Strategy Is Not the Problem

Why Digital Transformation Fails in Execution

Rui Feio

PLM Road Map™ & PDT EMEA 2026

AI in PLM: A Disruptive Opportunity and Challenge

Turning AI disruption into enterprise value:
Strategic insights for the PLM professional

4-5 November 2026

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NYENRODE BUSINESS UNIVERSITEIT

Agenda

	Topic
1	*Introduction of Research Topic*
2	*Reported Challenges*
3	*6 Main Themes in Digital Transformation Execution*
4	*Closing Remarks*

About myself



Rui Feio

Business Development
2024

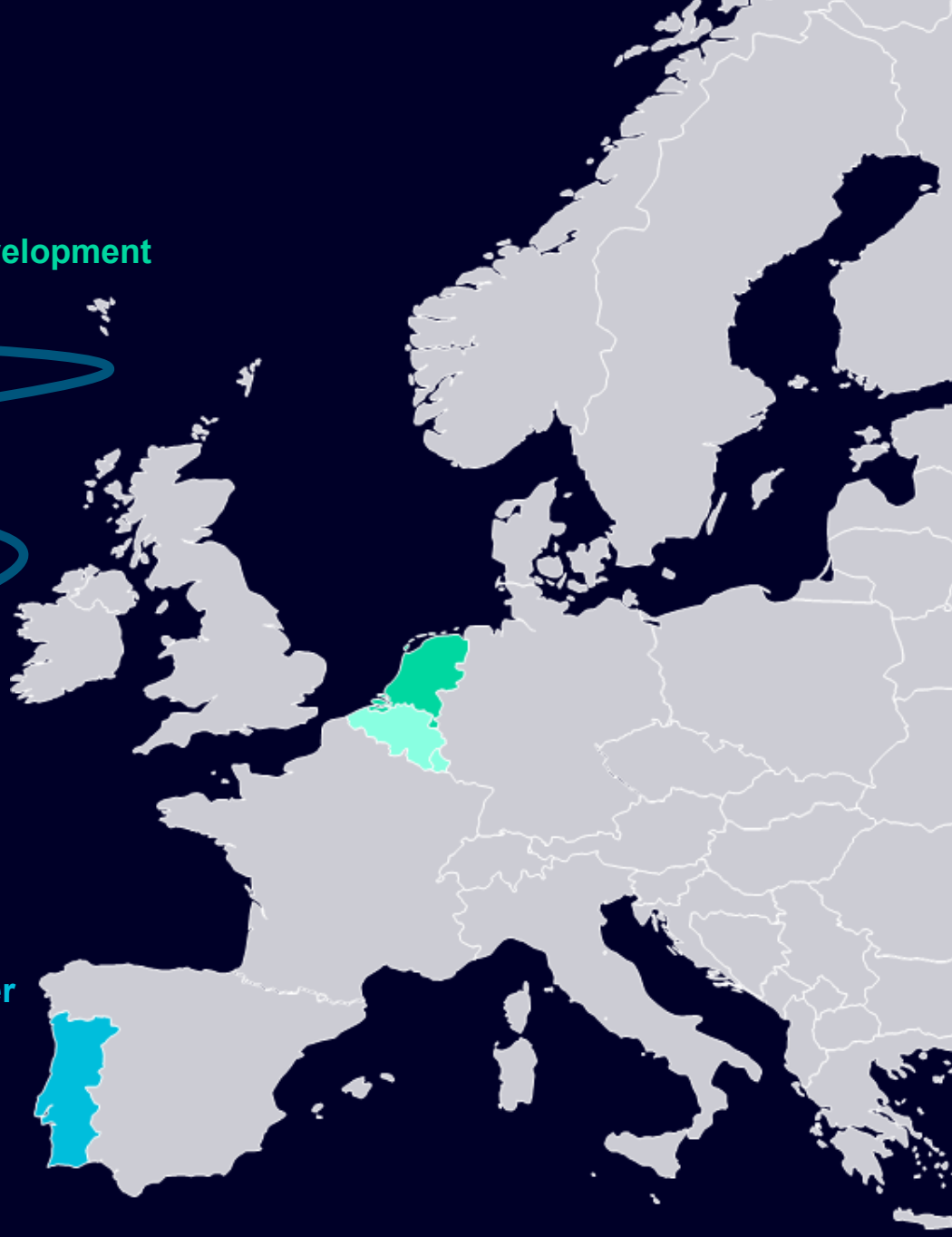
Digital Strategy & Transformation
2024

PLM Consultant
2017

Trainee at European Space Agency
2016

U.PORTO

MSc in Electrical & Computer Engineering
2016



How I got here

Research Paper on **Digital Strategy & Transformation**

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- Digital Transformation Programs report low success rates
- Investigate how industry is operationalizing strategy

Field Research & **Interviews**



- Interviewed professionals involved in large, European manufacturers
- Understand main challenges

Reflections on the topic

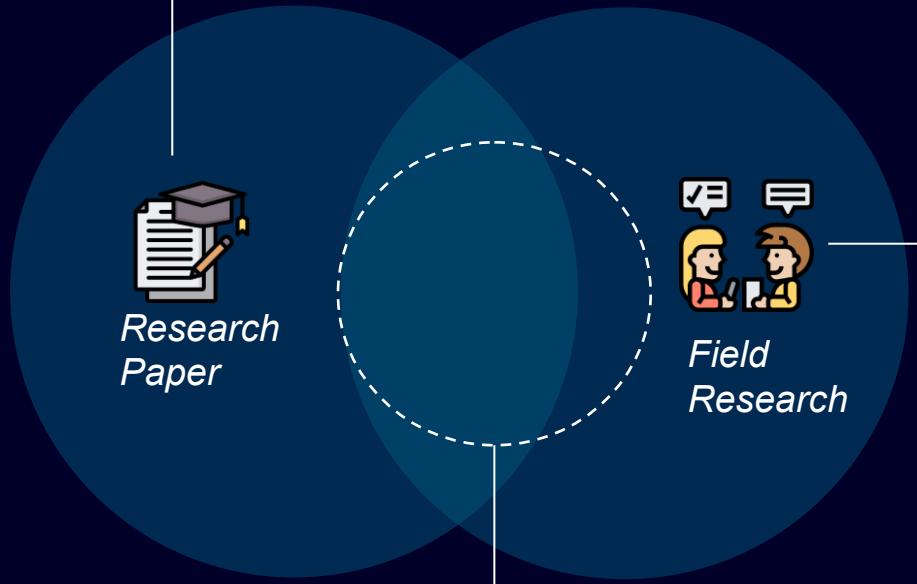
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- Present main themes coming out of interviews
- Reflections and examples from interviewee's experiences

The topic for today

Aligning Strategy with Operations for a Successful Digital Transformation

Can strategy execution principles mitigate the challenges that come with executing a digital strategy at large manufacturing enterprises?



What are the biggest challenges in executing Transformation programs?

Strategy Is Not the Problem

Why Digital Transformation Fails in Execution

Introduction



The **failure rate** of Digital Transformation programs is notably high, reported in literature to be **between 70% and 90%** (Ramesh & Delen, 2021; Rogers, 2016; Saldanha, 2019).



According to a 2020 McKinsey survey, since COVID-19, **companies intensified investment on digitalization**, with 57% of executives either investing more aiming at competitive advantages or refocusing the entire business around digital technologies.



It is difficult then **to reconcile the prevalence of Digital Transformation Strategies with the low success rate of its Programs.** Considering the abundant models and frameworks, not as much literature focuses on **how to operationalizing strategies** from a Digital Transformation perspective, even fewer when based on empirical research or case-studies.

Top reported challenges



Internal perspective

Both

External perspective

"People tend to outsource Organizational change management to either external or a special function. I generally think it's the managers responsibility to do this."

"On paper, all initiatives are aligned with strategy, but in practice there is a gap"

"Leaders spend months refining strategies together, but often believe a training session or townhall is enough for the organization to understand it"

6 Main Themes

Internal perspective
Both
External perspective

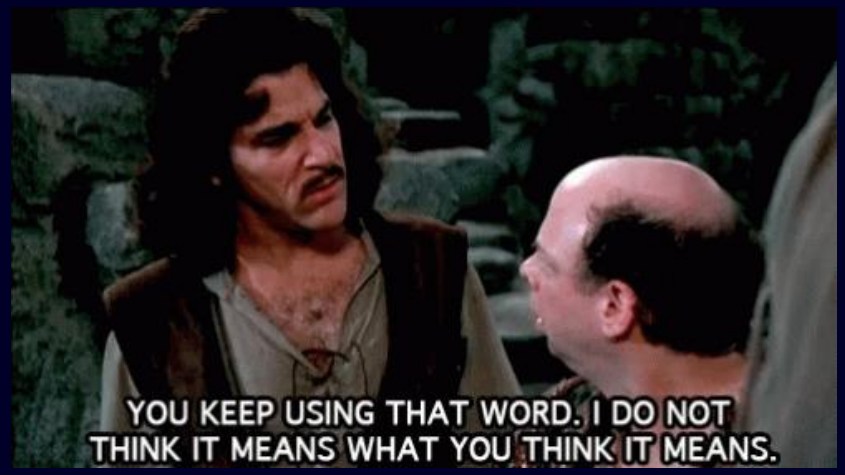
"Investments of tens of millions imply operations for decades. This requires long-term vision of what the business needs will be years in the future."

Modernization vs Transformation

Problem of Definition: two components
Component of Org. strategy as 'policy to digitize'
Efficiency vs Cust. engagement vs Innovation



What is Strategy?



Strategy ***noun***

/ˈstræt.ə.dʒi/

“A future-proof strategic positioning requires trade-offs (Porter & others, 1996). At its base, strategy, is the choices organizations make to do more of one thing, which necessitates less of another.”

If accepted that Digital Transformation and AI is an imperative for all organizations to act on, then the need for strategy would be void. As Porter puts it, “If the same set of activities were best to produce all varieties, meet all needs, and access all customers, companies could easily shift among them and operational effectiveness would determine performance.” (Porter & others, 1996).

This underscores the importance of operationalization, as only those who are most effective at execution will become the emerging leaders.

6 Main Themes

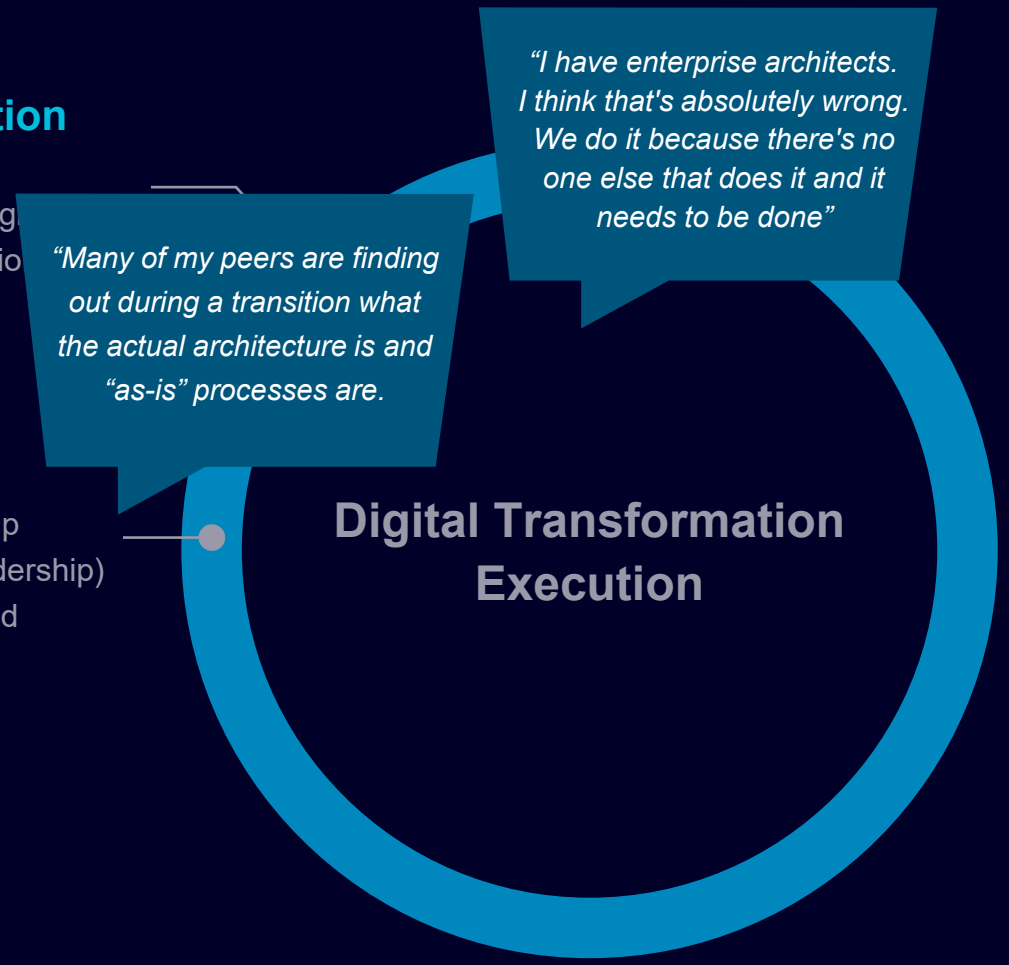
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Business vs IT

Enterprise-wide view vs business ownership
No dedicated teams or CDO (Binomial leadership)
Enterprise Architecture often misunderstood



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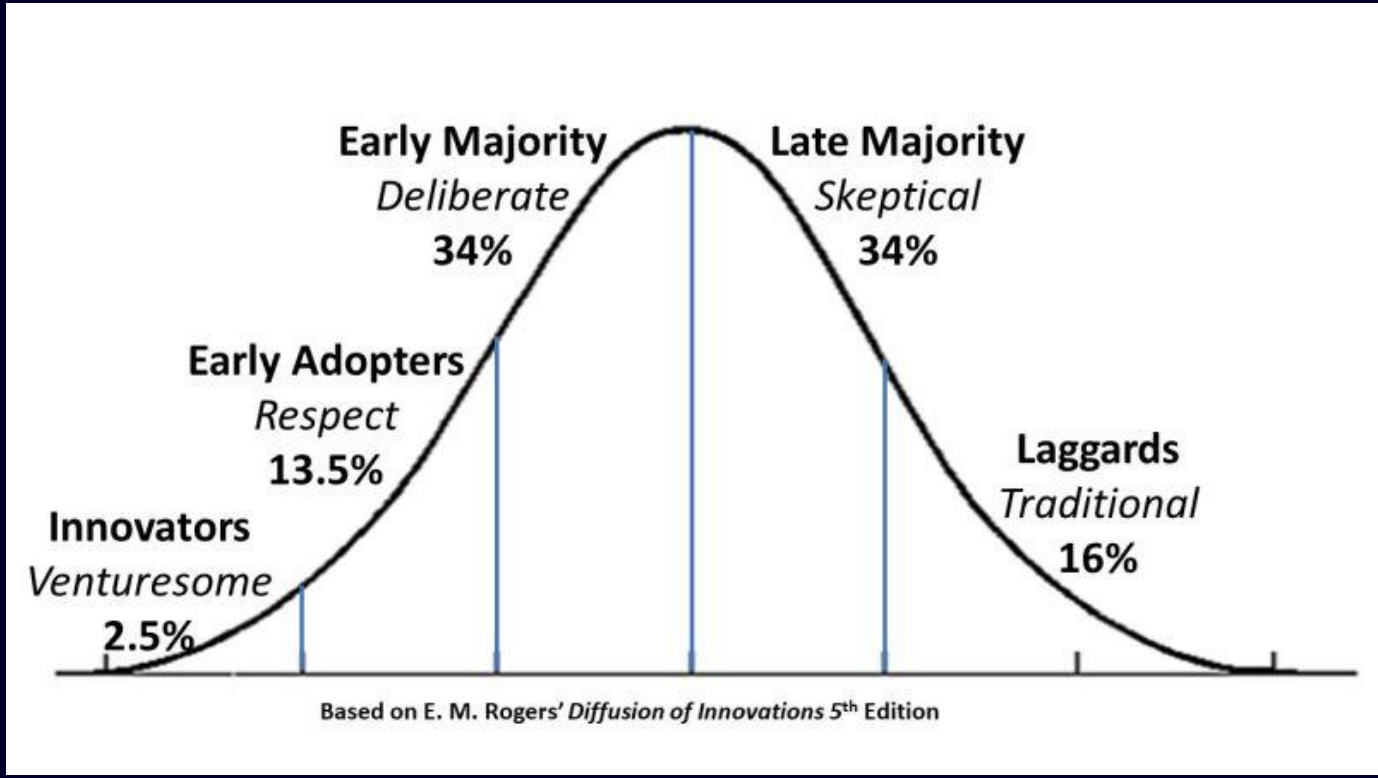
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Enterprise Architecture often misunderstood

Top-down vs Bottom-up

Universal that both are needed (top-down preferred)
It’s about Impact vs complexity
Impact of champions often overlooked or abused



Diffusion of Innovation



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Standardized vs Homegrown

Recognized need for standard technology
Risk aversion plays a role in the preference
Outsource responsibilities to consultancy

6 Main Themes

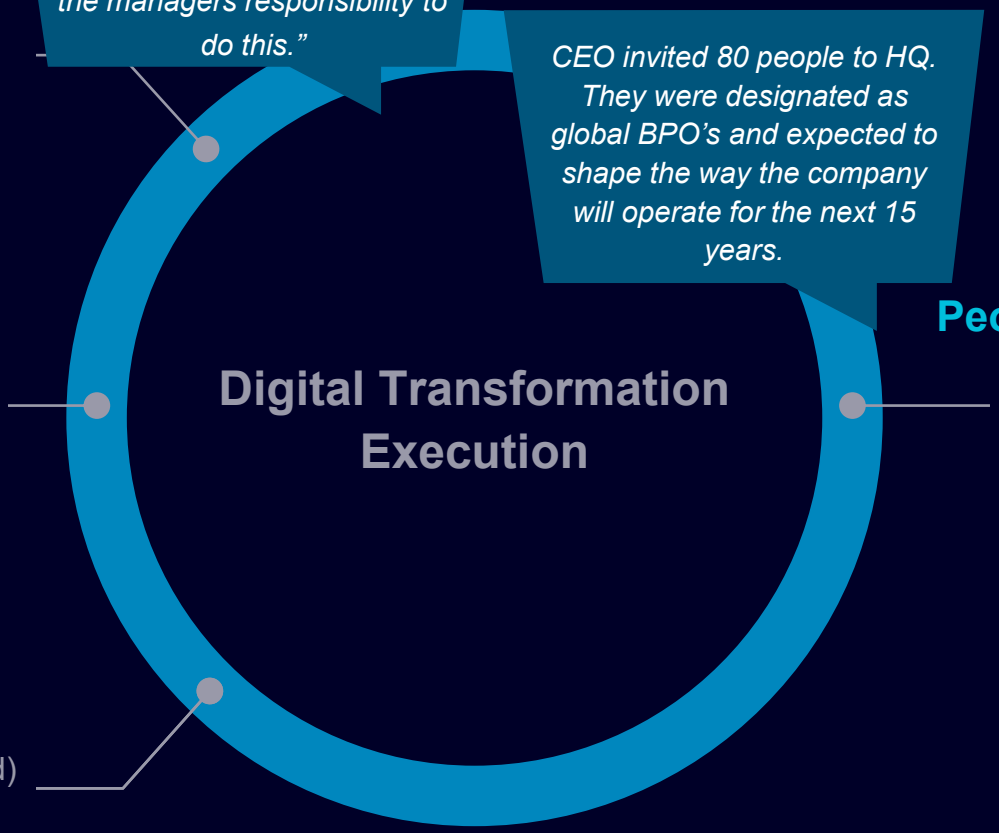
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“People outsource Organizational change management to either external or a special function. I think it's the managers responsibility to do this.”

CEO invited 80 people to HQ. They were designated as global BPO’s and expected to shape the way the company will operate for the next 15 years.



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People vs Processes vs Technology

‘People’ is seen as the biggest factor
Efficiency perceived as headcount reduction
Absence BPO’s or change management

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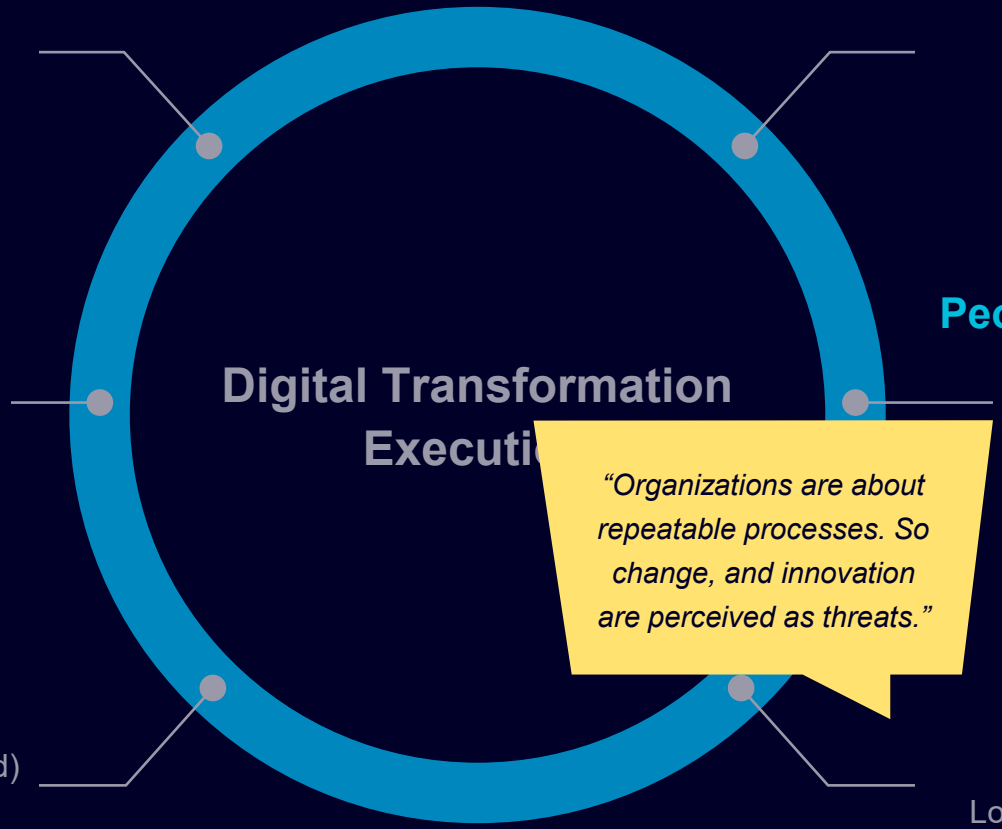
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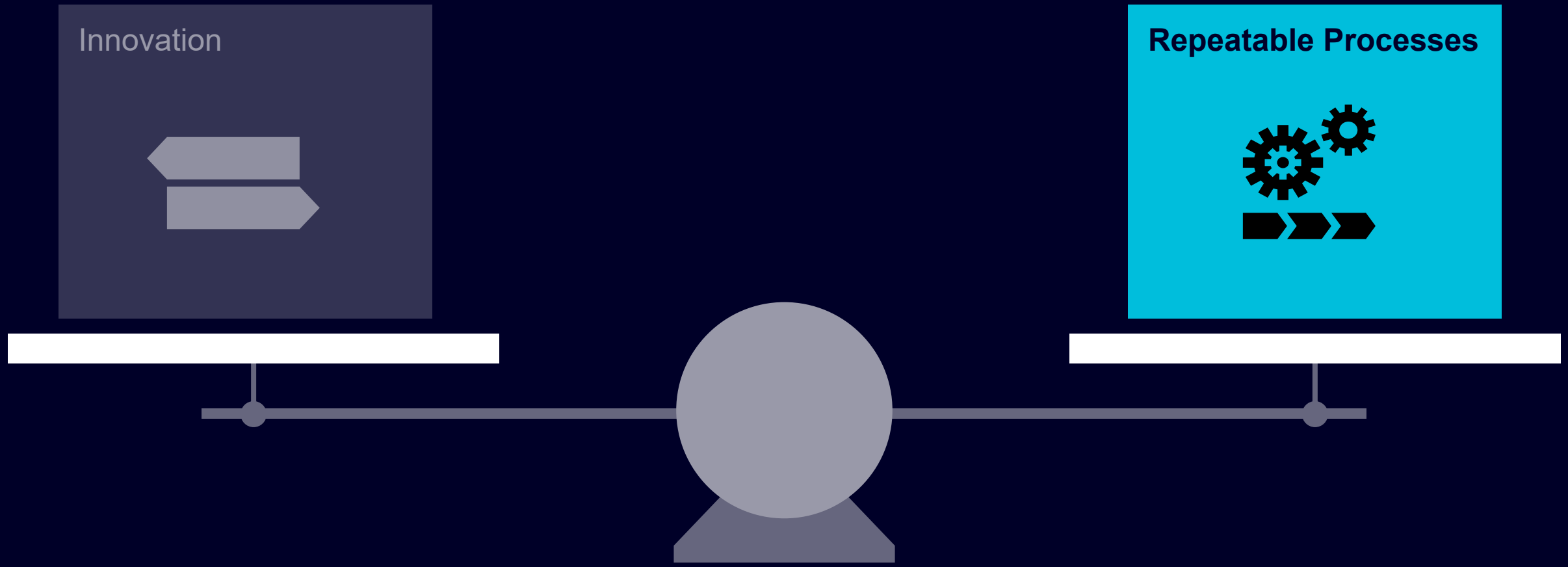
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Efficiency vs Exploration

Transition & overlap periods are difficult
Long programs have shifting goals & no clear end
Time kills all business cases

Food for thought



Reflections



Let’s connect!

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Want to chat about the research?

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