

PODCASTS

Why Digital Transformation Often Fails: the Digital Transformation Podcast

In this episode of the Digital Transformation Podcast, Jay Goldman dives into why transformation efforts often miss the mark and what businesses can do to increase their odds of success.

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Key Topics Covered:

- Why Digital Transformation is Often a Fail State
- The Real Reasons Behind High Failure Rates in Large Scale Programs
- Importance of Technology as a Coach and Data as a 6th Sense
- How to Build a Data-Centric Culture for Success

Introduction

Digital transformation is a buzzword that has dominated boardrooms and strategy sessions for years. However, according to Jay Goldman, co-founder and CEO of Sensei Labs, many organizations face a harsh reality: most digital transformations fail. In this episode of the Digital Transformation Podcast, Jay Goldman dives into why transformation efforts often miss the mark and what businesses can do to increase their odds of success.

Why Digital Transformation is Often a Fail State

Goldman argues that transformation is often a reactive state—a recognition that the organization has failed in some way. The need for transformation arises when companies fail to meet goals, forcing them into a significant overhaul. This isn't just a technology issue; it's a symptom of deeper organizational problems. Market-leading companies that are born digital, such as tech giants, don't engage in transformation projects because they exist in a constant state of evolution. For traditional companies, however, transformation is often seen as a “fix,” which inherently means starting from a position of failure.

The Real Reasons Behind High Failure Rates in Large Scale Programs

One of the startling facts discussed is that approximately 70% of transformation projects fail. This is due to several factors: unclear goals, overextended timelines, and unforeseen disruptions like global pandemics or geopolitical instability. Goldman emphasizes that organizations are generally not skilled at managing large-scale projects. Challenges such as poor change management, unclear data, and massive amounts of time wasted on status reporting can derail even the best-intentioned efforts.

The Role of Technology as a Coach and Data as a 6th Sense

Goldman introduces the concept of “Technology as a Coach,” explaining how organizations can leverage AI and machine learning to guide employees in real-time, much like a sports coach advises athletes. This approach helps businesses tap into data-driven insights to improve performance on the fly. He also discusses “Data as a 6th Sense,” where data isn't just an asset but a critical tool that helps employees make informed decisions. The key is to integrate data into daily operations so that instinct and analytics work together seamlessly.

Building a Data-Centric Culture for Success

The episode also explores the importance of building a data-centric corporate culture. A successful transformation isn't just about upgrading systems; it's about creating an environment where data informs every decision. Goldman highlights the need for clear communication and training to help teams utilize data effectively, turning information into actionable insights that drive performance.

Conclusion

Digital transformation is more than just a project; it's an ongoing process that demands a shift in mindset, culture, and technology. By understanding why transformations fail and adopting a data-centric, agile approach, companies can position themselves to succeed in a rapidly evolving digital landscape. For organizations ready to take on this challenge, the path forward isn't a one-time overhaul but a constant evolution toward better, smarter ways of doing business.

Frequently asked questions

What percentage of digital transformations fail, and why?

Roughly 70%, a figure Jay Goldman of Sensei Labs cites on the podcast. The causes are rarely technical: unclear goals, overextended timelines, poor change management, unclear data, and enormous time lost to status reporting. Organizations are simply not practiced at running programs of that scale, and disruptions like pandemics and geopolitical shocks expose the weaknesses.

Why is digital transformation described as a fail state?

Because the need for one usually signals that something has already gone wrong. Goldman's argument is that companies born digital never run transformation projects; they exist in constant evolution. Traditional companies reach for transformation as a fix, which means starting from a position of failure and trying to catch up in one large, risky program.

What does 'technology as a coach' mean?

Using AI and machine learning to guide employees in real time, the way a sports coach advises athletes during play rather than reviewing the game afterward. Goldman's related idea, data as a sixth sense, is that data should be woven into daily decisions so instinct and analytics operate together instead of data living in a dashboard nobody consults.

How do you build a data-centric culture?

Not by upgrading systems. Goldman describes it as an environment where data informs every decision, supported by clear communication and training so teams can turn information into action. The technology enables it, but the culture is what determines whether anyone uses the data when it counts.

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