

Navigating the shift from transformation to optimisation

Learn from 10 conversations with
leaders of successful European SMBs



How fast-growth business leaders are thinking differently about the tech stack – and where they're focusing their efforts next

Back in early 2020, organisations went through an unprecedented period of digital transformation in just a few weeks. Like everyone else, small and medium-sized fast-growth companies scrambled to digitise their workflows. For many, this entailed purchasing a number of digital tools, introducing new processes, and implementing new tech – all in next to no time at all.

It's safe to say – this period was intense for everyone involved. Only now that it's over can we view this time with the 20-20 vision of hindsight, and think about how we want the future to play out.

With this in mind, we spoke to 10 business leaders at fast-growth businesses across Europe. We asked them to reflect on their digital transformation so far, where they're at now, and where they're focusing their efforts next.

Our conversations uncovered how future-facing businesses are optimising their strategies to empower people to do their best work – even in a climate of economic uncertainty. We uncovered some fascinating insights about topics as wide-ranging as innovation fatigue, peer support, and resilience – and discovered a number of learnings to help you make the right decisions in 2023.

Read on to learn more about the onset of innovation fatigue and how resistance to change has become a key issue in the face of recession. We'll explore how business leaders are focusing their efforts in response, including:

- How leaders are navigating change management
- The value of implementation periods
- The power of external peer support
- The value of engaging with internal feedback
- The importance of tech stack optimisation



Meet our Smart Voices

Our Smart Voices are leaders working at small and medium-sized fast-growth businesses across Europe. Their experience spans a range of industries, but all were selected as they have influence or control over the tech stack or digital transformation at their place of work.

Managing innovation fatigue

The pandemic was difficult to deal with for most – if not all – fast-growth businesses.

As the managing director of a decorative products supplier told us, *“We went through such a storm with COVID. We survived. I hope we survive the next one.”*

Unfortunately, there is a next storm. Along with pre-existing challenges, the war in Ukraine has amplified a number of economic issues. Many countries are now in recession (or are expected to be in one soon), supply chains continue to be disrupted, and global rates of inflation remain elevated.

With businesses already fatigued from the pandemic, this isn’t ideal. As the CTO of a sustainable cleaning products business said, *“We came from one crisis – COVID – and stumbled right into the next one with the war in Ukraine.”*

This Smart Voice elaborated:

*“Most businesses are impacted quite heavily by inflation either directly or indirectly [...] You can see [...] valuations going down, **companies sitting on huge piles of cash and not daring to invest at this point in time.**”*



CTO of a sustainable cleaning products company

Viewed optimistically, these economic difficulties could mean the time is ripe for further digital transformation. After all, digital solutions can help streamline workflows, cut back on admin, and make communication and collaboration more effective. On the other hand, shying away from digital tools can risk your business being getting stuck in the past – something that can deter best talent from joining your business.

That said, some businesses – and some individuals within businesses – are suffering from “innovation fatigue.” As a result, there is much discussion about what shape the next stage of digital transformation should take.

Resistance to change

Not everyone is overjoyed by the prospect of further digital transformation. Why? Periods of rapid change are tiring. And structural changes to the workplace are no exception. Change is famously difficult to navigate in businesses – this is the very reason whole change management teams exist. As a CEO of a digital identification business told us, “People never like change.”

During our conversations, a number noted some resistance to further digital transformation. For example, one Smart Voice highlighted a traditional, change-averse outlook in their business’ leadership team. In this case, our Smart Voice felt this stance was at odds with their own.

*“[Leadership doesn’t] see digitisation as such an enabler, so they don’t really see the need to invest in digitisation. [...] Here, the thinking is more – we had this for the past 10 years, so why do we need to change? **It’s my job to drive [tech adoption] from the top down and try to convince people to try things out.**”*



Managing director of a voucher network

This managing director later expanded on their point:

*“There is resistance. Many people just don’t know the benefits of new and modern tools, as things have always been done in a certain way. **[But] once they see [benefits like being able to] work in the same spreadsheet as their colleagues, they realise it’s a great way of working and makes things much more productive.** You have to tell them about the benefits and be as specific as possible, giving them concrete use cases.”*

Where to next?

Each fast-growth business will be facing different challenges. Some will be more digitally fatigued. Others will be more impacted by supply chain issues or price hikes.

There's no one-size-fits-all advice on how to survive upcoming economic turmoil – any more than there was a how to survive a pandemic guide. That said, we asked our leaders about the principles they have adopted – or will adopt – for the future. Here's what they said.

Quality over quantity

When asked to reflect on the current state of their tech stack, many of our Smart Voices agreed that more tools do not equal more efficiency.

*"People get lost [in] too many tools. **They try to take the best breed of everything, but it starts to be a patchwork** and people get lost,"* the CEO of a digital identification business said.

Another Smart Voice said their company had previously been overenthusiastic when purchasing digital tools.

*"To match company growth, **[tech buying] started as the Wild West, as everyone got every tool they thought they needed. Some survived and others didn't.** [Now], we have a fairly stable tech base, and spending on tools per person has decreased over the last 12 months as we've been much more mindful and aware of where we should and shouldn't be spending money."*



CTO of a sustainable cleaning products business

Overbuying can lead to underutilisation, and before you know it – you’re spending thousands of euros (or indeed pounds or francs) on a platform few people use at all, let alone use well.

As a result, our leaders are striving to get the most out of the functionality they’re paying for, and many are adopting a spirit of mindful consumption. Some are asking whether premium versions are worth their price tag.

*“We’re really looking at tools and asking, do we get our money’s worth [from paid features]? **We saved around €30,000 to €50,000 by just doing that in a span of a year.** Oftentimes people are very careless about cancelling free trials, and oftentimes they wouldn’t really question or challenge if the features they get are really the features they need.”*



CTO of a sustainable cleaning products business

Granted, changing up software can make some workers unhappy. As we previously saw, *“People never like change.”* But our Smart Voices found any disgruntlement was temporary and that transparently communicating the reasons for change – as well as involving wider employees in decision-making – can help.

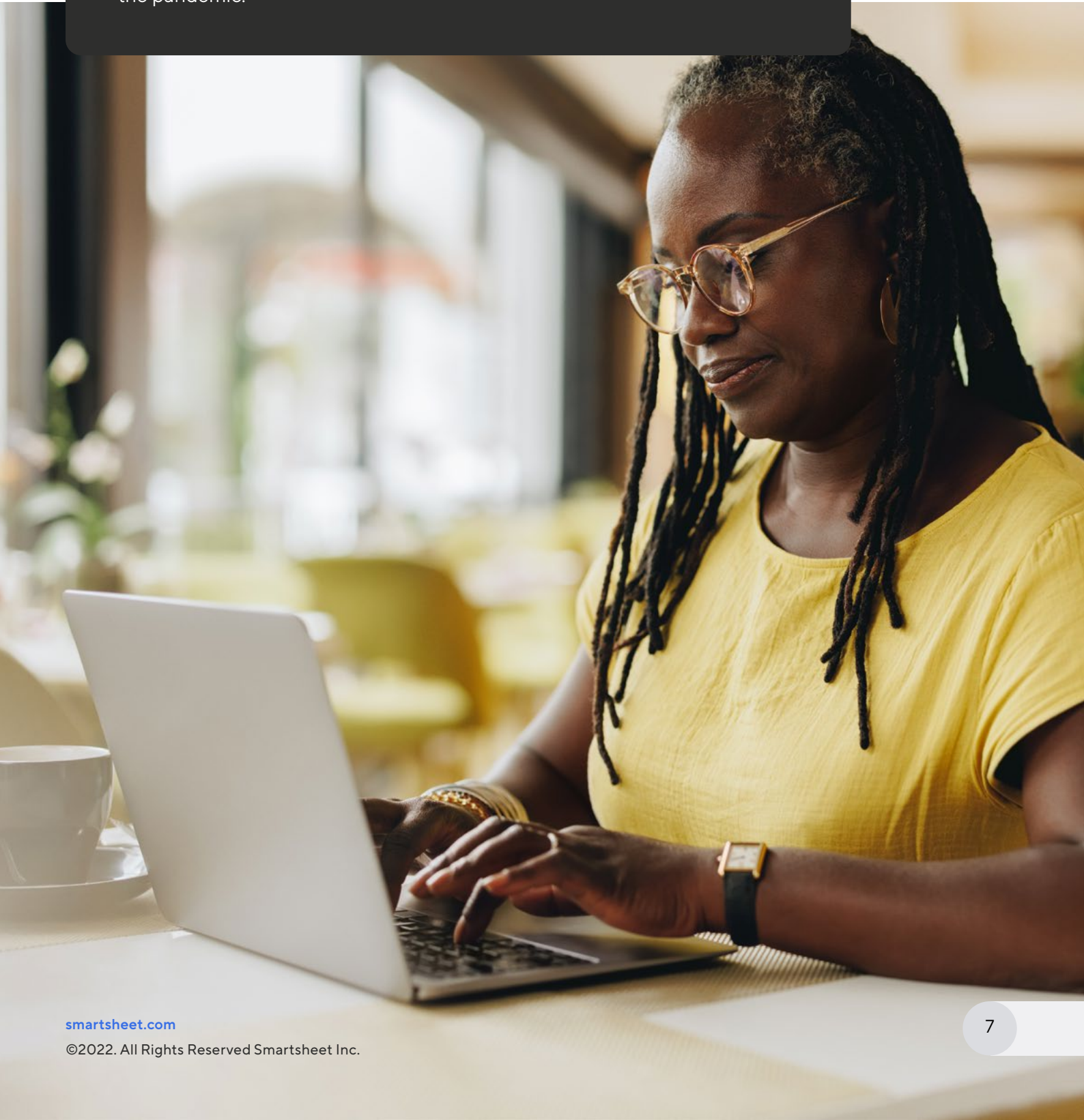
“People need to understand why a new tool is being introduced,” the managing director of a retail solutions business said. *“They need to feel comfortable and assured that we’re not playing Big Brother.”*

Indeed, while it can take some time for workers to adapt to a new way of working, the end result of increased productivity and efficiency is worth it. One key tip is to opt for tools that can perform a broad range of functions, allowing companies to reduce the number of solutions in their tech stack overall. Meanwhile, embracing no-code platforms means that end users can get maximum value from a tool without a steep learning curve.

KEY TAKEAWAY

Get the most from your tools

Whether it's streamlining licences or consolidating tools into a single platform that performs multiple functions, most tech stacks have scope for optimisation – particularly given how many solutions were embraced during the pandemic.



Implementation periods

Of course, the mood for optimisation is tied to the current need for spending cuts. In light of the trying economic times, budget cutdowns are happening across the board and many fast-growth businesses are trying to maximise the efficiency of their tech stack.

Sometimes this entails focusing on more affordable solutions. As one Smart Voice, the CEO of a product content platform said, *"The reality is that the entire tech integration needs to be affordable."* Another Smart Voice spoke of his regrets about opting for a specific ERP software. As well as having a hefty price tag, this leader wasn't overjoyed by the product experience.

*"We explored [an ERP software]. **The biggest barrier for us was really the implementation cost.** [...] And I hate the experience. [...] It's greasy, it's slow, it's boring, it's inefficient, it's expensive."*



Co-founder of a digital retailer

There are a number of ways to avoid such scenarios. One Smart Voice suggested having more thorough implementation periods. Specifically, they spoke about having a *"phased implementation"* period involving core team members.

*"In the build phase, you need to **involve the team, and in a small business, it's pretty easy to do** [...] You need to have appointments on a weekly basis to be sure what the problems are, or what's missing."*



CEO of a digital identification business

They added that this needs to happen alongside proper tech integration – something that can reduce implementation costs. *"What is really important is to make the connection with the existing tools of the ecosystem of the company,"* they said.

KEY TAKEAWAY

Test, test, test

Tech regret isn't just a business frustration. If a tool fails to deliver on its promise, it can mean huge amounts of wasted budget. Phased implementation periods can help avoid this, allowing you to test functionalities before expanding usage fully.



Learning from the experience of peers

While there isn't a how-to guide on surviving an economic crisis, asking for external advice and support is often a smart move. At least, that's what many of our Smart Voices reported.

*"I went for dinner the other week with three other friend entrepreneurs, and they were all data nerds and **we all just introduced a load of cool stuff [to each other]**,"* the chief product and technology officer of a citizen engagement platform told us.

"Why not listen to industry leaders?" the head of IT and security for an environmental impact business said. Business leaders may well be more used to competing than collaborating, but the value of doing the latter is huge. Everyone stands to get where they need to go, faster – and can avoid wasting time, effort and money on solutions that others have already trialled.

Once armed with this insight from peers, SMB leaders are in a strong position to enact change quickly. Fast-growth companies often have the edge in terms of pivoting on strategy or investing in new tools, as smaller headcounts can make for a quicker approvals process.

*"There is a big difference [in the decision-making process] between small-sized companies compared to larger companies. **Here I take a decision in the morning [and] in the afternoon, we are focused on the implementation.** When I was in [a] much larger group, I had to justify myself five times before we could even start a project... [this] is why I am now in a smaller company."*



Managing director of an events and distribution company

Of course, you don't always need to look outside your organisation for answers. Sometimes, end users within the business can provide a great steer, so it's well worth encouraging employees to speak up, too.

One managing director stated that they actively wanted teams to come forward with their tech needs more often. The reason? Senior leadership don't always have a full understanding of what front-line teams get up to, and workers usually know what works for them best. If employees are having success with a platform – it's important that leaders take one simple step: listen.

"I wish my staff would come forward [with new tool propositions] more often [...] Certain departments have different needs. I would like [my current company] to think about their own needs and propose new tools, [rather than] accepting systems the way they are."



Managing director of a voucher network



KEY TAKEAWAY

Engage your network

In challenging times, collaboration and advice sharing is the order of the day. Whether it's swapping feedback with your fellow business leaders or communicating more with end users, there's no such thing as too much communication.



Optimise, optimise, optimise

A number of our Smart Voices feel the importance of ensuring digital tools drive efficiency over anything else.

“Digitisation is more about increasing efficiency rather than decreasing costs,”
the managing director of a decorating supplies business said.

It seems the current mood is that tech should be outcome driven, with the ability to roll back if the desired outcome hasn't been achieved. Indeed, according to our Smart Voices, further innovation ought to take the shape of tech stack optimisation rather than simply be a repeat of 2020's digital transformation efforts – which largely entailed buying a lot of tools very quickly.

After all, the pandemic shut down economies pretty much overnight, meaning there was no time to plan or refine. However, since a global recession has been on the cards for a while now, businesses have more time to ready themselves. In other words, this storm is different.

Despite the dark clouds ahead, some of our leaders have ambitious plans for the future. For example, one chief product and technology officer spoke about digital transformation in terms of data democratisation.

*“True digital transformation is a journey to data democratisation, where businesses are leveraging data to transform their businesses to make [them] more accountable. **The knee-jerk transformation journey that businesses have quite rightly been on should be the catalyst for organisations to become data and digital centric to reduce costs, more automation, fewer mistakes, and more productivity.**”*



Chief product and technology officer of a citizen engagement platform

KEY TAKEAWAY

Optimisation in the face of a new crisis

Many businesses are understandably fatigued after navigating the pandemic. The thought of further transformation to prepare for a recession can be overwhelming – so many SMB and fast-growth businesses are shifting their tech stack strategies from transformation to optimisation.



Parting thoughts

Fast-growth businesses are the backbone of economies worldwide. The pandemic accelerated the digital transformation efforts of many of these organisations, leaving some better prepared for the future, and many more resilient. But there is still work to do.

Fortunately, tech stack optimisation doesn't have to be overly complicated. It can entail simple things such as removing unnecessary seats and making the most out of the functionality you're paying for. It could mean pursuing no-code platforms that teams like and use, empowering them to do their best work. And while the desire to avoid further digital transformation efforts is understandable, streamlining the tech stack by embracing tools with more expansive functionality is of paramount importance. Because even in stormy economic times, the right kind of optimisation can help propel growth.

*"I think the **success of companies is really to have the right tooling** in order to optimise your headcount and to optimise your growth."*



CEO of a digital identification business



Smart Voice Recap

Many small and medium fast-growth businesses have “*change fatigue*” after the rapid digital transformation demanded by the pandemic. As they face the recession, leaders are considering how they can optimise their tech stacks. To achieve this, they plan to:

- Streamline the tools they have, prioritising those that offer broad functionality and can be used without a steep learning curve
- Explore phased implementation periods for any new tools, testing thoroughly to ensure return on investment
- Seek out advice and thoughts from fellow business leaders and end users alike, to avoid costly mistakes and ensure the tech stack is fit for use by employees across the business



About Smartsheet

Smartsheet (NYSE:SMAR) is a leading cloud-based platform for enterprise achievement, enabling teams and organizations to plan, capture, manage, automate, and report on work at scale, resulting in more effective processes and better business outcomes. Smartsheet is committed to continuously delivering a secure and extensible platform that meets the complex needs of today's largest enterprises. More than 75% of the companies in the Fortune 500 rely on Smartsheet to implement, manage, and automate processes across a broad array of departments and use cases.

To learn more about Smartsheet,
visit www.smartsheet.com.