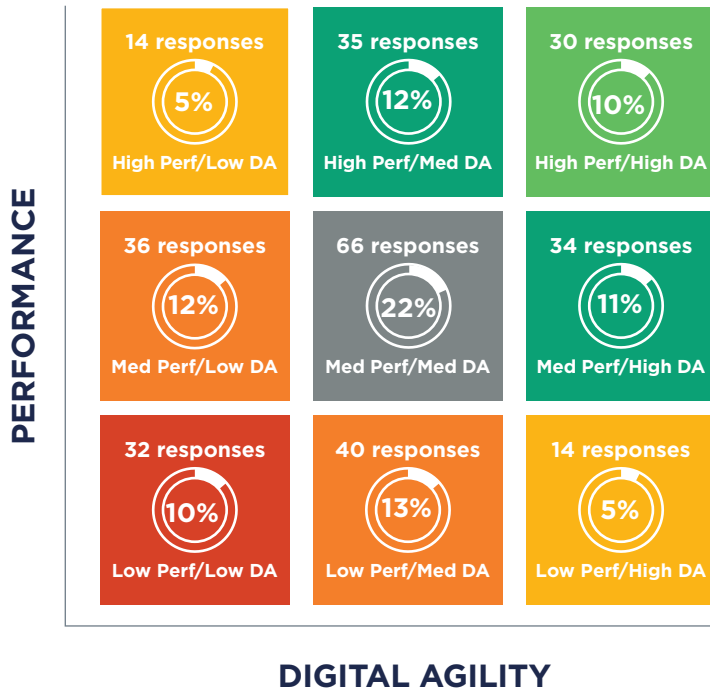


Workforce challenges are hands down the biggest issue. Everyone is rethinking how they engage the workforce.

EXECUTIVE INTERVIEW: SENIOR PARTNER

Professional Services

By analyzing quantitative and qualitative data with our team of experts, we're able to highlight the non-negotiables involved in achieving digital maturity and greater business outcomes.



NINE BOX MATRIX

Our report categorizes organizations by performance and digital agility, with the top right highlighting the responses that exhibited both **high performance—those that exceeded revenue and profitability goals**—and **high digital agility** (“high-high” or HH in this report), compared to the **low performance and low digital agility** in the bottom left (“low-low” or LL in this report.)

The matrix has strong distribution throughout nine categories, demonstrating that **digital agility and organizational performance can be incrementally measured and improved**. We can leverage insights from leaders and those who are positioned higher and lower in the nine-box matrix to identify what types of practices and strategies are driving—or hindering—success across both performance and digital agility.



There is a wide spectrum of digital maturity. Most organizations are still in the middle of their journey.

ERIC JOHNSON

Product Experience & Engineering Lab, West Monroe



KEY FINDINGS

West Monroe's Building a Digital Organization research identified the 14 key areas of statistical significance between the HH and LL categories on the matrix. These areas fall within the culture, talent, and structure categories, showing that the 'People & Organization' area plays a critical role in performance and digital maturity.

FOUR MOST IMPACTFUL PRACTICES

The following practices accounted for nearly 80% of the high performance and high digital agility (HH) outcomes and should serve as the foundational culture, talent, and structure practices for organizations. HH organizations focus on:



Risk-taking:

Culture fosters a "fail fast" environment that encourages measured risk-taking



Collaboration:

Measures, rewards, and/or recognizes employees for working collaboratively to achieve business results



Development:

Has a defined learning and upskilling strategy to build necessary digital skills



Retention:

Has the strategies needed to improve talent retention or already retains all the talent needed to be successful

Why These Top Four Attributes Matter So Much

When assessing for an organization's Digital Agility attributes that lead to High Performance outcomes, the top four attributes should be weighted more heavily and addressed first.

When creating a model for improvement beyond the top four attributes, addressing culture is critical—talent and structural changes may not be as impactful without the cultural changes.

HIGH DIGITAL AGILITY AND HIGH PERFORMER PROFILE

20%

80%

- Ability to Hire Talent
- Career Movement
- Holistic Strategy
- Flexible Org Structure
- Build and Buy Talent
- Iterative Work
- Recognition
- Customer Centricity
- Collaborative Structure
- Strong Vision & Values

**Fail Fast
Risk-Taking**

**Rewarded
Collaboration**

**Robust Learning
Strategy**

**Strong Talent
Retention**



QUALITATIVE FEEDBACK



RISK-TAKING

- “We need to fail quickly to respond quickly.”
- “Our greatest cultural barrier is risk aversion.”
- “We are measured risk-takers. Even in HR, where risk-taking is typically limited, we are taking measured risks to innovate.”



COLLABORATION

- “Current incentives do not foster collaboration.”
- “Commercial and IT teams speak a different language and have different goals—makes collaboration difficult.”



LEARNING STRATEGY

- “We need to look at L&D more holistically vs by department/business unit.”
- “We need to figure out the hybrid work model and equip leaders with skills.”
- “Upskilling and training is all about learning by doing.”



RETENTION

- “Everyone is rethinking how they engage the workforce to drive retention.”
- “Organizations are investing heavily in a great employee experience.”

10 ATTRIBUTES TO DIGITAL AGILITY & HIGH PERFORMANCE

The following attributes, in order of significance, build on the four key practices outlined above. They drive performance and digital agility, ultimately positioning companies in the HH category. Together, they move organizations toward positive, efficient outcomes. While the four practices outlined above are the core attributes for HH outcomes, these 10 attributes also play a significant role and must be carefully considered when designing digital organization and people strategies. HH organizations also focus on:



Hiring talent

Able to hire talent with the specific skills and competencies needed to support digital priorities

Career movement

Talent practices facilitate a mix of upward and lateral career movement

Enterprise strategy

A clearly articulated and well-communicated enterprise strategy that informs functional/business unit strategies

Organizational structure

Highly flexible and can adapt as needed

Building and buying capabilities

Balance between developing and hiring when increasing capabilities

Iterative project work

Agile or iterative approach to project work is measured, recognized, and rewarded

Recognition system

Ensures the right behaviors are recognized consistently and in a timely and meaningful way

Customer centricity

Customer-first mindset embedded in culture, strategy, and processes and guides everything the organization does

Structure

Enables collaboration across functions with ease

Vision and values

Strongly held vision and values are leveraged by the organization to guide all decisions

◆ **CHAPTER 1**

Accelerators of Performance and Digital Agility

When it comes to driving progress and outcomes, Culture, Talent, and Structure are the key areas of focus for organizations that landed in the HH area of the matrix. The strongest performing companies are those that are most digitally mature, highlighting again the link between digital maturity and higher revenue growth. Through our online survey and executive interviews, we analyzed results and quantitative and qualitative data to better understand where strengths and weaknesses lie for organizations across industries.

CULTURE

At a time when workplace culture is continuing to shift, leaders are focused on creating a work environment—whether virtual, remote, or hybrid—where their people can be successful. The pandemic accelerated shifts in workforce dynamics and changed business performance, magnifying the need to prioritize culture. Our research provides greater insight into key attributes for business considerations related to culture.



Culture is the most difficult thing to change; if you don't get the culture to shift, the rest of this doesn't work.

KAREN BUNDY

Human Capital Management, West Monroe



Teams should celebrate collective success. By providing recognition at both the team and individual level, team members see that they need each other to be successful.

JENNA ALDEN

*Product Experience & Engineering Lab,
West Monroe*

Our research identified two culture attributes that stood out as having the highest overall correlation with digital agility and organizational performance: collaboration and risk-taking; 90% of HH respondents indicate encouraging and/or recognizing employees for working collaboratively, combined with a “fail fast” environment that encourages measured risk-taking (reported by 87% of HH leaders), creating a culture conducive to strong results and long-term outcomes.

We know an enterprise vision, strategy, and shared goals are foundational elements to collaboration. As organizations set the vision and strategy, they make it real by working with leaders to define a set of shared goals across functions and empowering leaders to cascade the vision and goals. This provides employees with a clear line of sight to how the roles they play contribute to the vision, shared goals, and ultimately customer value and business outcomes. This gives team members a North Star against which to make decisions, prioritize, and collaborate within and across teams.

Organizations can leverage digital agility to achieve business objectives when pairing collaboration with a “fail fast” environment. High-performing organizations invest time in team retrospectives to discuss failures and shortcomings, turning them into positive learning opportunities rather than punitive discussions about mistakes. Fostering authenticity and vulnerability across leadership to create an open environment for colleagues to share their thoughts and engage in healthy conflict is another practice for a “fail fast” environment exhibited by HH organizations.

“Failing fast is not about celebrating failure; rather, it’s about giving yourself and your team a place to learn,” said Ali Hays, a Senior Consultant in Human Capital at West Monroe.

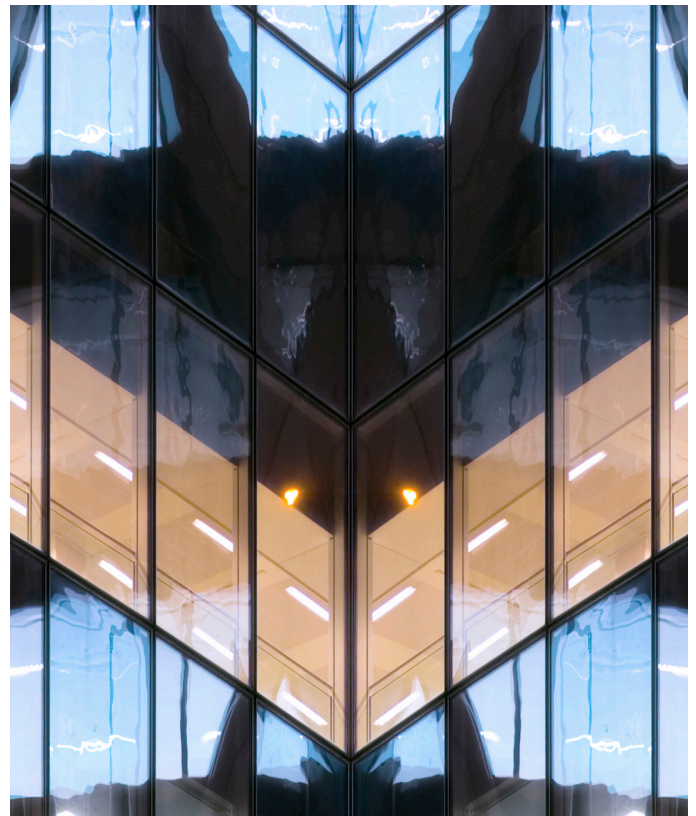
In addition to collaboration and risk-taking, our research finds that there are several other culture drivers key to igniting change and a shift toward the HH portion of the matrix. Culture drivers are those practices—how an organization operates on a daily basis, how it gets work done, and how its people interact with one another—which predict and can change business outcomes.

73% of HH respondents reported having an enterprise strategy that informs business unit strategies

50% have a strongly held vision and values that guide all decisions

“Being intentional about culture impacts an organization’s accepted operating norms, actions, and language—all of which can fuel a company’s ability to create value,” said Managing Partner David Hilborn. “We believe in leveraging analytics, tools, and insights to accelerate strategic alignment, operational efficiency, and talent optimization and drive positive business outcomes.”

Leaders indicated in their interviews that while their organizations are investing heavily in data, they are not fully leveraging available data. Better leveraging digital capabilities and using data to inform an enterprise-wide strategy and shape business unit strategies, engage employees, and track and recognize performance can help shift from a lower performing to higher performing company.





TALENT

Talent is the heart of an organization. Without having the right people in the right seats, it's difficult to enhance digital agility and performance. Companies are finding it increasingly challenging to attract and retain talent with the right skills in today's competitive, high-cost labor market. This creates a critical challenge: reimagining how work gets done in a nimble, digital environment and creating an optimal talent resource mix to keep up with rapid changes in business needs and market forces. A majority of companies worldwide (56%) believe they have a moderate to severe skills gap today.

Our report found that two of the top four overall attributes fall under talent, with 100% of HH companies having a learning strategy in place to drive employee development, and 80% reporting they are able to retain

80% reported encouraging and/or recognizing employees for working iteratively

60% reported having customer-centricity embedded in the culture, strategy, and processes, guiding everything they do

57% have a well-adopted recognition system that drives behaviors

the talent they need—or have a strategy in place to improve retention. Dedicated upskilling programs and an environment conducive to on-the-job learning are key tactics for high-performing organizations. Learning-oriented organizations have key ownership from across the business—not just within human resources or talent management through trainings.

THOUGHTS FROM LEADERS



We need better data insights to know our clients better.

EXECUTIVE INTERVIEW: CIO

Banking & Financial Services



Everything is centered around people: how they're organized, incentivized, and measured.

MATT JOHNSON

Product Experience & Engineering Lab, West Monroe



Our lack of automation and inconsistent processes has a huge impact on our ability to hire and retain talent.

EXECUTIVE INTERVIEW: SVP

Professional Services

“The most successful organizations have shifted from a training mindset to a learning mindset. Learning happens when people engage in solving problems or achieving goals—and where the learner is responsible for their own learning, performance, and growth,” said Rick Sabatino, a Senior Manager in Operations Excellence at West Monroe.

While some organizations tend to think of employee development and retention as “extras,” an engaged and tenured workforce is required to take on a digital vision and work toward greater organizational progress and change—in addition to creating a cohesive, collaborative culture. High-performing organizations have a keen understanding of the availability of skills and talent in the market, and how that influences their strategic workforce planning—in addition to understanding their internal workforce and how to best leverage the availability of resources, skills, and capabilities within their organization.

There is a clear correlation between high digital maturity and high performance as it relates to the talent you hire. As organizations bolster their agility and equip teams to be more digital, having the right talent in your workforce accelerates the process and momentum—whether it’s

training existing employees, incentivizing learning by doing, acquiring, or hiring change agents and people with key skills, or reinforcing desired behaviors.

As human resources teams expand their uses of data, the amount of data being leveraged also comes into play to create an impact over time. Of the organizations in the high-performing side of the matrix, 80% were using at least seven to eight different types of data on a regular basis; 50% of lower performing organizations reported using just three. However, the actual type of data had a smaller impact. It’s the combination of multiple sources that really helps analysis and workforce management shift toward higher digital maturity and higher performance.

As dynamics around the “Great Resignation,” the “Great Regret,” hiring freezes, the “Great Reshuffle,” and “War on Talent” evolve, it’s important for organizations to



The most successful organizations have shifted from a training mindset to a learning mindset. Learning happens when people engage in solving problems or achieving goals—and where the learner is responsible for their own learning, performance and growth.

RICK SABATINO

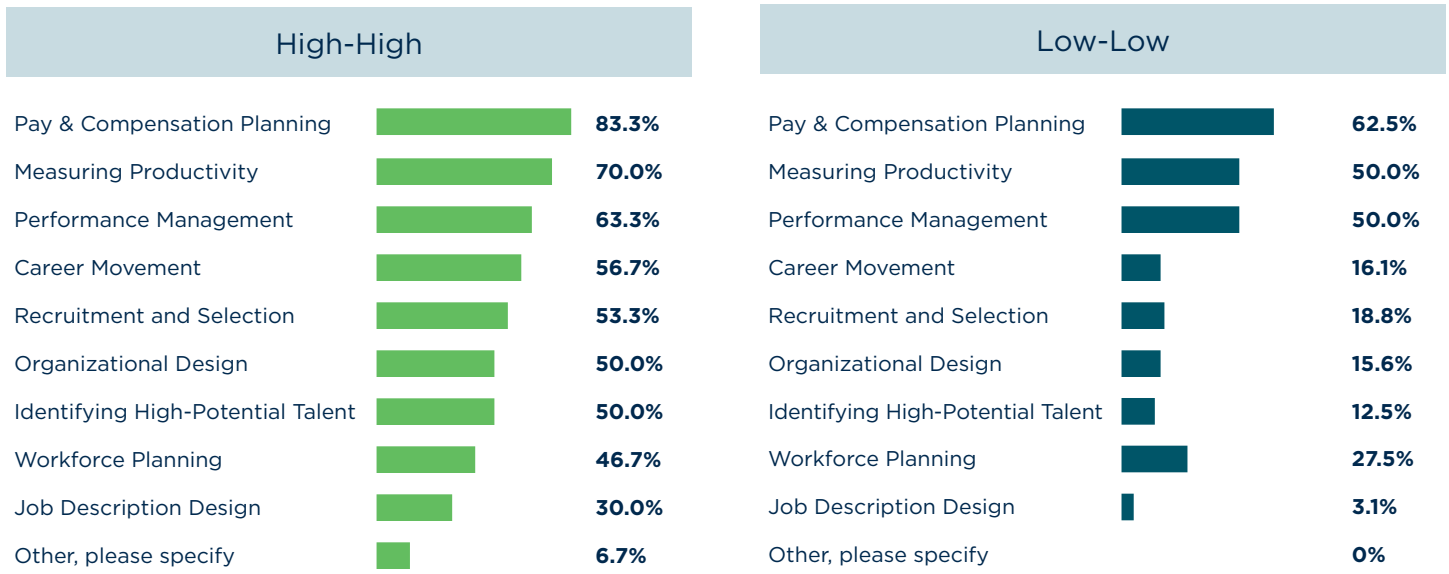
Operations Excellence, West Monroe

commit to a data-driven, digital-centric approach. Professionals are evaluating their career paths, taking breaks, shifting types of work they’re pursuing, and looking for the right employer to meet their needs. Knowing the data can help plan for workforce needs of the future. “We need to revisit the employee value proposition for everyone, not just part of the workforce,” said a Senior Partner from Professional Services.

However, using data to help plan for future workforce needs is only one part of the equation. Businesses also

need to be able to attract new talent and retain those they have. Organizations that deliver on their employee value proposition can reduce employee turnover by 70% and increase new hire commitment by 30%. High-performing organizations are reevaluating employee needs to provide a strong value proposition that drives engagement, productivity, and retention, and can serve as a differentiator in the competitive talent landscape. We’re increasingly seeing that digital agility is a key component of that value proposition.

All Organizations Use the Same Types of Data, But High Performers Use it More Often



QUALITATIVE FEEDBACK

59% of external interviewees said they are not using data to the fullest

- “We’re very focused on data but not doing anything meaningful with it.”
- “We need to leverage data better to improve insights and automate processes.”
- “We’re seeing organizations investing heavily in data—having it and using it.”
- “Where health systems lag, even the industry leaders, is data analysis.”
- “We’re at the beginning of our data journey both internally and externally. We have some dashboards but nothing predictive.”



Getting the value proposition right for different employee audiences is critical to compete.

EXECUTIVE INTERVIEW: CHIEF PEOPLE OFFICER

Healthcare

Employers are also reassessing current talent, especially in terms of leadership. As organizations grow to scale, many are finding that they do not have the right leaders to drive innovation and digital maturity; top leaders need to be equipped to assess and determine the right path forward to ensure the right leaders are in the right places.

“We don’t have the right people in the right seats to drive digital,” mentioned a CPO in Healthcare & Life Sciences.

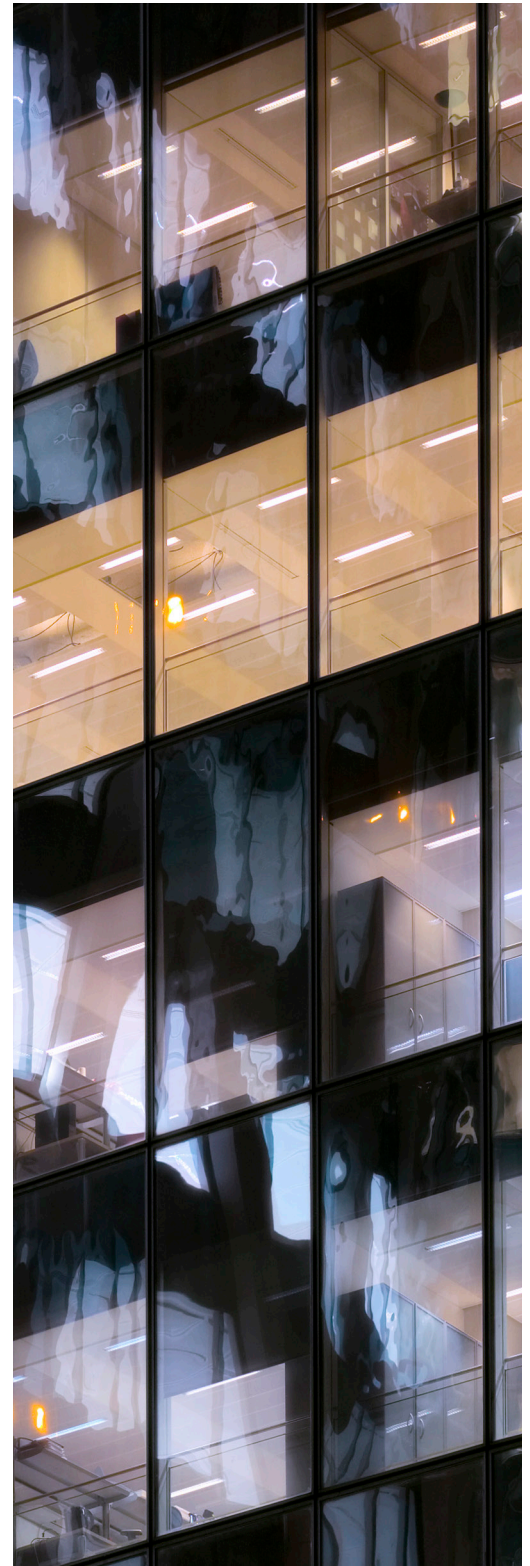
As organizations experience change and transformation and scale over time or grow acquisitively, it’s vital to have the right talent to shape culture and structure. Having diversity of thought, people from diverse areas of expertise, and new types of thinking is critical to driving innovation and digital maturity.



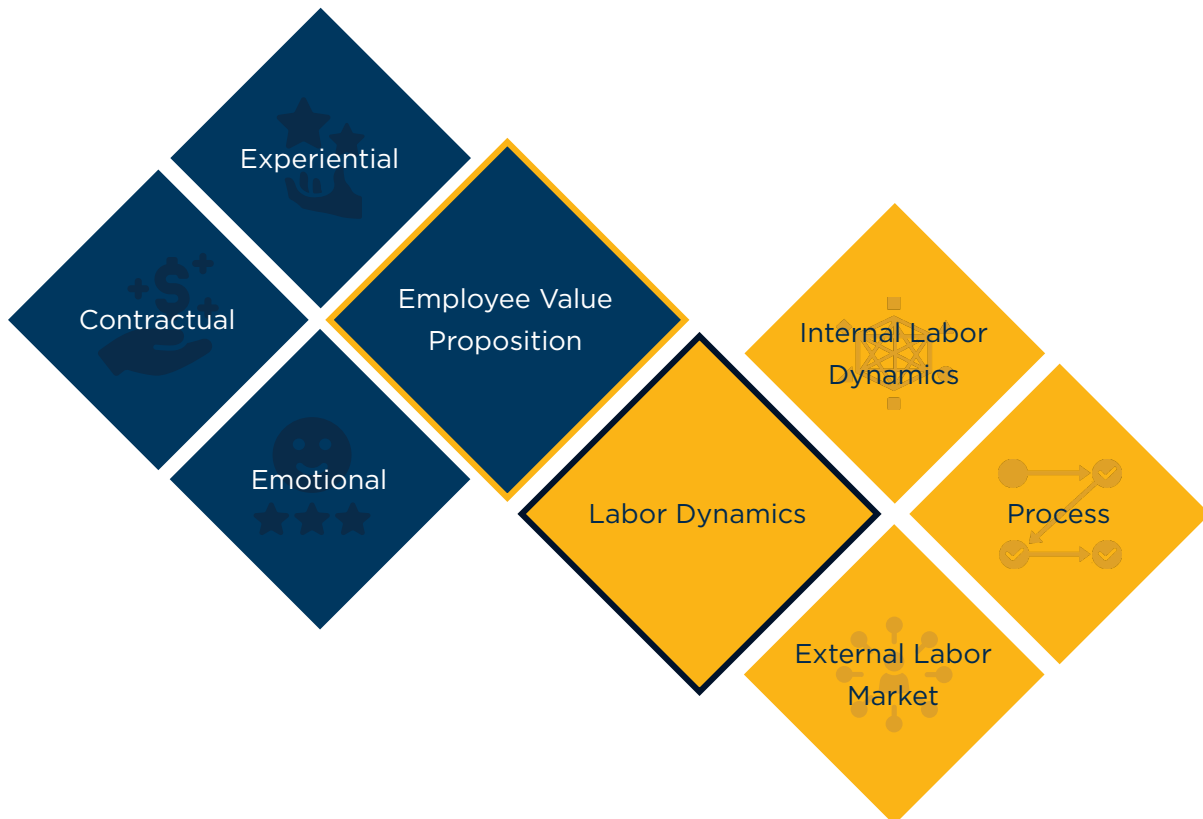
The greatest barrier to achieving a truly digital organization is our structure.

EXECUTIVE INTERVIEW: CHRO

Healthcare & Life Sciences



Companies with **best-in-class** retention understand the necessity of having a **compelling employee value proposition** and effectively leverage **labor dynamics**.



EXPERIENTIAL

The interconnectedness of company culture with an employee's career journey and overall well-being

CONTRACTUAL

The promised compensation and benefits which comprise an employee's total rewards

EMOTIONAL

An employee's alignment with the mission and values of the company which propels their identification with the company and its purpose

INTERNAL LABOR DYNAMICS

Assessing workforce patterns and trends based on the movement of an employee from hire-to-retain

PROCESS

People-related policies and procedures that shape the employee experience

EXTERNAL LABOR MARKET

Contextualizing the company in the broader market to understand alternative sourcing availability and cost



“

Our lack of automation and inconsistent processes has a huge impact on our ability to hire and retain talent.

EXECUTIVE INTERVIEW: CPO*Healthcare & Life Sciences*

As organizations consider hiring decisions and workforce plans more broadly, leaders should pause to ask: “What is the work that needs to be done? Who or what is best suited to perform that work? Employees, contractors, outsourced resources, or automation?” It’s important to take a step back and think broadly about what needs to be done and how it can be accomplished most efficiently.

“With automation evolving across every part of the workplace, it’s critical to ensure employees are spending their time on higher-value work,” said Jeff Cox, a Managing Partner in Human Capital Management at West Monroe. “With structured development opportunities and upskilling, especially related to digital initiatives and leveraging data, organizations are better positioned to attract and retain talent and see increased business performance.”

80% of HH organizations balance hiring talent with developing existing employees when increasing capabilities

70% facilitate a mix of upward and lateral career movement

60% have the strategies they need to improve hiring to be successful

STRUCTURE

Beyond the what and the why of an organization's work, there's also the how. The structure in which organizations operate impacts collaboration and risk-taking—two key elements of culture—which ultimately impact momentum toward high digital agility and high performance.

Organizations across industries can apply specific structure practices to drive digital throughout the enterprise. Having cross-functional teams, matrix organizations, and having teams be aligned to value-driving and customer-centered initiatives can accelerate progress and business performance. Having these structure practices in place lead to higher performing digital product teams that create and deliver on innovative digital projects to better serve key stakeholders.

When it comes to building and executing on an organization's digital vision, the highest performing organizations have clear—and shared—ownership for how they plan to achieve digital maturity. A full 100% of HH organizations have clear ownership for the digital vision, whether it be the CEO, individuals of the entire C-suite team, or a transformation office/function.

Establishing a governance function that creates visibility, shared accountability, and ties individual efforts to the common goal help accelerate structural impact. High-performing organizations also exhibit a ruthless focus on the customer from all angles, aligning teams accordingly. With this structure, organizations should align teams to ensure the product value is worth the investment. Evaluate and tie resources directly to the value stream throughout the process.

“

The best organizations are able to deliver while they're experiencing change.

MARK HINES

*Product Experience & Engineering Lab,
West Monroe*

60% have an organizational structure that is flexible and can adapt as needed

63% have an organizational structure that enables individuals to collaborate across functions with ease

Glenn Pfenninger, a Director in Human Capital Management at West Monroe, noted that “creating a shared digital vision with clear accountability across the organization is an important component of being digital. With alignment from all teams and leaders, employees are empowered to adopt and maintain digital efforts to enhance opportunities for collaboration and produce stronger work—ultimately moving the business forward.”

Along with structure, governance goes hand in hand with how organizations optimize for digital and stronger business outcomes. High-performing teams can tell you from the top down what they are working on, and very clearly how they measure success. Establishing a framework that creates shared accountability with individual efforts tied to the actual outcome of the team enables visibility and efficiency—and using key metrics like KPIs or OKRs can support this. The governance team should have a direct reporting relationship to leadership that has the power to make decisions, reduce bottlenecks, secure funding, and drive momentum.

Being nimble and cross-functional can facilitate greater collaboration, speed up approvals, and enable the “fail fast” culture that leads to higher performance. Teams should leverage dual reporting structures to optimize collaboration and subject matter expertise—this type of structure should be positioned in a way so they can execute the business of today while building for tomorrow. Said Mark Hines, a Partner in West Monroe’s Product Experience & Engineering Lab: “The best organizations are able to deliver while they’re experiencing change.”



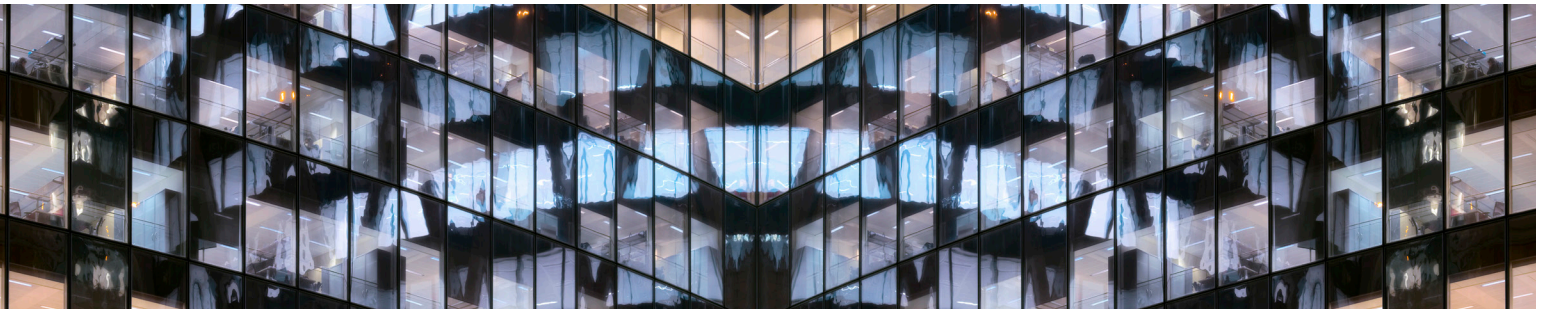
Our structure is the greatest barrier to advancing digital innovation. We have rifts within the organization and no effort to break down these barriers to improve collaboration.

EXECUTIVE INTERVIEW: CHRO

Healthcare & Life Sciences

◆ **CHAPTER 2**

Barriers to Performance and Digital Agility



While there are key levers that accelerate change and digital agility to enhance performance and outcomes, our research also discovered common barriers experienced by lower performing and less digitally enabled (LL) organizations.

Culture, talent, and structure continue to see pockets of challenges and barriers that limit success in other areas of the company.

CULTURE

Employees want and need to feel recognized. Among the organizations on the low performing end of the matrix, 85% do not have a recognition system or have one that is rarely used. When colleagues are treated fairly, feel empowered, own their work, and are appreciated—while feeling recognized—teams see increases in productivity and engagement.

More than half (51%) of LL organizations have no clear plan or owner for a digital vision or rely solely on the CEO to drive digital efforts. Having a dedicated leader helps prepare other stakeholders and enables more success stories. This, combined with one in four LL organizations not having a stated vision and values, shows a clear opportunity to shift the approach to gain greater employee buy-in.

This is a major barrier—when the full C-Suite is aligned and working toward a clear vision, digital agility can develop, with overall performance improving in tandem. When employees understand their organization’s main goals, vision, and values, the organization at-large is able to evolve. Dedicating time for team members to learn more about their individual differences and strengths will help build trust and align the group.

47% of lower performing, less digitally enabled organizations have a culture that creates barriers to risk-taking due to fear of failure

Having a culture that provides space for employees to be agile and navigate ambiguity, change direction, feel empowered to make decisions, and remain flexible inspires confidence in response to challenging and unique circumstances—overcoming some of the common barriers in this realm. Removing excess approval processes enables individual empowerment and decentralize decision-making.

38% prioritize project completion over continuous improvement

25% do not have a stated vision and values

25% do not have clearly articulated strategies

Thriving cultures rely on people seeing results, winning in small steps, and celebrating achievements to gain support; they also measure teams based on outcomes and value created while measuring employees separately to hold team members accountable.

TALENT

It's not a secret that talent is complex in any environment—but it's especially challenging today. Unsurprisingly, LL organizations cited retention (75%) and hiring (72%) as key barriers to success. Our research found that lower performing organizations are struggling to find the right people for new and existing roles, which slows progress.

“When you continuously hire the same people from the same industry, you're going to get the same kind of thinking,” said an SVP in Healthcare & Life Sciences.

Data is also coming into play—in a world where companies have access to several workplace-related data sets, lower-performing, less-digitally agile

organizations are 1.35x less likely to use data to inform talent decisions. If organizations increase their use of data in one or two easy-access ways, that would have an almost automatic positive impact on their workforces.

Part of this barrier identifies a blind spot related to proper technology training so that employees can more effectively leverage data. In another West Monroe study, 70% of organizations reported having introduced at least one new technology to increase employee capacity. If proper hiring and training don't accompany the implementation of these new technologies, organizations will struggle to overcome the hump of not having the right people in the right roles. Additionally, with workplaces adopting a digital-first mentality, employees need to be able to perform more tasks through new, different technologies to maintain productivity and collaboration.



Even if the vision and talent are right, without the right structure it's not going to work.

DAVE HILBORN

Human Capital Management, West Monroe

44% do not have practices to reinforce career mobility

34% do not have an employee learning strategy

STRUCTURE

Less than one-third (31%) of lower performing, less digitally enabled organizations say their structure creates opportunities for collaboration across teams. These organizations lack a sufficient amount of cross-functional collaboration—they are 1.75x more likely to have a hierarchical organizational structure compared to the nimble structure and decision-making processes reported by high performers. There isn't enough flexibility in the existing structure, which makes it harder to change and adapt to meet evolving customer needs.

A common mistake among LL organizations is that products or services are delivered based on their organizational structure and centralized leadership—instead of basing the organizational structure on their customers' wants and needs to provide the best solution in the most efficient way.

While being aware of certain barriers is helpful for benchmarking, prioritizing ways to apply the accelerators to your organization holds the greatest upside.

23% of low-performing, low digital-agility organizations state that decision-making tends to be more centralized

“

When you continuously hire the same people from the same industry, you're going to get the same kind of thinking.

EXECUTIVE INTERVIEW: CHRO
Healthcare & Life Sciences



◆ CHAPTER 3

What's Next

Whether you believe your organization is HH, LL, or somewhere in between, embracing the four most impactful drivers of risk-taking, collaboration, development, and retention will only add value back into your talent base and company performance.

Assess how your people and organization practices compare to high-performing, high digital maturity organizations across the 14 elements described earlier. What types of mindset shifts need to happen? What skillsets need development? What talent gaps need closing? How nimble is your structure?

Being digital isn't about automating everything. It's about pairing human intelligence with digital enablement to optimize outcomes and efficiencies. It should be embedded in all pillars of an organization based on the agility model—and it starts with culture, talent, and structure.

Shifting from the status quo of your organization's culture and talent management takes time, but it can't be a side-of-the-desk project. The business impact is too great. Failing fast, establishing the right types of recognition and career mobility, and testing and learning along the way can help steer your organization through more turbulent times, and make the times of growth and success that much stronger.

“In today's market, it's a business imperative to have threads of digital woven throughout the organization to enhance culture, transform talent, and optimize structure to best position the right people in the right roles, with the necessary tools to grow and succeed,” said Kim Seals, a Senior Partner in Human Capital Management at West Monroe.



WORKING THROUGH BARRIERS

Barriers have an aggregated impact on productivity, business outcomes, talent retention, and overall digital agility. In the case of one capital markets firm, West Monroe was able to save the firm an expected \$70 million in annual people costs through organizational structure changes as the company underwent technology and process transformation. By evaluating and implementing an alternative organization design, the company was able to identify opportunities for improvement, assess the financial impacts of different human capital areas, and define an organizational change management strategy to sustain the success. Part of this included eliminating an organizational layer to flatten the organization and empower employees to be more autonomous in decision making.

HELPING ORGANIZATIONS ACHIEVE GREATER POTENTIAL

At West Monroe, we focus on shaping behavior and accelerating value through strategy, operations, and talent optimization to cultivate a digitally agile, collaborative culture that leads to greater business outcomes. We approach organizational design from a systemic lens, leveraging analytics tools and insights to accelerate structural design, culture transformation, and talent optimization to drive high-performance results.

Our unique approach to analyzing all talent options from the bottom up and the top down reveals hidden strategic opportunities to optimize experience, cost, quality, and scalability. We tailor the strategic options to your business by analyzing your strategic goals and decomposing processes to the task level. Once we agree what's best performed by employees, contractors, outsourced

resources, or automation, we identify the options to improve quality and talent experience and quantify reduced cost and risk.

With labor costs totaling 40% to 60% of company expenses, optimizing organizational design is crucial to realizing business outcomes. By taking this research and aligning your culture, talent, and structure to best support your digital strategy, a more intentional approach can lead to greater performance. This data highlights that leveraging key digital agility drivers can lead to stronger performance in both the short and long term; our approach stands effective in all types of labor markets and macroeconomic environments, driving value back to employees and stakeholders.

In the same way that the world around us evolves, so do the people around us. To drive an organization's strategy forward most effectively and efficiently, pulling the right levers to impact culture, talent, and structure can ensure that the right people are in the right roles.

METHODOLOGY

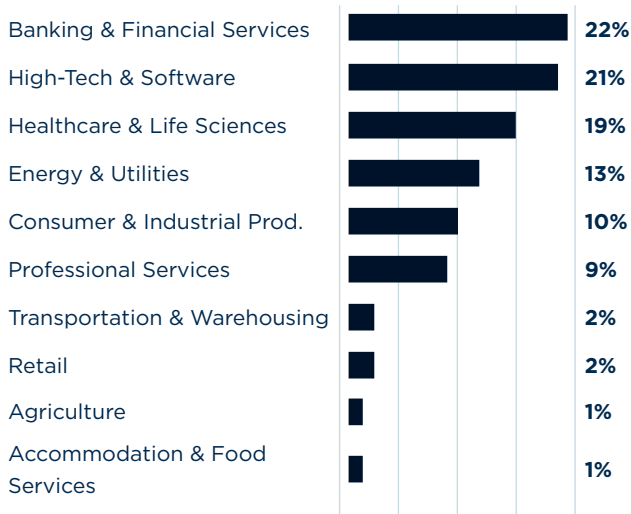
This research was conducted in partnership with Sapient Insights Group through an online survey platform and 1:1 interview tactics rooted in best practices, reaching 301 respondents across private, public and government/non-profit sectors throughout North America, South America, Europe, Africa and Asia Pacific. Ninety percent of respondents were executives or director-level leaders across 10 different industries.



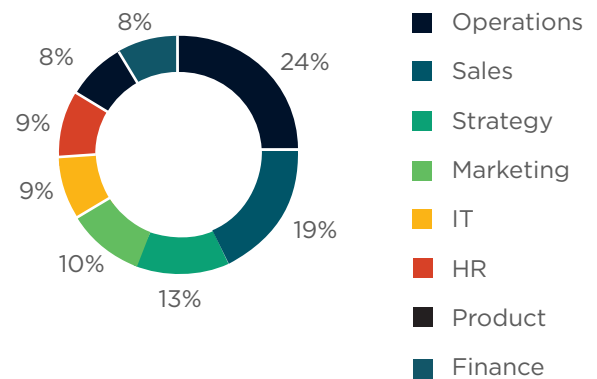
301 Survey Respondents

Who Participated—Research Demographics

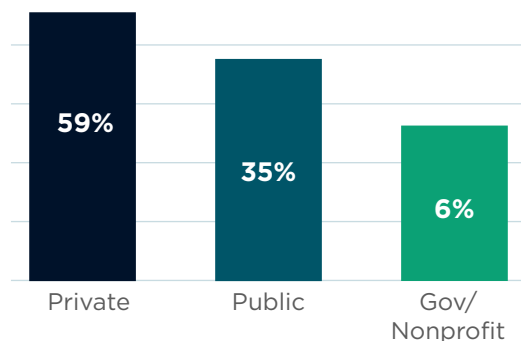
Industries



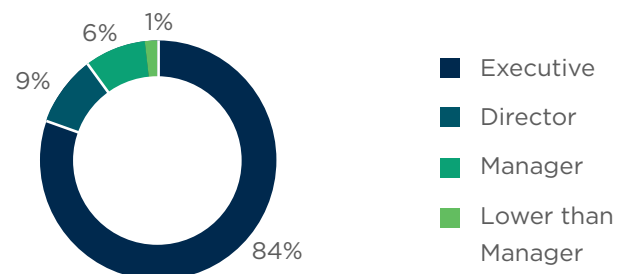
Functional Area



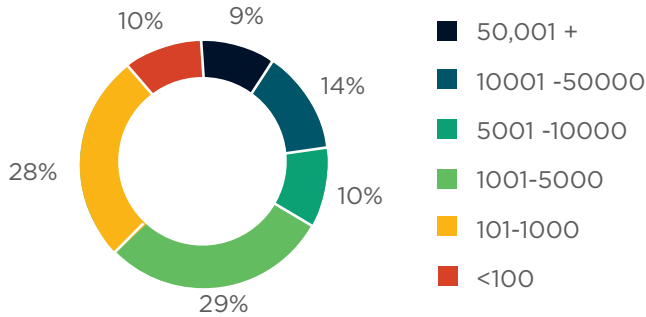
Funding Model



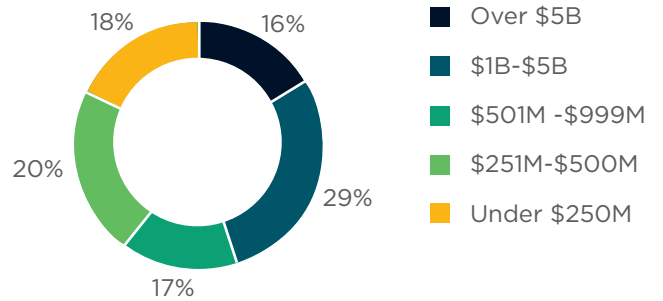
Job Level



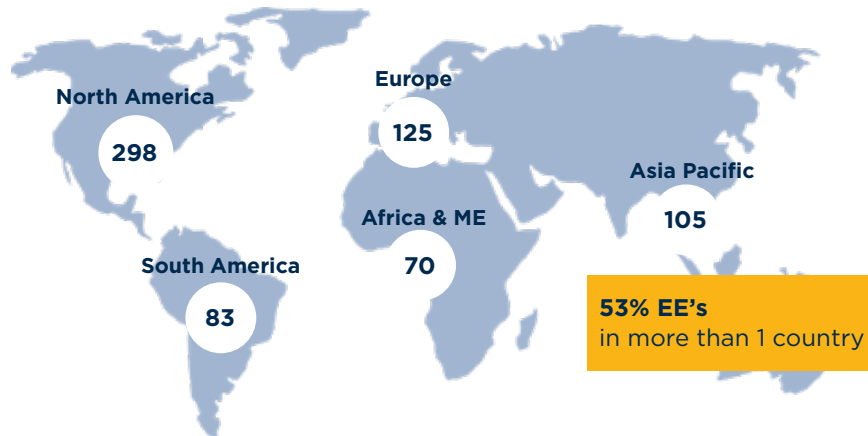
Workforce sizes



Annual Revenue



Operating Regions



Workforce Types	Average %
Full-time EE	75%
Part-time EE	10%
Contingent / Temp	6%
Outsourced	6%

Outsource Models	Average %
Offshore	28%
Nearshore	12%
Onshore	49%

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