



Coronavirus: Driving Digital Transformation and Disruption

The changing environment

It has fast become a cliché to state that across industries and geographies, the current public health and consequent economic crisis is driving a variety of radical changes to working patterns and practices. The move towards more agile, flexible working patterns has been discussed for some time, with most large organisations starting to recognise the significant improvements to both employee wellbeing and productivity which come with working practices which would have been considered radical a generation ago.

The current crisis, however, has forced many organisations to make drastic changes to the way they do business in order to stay in business at all. A further emerging cliché is that COVID-19 will do a better job of driving digital transformation within organisations than any Chief Transformation Officer ever could.

One of the most obvious examples of this has been the move towards cloud-based working – something which most organisations have been pushing for some time, with limited success. Overnight, remote working has forced this change upon even the most reluctant employees.

Remote and flexible working has long been something demanded by employees, with some industries (notably those in the technology industry) embracing these practices far more readily than more traditional fields. Numerous studies have demonstrated that flexible workers are both more productive employees and happier human beings. Yet many organisations have shown

themselves reluctant to trust their employees to do their jobs out of the sight of their immediate line managers. In the UK, the announcement of the lockdown forced employers to take a leap out of their comfort zones and extend that trust to everyone who could conceivably work from home: the overwhelming majority of office-based staff.

With the rise of widespread remote working comes an additional multi-faceted benefit: the end of unnecessary travel. From a purely practical perspective, this means that those of us with long commutes suddenly find we have several extra hours in each day to focus on productive activity, not to mention significantly reduced fatigue levels. In a wider sense, this also creates a welcome reduction in the environmental impact of road, rail, and air travel.

It may have taken a public health crisis and a generation to drive this change, but the age in which we live means that we now have the technology available to enable this change to work for both parties. Software such as Microsoft Teams (launched with prescience in 2017) means that employees can take part in virtual meetings, complete with virtual whiteboards and breakout rooms, in a way that would have been unthinkable even five years ago. Five years ago, a virtual meeting usually meant a poor-quality Skype connection, followed by abandonment in favour of the telephone within minutes. In 2020, multi-participant digital meetings with ease of connectivity, and real-time collaboration facilitated by shared screens and data are the norm for every employee. In the current crisis, we all live our working lives through Microsoft Teams.

At the same time, the very technology that facilitates remote working also enables employers to monitor employee output to a far greater degree than has ever been the case. Rather than focusing on hours spent behind a desk in the office, employers increasingly (and entirely properly) judge their teams on the quality of their output. This is the truly revolutionary change – a move from a toxic culture of presenteeism to one in which we are all compelled to be accountable to our colleagues for what we have achieved in the previous day, and what we plan to achieve in the next.

It has been said that the culture of an organisation can be truly seen in the behaviour of employees when nobody is watching them. The shift to flexible, digitally enabled work which has been forced upon us by the current crisis has shown up starkly which employees (and by extension which organisations) are truly productive, and which are largely there in presence only. If an employee is not physically present, the onus is on him/her to tangibly demonstrate genuine added value.

Much has been made in the press in recent weeks of changes to the layout and design of office space to allow social distancing. Increasingly, however, it feels as though organisations which plan to invest heavily in recalibrating their existing (probably oversized) office space may well not have noticed the revolution that has already taken place. There will always be a benefit to face to face contact and collaboration in certain situations; there will always be a need for offices as a consequence. However, the need for everyone to be present in a fixed place for a regular fixed period of time has already been shown to be obsolete.

Disruption in construction

I spend my working life meeting executive and operational leaders from contractors, consultants, and client-side organisations, and am certain that virtually all would agree that there is a massive productivity gap across the sector. We consistently hear industry leaders tell us that the traditional model for project delivery is increasingly unfit for purpose. Yet few organisations, and even fewer individuals are willing to risk their wafer-thin margin on trying to do things differently.

It has been said that the acquisition of Whole Foods by Amazon brought about a generational seismic disruption in the retail sector, fundamentally changing consumer buying behaviours for good. Looking back on the current crisis in years to come, we may well consider this to be a similar moment for the construction industry.

For office-based staff, the shift to remote working has been relatively straightforward. The challenge for the industry as sites begin to reopen is how to deliver projects whilst complying with public health guidelines. The logical response to the need for social distancing is to find ways in which a project can be delivered with a reduced headcount on site, and this can only be achieved through transforming the way in which a site goes to work.

The industry has long been trapped in a vicious circle of underutilisation, fragmentation, and uncertainty, with each feeding the other to drive margins down and diminish positive returns for both market participants and clients. The purpose of digital transformation is surely to eliminate uncertainty and therefore maximise productivity – to enable market participants (whether contractor, consultant, or client) to derive maximum value from their investment.

Investment is a key word. All too often, the construction industry has been guilty of chronic underinvestment in IT. Most market participants talk the talk when it comes to digital transformation, yet few have historically been prepared to provide meaningful financial support to help bring about the necessary changes. The current environment, however, is forcing many organisations to recognise the need to invest in enabling their employees to do their jobs differently. Digitisation is not simply the adoption of a specific suite of tools or technologies; it is a fundamental shift in the way in which individuals behave, leading to a shift in how organisations fulfil their tasks and assess their own performance. Central to this shift is the move towards an output-focused culture.

In an industry which operates with some of the tightest margins of any sector, seemingly trivial errors can prove critical. All too often, a single problem-project has been seen to push an otherwise strongly performing contractor into loss-making territory. The elimination of defects therefore has to be at or near the top of the list of the benefits of digital transformation for the construction industry.

The adoption of digital engineering strategies has shown how much can be achieved on site by delivering a project using a real time 4D digital model. The next step is surely to look harder at the preconstruction phase. Logically, investing more time in the preconstruction phase of a project will pay dividends later in the process when the project is delivered right first time. Investing time and money in closing out delivery issues before moving to site is surely the key to eliminating defects. Linked to this is the need to further digitise the work of site operatives. Providing every operative with a tablet to link into a digital model is costly, yet the dividends of doing so are huge.

In comparison to the software industry, method statements and planning in construction are relatively high level. The digital transformation of the industry will allow early adopters to break down their planning processes, enabling a higher level of certainty and bringing far greater robustness into the decision-making process when the project moves to site.

Technology and culture: a virtuous circle

The current crisis has taken the onus on driving change away from organisational leadership and placed it in the hands of employees, and tasks and processes are fast being broken down into manageable chunks, handled efficiently and collaboratively through the adoption of technology. Surely this is the very essence of agile working?

Over the next twelve months, it is likely that many organisations in the construction industry will change shape, operating model or approach. The crisis creates opportunities, and the winners will be those organisations who approach the situation as an opportunity to drive strategic rather than reactive thinking. The industry has long spoken of digital transformation as being desirable, often without truly understanding what it means. The current crisis will inevitably lead to many organisations sharpening their focus, and recognising the productivity and wellbeing benefits of digital transformation. The organisations that do so will be the industry leaders of the future.

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