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DELOITTE & WALKME WHITEPAPER

Top trends in digital adoption for the Energy, Resources, and Industrials industry

Five insights that are shaping ERP transformation.

On average, enterprises within the Energy, Resources, and Industrials (ER&I) industry waste $17M in investments on digital transformation projects that fail to meet their goals.[1]

Furthermore, analyst firm Gartner® estimates that "by 2027, more than 70% of recently implemented Enterprise Resource Planning (ERP) initiatives will fail to fully meet their original goals and as many as 25% of these will fail catastrophically."[2]

These failures are often because end users—either employees or customers—do not or cannot use the technology. Improved digital adoption practices, which are fundamental to successful enterprise resource planning (ERP) transformation in any business or industry, can drive an increased return on investment (ROI) for ERP systems.

And technology transformation isn't going anywhere anytime soon. The global ERP software market size is projected to grow from $81.15 billion in 2024 to $238.79 billion by 2032 at a compound annual growth rate of 14.4%.[3] With the velocity of technological change that employees face, it's essential to drive adoption through organizational change management, training, and support mechanisms that provide real-time self-service and promote knowledge retention.

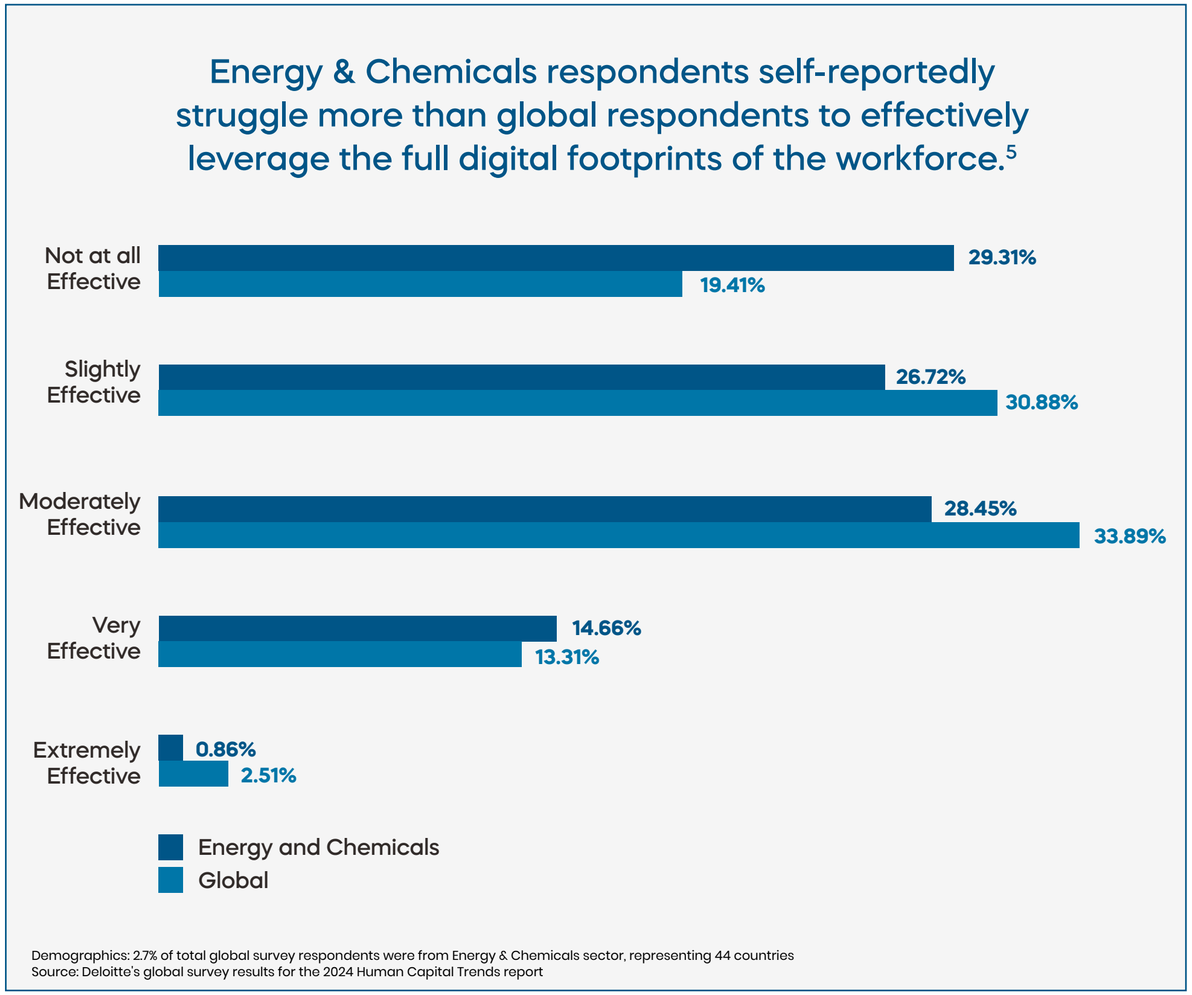
ER&I companies, however, must confront unique challenges to upskilling their employees and adapting to new work demands presented by modern technologies. Deloitte's Global Human Capital Trends report highlights a pronounced skills gap within ER&I, noting that companies in the industry often find themselves unprepared to tackle these challenges on a large scale.[4]

Industry-specific findings from Deloitte's 2024 Global Human Capital Trends report amplify the need for improved upskilling:

- While the industrial products and construction sector has invested heavily in new technology, only 24% of respondents reported that their organization was taking action to reduce the gaps in human skills development necessary to keep pace with technological innovation.[5]

- 29% of respondents in the energy and chemical sector reported that their organization is not effective in leveraging the full potential of their workforce's digital capabilities to generate value for both internal and external stakeholders.[5]

[1] WalkMe: The State of Digital Adoption 2022-2023
[2] Gartner Insights: Enterprise Resource Planning to Optimize Operations, 2024. GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved
[3] Fortune Business Insights: Enterprise Resource Planning (ERP) Software Market Size, Share, and Industry Analysis...
[4] Deloitte 2023 Energy, Resources, and Industrials (ER&I) 2023 Human Capital Trends
[5] Deloitte 2024 Global Human Capital Trends Report



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Moreover, the World Economic Forum's 2023 Future of Jobs report underscores that 40% of the current skill requirements in advanced manufacturing will change within the next five years, emphasizing digital skills as one of the top three necessary competencies, including those related to advanced processes like cloud-based ERP solutions.[6]

To illustrate the challenge many workers across the industry face, consider a scenario where an organization is transitioning from pen-to-paper record-keeping to utilizing cloud-based ERP systems. This significant shift presents a steep learning curve for employees, potentially leading to decreased morale and increased frustration among the workforce. 40% of staff feel frustrated often or all the time when using software, and 44% regularly postpone tasks due to software.[7]

Throughout this change, workers who play a vital operational role likely lack the necessary downtime to attend classroom training on digital aspects of work, and should technical issues arise, second- and third-shift workers lack essential IT support. Leaders should focus on creating the right learning and development opportunities for their employees to hone the technology skills required to operate successfully in modern ERP systems.

6 World Economic Forum: Economy, industry, region, and skills profiles – Industry 'Advance Manufacturing'
7 Bloomberg: Why Poor Digital Adoption Hurts The Employee Experience

Although ERP solutions have evolved over the last 10 years to be more user friendly, companies—especially in ER&I—still require a pointed user adoption strategy. Many ER&I executives are turning to Digital Adoption Platforms (DAPs) to overcome the digital learning curve, keep up with the pace of technology innovation, and meet their ERP objectives. A DAP is an interactive, online guidance and engagement platform. Users benefit from real-time, step-by-step guidance directly within the platform—allowing employees to work more efficiently with fewer headaches.

As organizations modernize their ERPs, they can use DAPs to provide ongoing and just-in-time learning opportunities, which can improve productivity and efficiency while meeting the demands and expectations of their customers. Employees also benefit from ongoing skill development via DAPs; a recent Deloitte survey of Millennial and Gen Z workers found that 38% of respondents identified accessible training and upskilling opportunities as one of the most impactful strategies to attract and retain employees.[8]

Organizations can address skills gaps as their employees learn how to complete new business processes on-the-job and in the flow of work. Over time, organizations can optimize workflows by leveraging DAP analytics to track user experiences across the ERP and other enterprise applications.

This white paper will showcase five trends in ERP transformation using DAPs to meet the rapid pace of change brought on by technology.

[8] Deloitte: Taking charge: Manufacturers support growth with active workforce strategies

The state of digital adoption

60%

of decision-makers are concerned about achieving the expected ROI of digital projects because end users aren't adopting the technology quickly enough.[1]

61%

of organizations say they have been sold applications as "easy to use" but these applications haven't turned out to be easy for end users.[1]

61%

of leaders say that poor digital employee experiences are likely to contribute to resignations.[1]

55%

of decision-makers are concerned about achieving the expected ROI of digital projects because end users aren't adopting the technology quickly enough.[1]

62%

of enterprises are "concerned" that a lack of understanding of new applications is increasing risk.[1]

Five top trends to drive successful ERP transformation for the ER&I industry

Discover how executives are making strides in digital adoption across the ER&I industry through these five top trends.

01. Embrace right-sized change
02. Provide in-app guidance within the flow of work
03. Maximize support both before and after go-live
04. Plan for continuous implementation and adoption
05. Accelerate ERP value realization

Embrace right-sized change

The word "transformation" can sound overwhelming to some but in reality, not every change is truly transformative. Just as no two businesses are the same, the ways in which they embrace change are different depending on their needs.

Executives are increasingly turning to organizations like Deloitte to help them implement DAPs as part of a right-sized change strategy fit to their company's needs. The graphic showcased on the next page is part of Deloitte's AmbitionScan, a diagnostic tool used as part of Deloitte's Transformation Intelligence methodology.

During digital transformations, Deloitte plots organizations within this matrix of change to calibrate the right set of priorities in a change management plan. The Accelerate, Transform, Update, or Modernize quadrants provide a classification of an initiative's goals, with a corresponding increase in effort and direct intervention required for more transformational programs.

To illustrate, a change classified as an "Update" may involve upgrading or migrating from an existing ERP system with minimal changes to business processes, ways of working, or operations. In this situation where the only change is to the user interface or user experience, DAPs are a fit-for-purpose solution to lead and enable change digitally.

At the other end of the spectrum are full-scale "Transformations", which can involve changing not only the ERP system but also the underlying business processes, operating models, organization structures, and culture. In this scenario, DAPs are more likely a subcomponent of a broader set of change and training activities in order to onboard, upskill, and support employees.

Regardless of the magnitude of change, DAPs are often part of a well-balanced portfolio of change activities, including but not limited to change impact assessments, communications (both web-based and in-classroom training) virtual or augmented reality training, quick reference guides, and other impactful change activities and interventions.

Update in action

For example, for a brownfield migration from SAP ECC to S/4HANA using Fiori, the manufacturing module will often only change its general navigation or "look and feel" from an end-user perspective, whereas business processes largely remain the same. In-application guidance from a DAP can provide manufacturing users with system tours to ensure proficient system navigation, as well as notifications to users of expected changes.

Transformation in action

When multiple changes impact the business, a DAP is one modality of several to support the business. For example, in a transition from manual operations to an ERP, such as SAP S/4HANA, multiple changes may impact users of the Fixed Assets modules. Several accounting calculations will change in S/4HANA, with updates to logic that account for local GAAP requirements. The overall navigation's "look and feel" will also be significantly different in S/4HANA. These changes require a varied approach to transformation. Organizations may employ:

- **Web-based learning** to upskill accounting teams on sweeping changes to Fixed Assets' calculations and codes.
- **Traditional-style communications** to accounting teams to relay upcoming changes to calculations and codes.
- **DAPs with in-application tooltips** next to fields to reinforce changes and provide guidance to highlight overall navigation.

Right-size the change.

ORGANIZATIONAL ABILITY
How well people must perform due to change.

ACCELERATE

Shift in operating & staffing models

Approach: Capability Building

TRANSFORM

Complete organizational transformation

Approach: Holistic Change Management

UPDATE

Switch to a new system

Approach: Digital Enablement

MODERNIZE

Shift in organizational culture & human needs

Approach: Tech & Behavior Modernization

ORGANIZATIONAL ABILITY

How quickly an organization must react to change.

TOP TREND 03

Provide in-app guidance within the flow of work

Many organizations are leveraging DAPs to accelerate onboarding, minimize digital fatigue, reduce operational disruption, and make the most of their technology investments with in-application guidance efficiently integrated into the users' daily work activities.

Perhaps the most essential and valuable feature of a DAP is the ability to provide on-screen guidance for workers within the flow of work. Organizations that provide guidance in the flow of work with DAPs can drive behaviors and facilitate compliance while providing necessary instructions for new and changing software.

DAPs help organizations ease workers into large-scale change with helpful guidance personalized to the context of each team's software and skill levels. With DAPs, workers experiencing change from technology can get the real-time help they need to do their jobs effectively and efficiently, minimizing classroom training requirements. As workers adapt to change, they can review materials without leaving active applications, which can speed up technology adoption and user efficiency.

ER&I application: Reactive maintenance use case

DAPs walk users through the process of creating a maintenance request, planning and executing a maintenance order, and completing post-work operations.

- Consolidate the maintenance plan to record conditions of equipment failure and manage resources for repair.
- Initiate a feedback mechanism for preventive maintenance to mitigate the risk of similar equipment failures and consequent loss of resources, production, and cost.
- Enhance user productivity, reduce errors, and facilitate compliance, leading to smoother and faster service delivery.

TOP TREND 04

Maximize support both before and after go-live

Successful organizations view their transformation beyond just getting to the finish line.

While planning for the initial goal of successfully launching or going live with a new ERP, organizations are using DAPs to provide users with learning on-demand directly in the flow of work, during training, or in production environments both before and after go-live.

DAPs provide direct support to employees during the ERP transformation process that makes change more about how people use technology rather than the technology itself. This helps to improves employee morale and retention during change.

DAPs provide support to employees both before and after go-live by:

Onboarding & training

DAPs allow organizations to develop a unified onboarding experience for workers to learn the ERP, business processes, and new ways of working. Often, the guidance before go-live may be linear, guiding users down a happy path (i.e., a default, error-free flow where the transaction works as expected) or providing overviews and tours of the system at large to familiarize the users with new navigation within the ERP.

Personalized guidance

DAPs provide guidance for users as they need it—whether they are completing onboarding, need a refresher, or are experiencing new digital transformation projects. By segmenting content, employees only see the support and guidance applicable to their role. This tailored guidance can dynamically respond to the worker's role or behaviors within the ERP.

Plan for continuous implementation and adoption

Like digital transformation, digital adoption does not take place over a single occurrence or event. Change is the only constant, requiring continuous adoption for the new innovations released in the marketplace. Many executives are employing DAPs to drive long-term adoption, reinforcing desired behaviors and application usage over time.

Many businesses are moving toward using DAPs during ERP transformations because they provide crucial analytical data. This data helps organizations understand how their people react to change in order to help them adapt. In doing so, these businesses reduce the likelihood of operational shutdowns or noncompliance due to human error or challenges with process completion.

Because DAPs sit on top of ERPs production user experience, they are uniquely able to help businesses drive long-term adoption after go-live.

DAPs drive long-term adoption by:

Cross-app support

DAPs efficiently guide users through entire business processes, moving across the ERP and its integrated boundary systems. By facilitating support across multiple applications and technologies, users can navigate a process from start to finish without having to determine which additional apps they need to access along the way.

Adoption metrics

DAP analytics allow visibility into where end users are struggling across business processes. With the capability to track adoption metrics such as user activity (e.g., logins, session duration, pages viewed) and fluency (e.g., tasks completed, process accuracy), DAPs help businesses transform training into dynamic, adoption-focused solutions based on how their people interact with their systems. Organizations can improve their ongoing learning strategy and develop targeted, in-application guidance that drives strategic behavior change, which can increase business process completion and accuracy.

System updates

ERPs often undergo system upgrades two to four times annually. DAPs can support users to navigate ongoing and regular changes to the system through onscreen announcements and guidance. This in-application support minimizes the need for manual change interventions (e.g., emails, quick reference guides) to upskill users on system changes.

Infrequent processes

For business processes that are completed less frequently (e.g., benefits enrollment, expense submission), DAPs are an impactful solution for self-service, facilitating on-the-job learning or serving as a reminder on how to complete the task. In-application communications can keep employees up to date on upcoming deadlines or even changes to the process from the previous occurrence or event.

TOP TREND 05

Accelerate ERP value realization

Organizations should rigorously analyze, assess, and enhance their operational processes to maximize the benefits from an ERP implementation.

As enterprises continuously optimize their business processes post go-live, it is critical to consider whether employees are effectively adopting these changes. A strong analytics strategy is essential for organizations to identify where their people need ongoing adoption support in order to achieve the desired ROI from their ERP.

ERPs have hundreds of processes, with perhaps thousands of variations per process. Often, there are subtle—possibly hidden—errors that create a ripple effect across these processes and silently erode the bottom line.

How do enterprises uncover these opportunities for improvement, remedy errors quickly, and accelerate their ERP's value realization? The answer lies in a two-pronged data-driven approach:

1. Process bionics—which expands the practice of process mining to a broad digital management approach—to discover and evaluate the cost of inefficiencies.
2. Change management principles and digital adoption toolsets to drive behavior change and optimize processes.

Process bionics equip organizations with data-based insights and root causes for operational inefficiencies. As opposed to "witness testimony," process analysts and data engineers can analyze data from process bionics to confirm hypotheses; visualize workflow operation; and quantify opportunities to optimize code, applications, and usage.

Process optimization doesn't end with identifying opportunities. Organizations then need to unlock value from their processes. To drive behavioral or system change, improve adoption, and unlock continuous value from business processes, organizations should also provide ongoing, targeted support, automations, and/or interventions to the individuals and systems at the root of process inefficiencies, across both short- and long-time horizons.

Change management principles play a significant role in unlocking value from business processes. Interventions, including communication, training, strategic behavior change to drive process improvement, and leadership enablement are vital to successful digital transformations that produce expected ROI.

DAPs are an innovative and effective mechanism to address process issues at the point of need. Further, through integration with process mining tools, a DAP can target specific errors as they occur and recommend corrections based on historical data trends. DAPs can also remove obstacles by automating some tasks, which can reduce human errors.

By combining process bionics and change management, organizations can push strategic behavior change to improve digital adoption, accelerate process improvement, and drive value realization of ERPs.

A DELOITTE & WALKME CASE STUDY

ERP transformation in action

A manufacturer and distributor of agricultural fertilizers wanted to drive sales team adoption of new systems to successfully process transactions and reduce the time their support teams spent resolving errors or providing guidance.

Deloitte recommended WalkMe as a DAP to support users in correctly completing critical transactions with contextualized in-application guidance in Salesforce Lightning, Salesforce Communities, and SAP Fiori.

To achieve a successful go-live for the systems, Deloitte defined WalkMe on-screen guidance use cases across multiple applications and process areas, building 40 advanced digital adoption, step-by-step guidance solutions that featured in-application announcements with an engaging look and feel, segmented only to applicable employee populations in five or more languages.

Deloitte also implemented bespoke solution accelerators to expedite time to value along with custom-built solutions to target client-specific use cases as needed. Deloitte defined more than five architectural standards, which reduced development time while maintaining quality and consistency across solutions.

Following the launch, Deloitte advised the company on WalkMe analytics to track adoption metrics, including solution usage and fallout. Within the first two weeks of deployment, 2,250+ employees engaged with WalkMe across platforms.

After the ERP launch, some users experienced a common suspense processing error for SAP Fiori users. Deloitte developed a WalkMe ActionBot to serve as a conversational chatbot to support users in adopting the process to improve the overall user experience, and reduce errors.

CONCLUSION

Elevate ERP transformation

As ER&I executives continue to navigate rapid technological changes, DAPs are transforming how they implement change for long-lasting adoption. By leveraging DAPs, companies across the ER&I industry are better able to overcome the challenges they face due to the rapid pace of change from technology.

Working together as an alliance to transform ERPs across industries, Deloitte and WalkMe help organizations achieve lasting and widespread digital adoption. WalkMe's DAP helps organizations effectively navigate constant change brought on by technology, while Deloitte provides the strategic implementation of business technology to help ER&I businesses become leaders in the industry.

The Deloitte & WalkMe Alliance offers a strategic approach to helping you achieve your organization's ERP platform objectives. How? By providing the guidance and assistance that people need to effectively perform their jobs within their application workflows.

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Combine Deloitte's change management experience with WalkMe's best-in-class DAP to drive long-lasting, fully realized digital adoption.

Learn more about our Digital Adoption Platform services.

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