



IFRC Digital Transformation Strategy

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Terms

Entities referred to in this document:

- **IFRC** International Federation of Red Cross and Red Crescent Societies. The 192-member Red Cross and Red Crescent NS together with the Secretariat (headquartered in Geneva and with regional offices and (60) country cluster support teams and country offices located to support activities around the world).
- **NS** National Society
- **The Membership** the 192 members of the IFRC
- **The IFRC Network** refers to constitutional components of the IFRC, which includes the 192 RCRC National Societies (including their local network of branches, staff and volunteers, and recognized Reference Centres or Hubs, and Academies) and the IFRC Secretariat (including the decentralized Country Offices, Clusters, Regional Offices)
- **The IFRC Secretariat** the Secretariat in Geneva including its regional offices and (60) country cluster support teams and country offices located to support activities around the world
- **IFRC Reference centres** are delegated functions of the IFRC and hosted in various Red Cross Red Crescent NS. Their primary function as 'centres of excellence' is to develop strategically important knowledge and best practice that will inform the future operations of the IFRC and NS in their key areas of interest and influence.
- **National Society centres:** are functions established by NS to develop (strategically) important knowledge and best practice that will inform the future operations of these NS in their key areas of interest and influence and may be deployed for other components of the IFRC Network but are not formally recognised as Reference Centre and thus do not perform a formal delegated function of the IFRC.
- **National Society Development (NSD) support** as: "any support provided by an external actor to a National Society, based on the request and priorities of that National Society, that purposefully contributes to helping that National Society to achieve and maintain a sustainable organisation able to deliver relevant, quality, and accessible services" (NSD Compact, adopted 2019); NSD support therefore includes all efforts by other actors to support a National Society's work to increase the relevance, quality, reach and sustainability of its services. It includes what is commonly called 'capacity building, strengthening, enhancement, or sharing', 'organisational development', 'peer-to-peer review', or 'material/financial investments'

Other terms:

- **Data** [*general*] is an unprocessed collection of numbers, letter, words, symbols, etc. Data by itself has no meaning.
- **Data Analytics** refers to qualitative and quantitative techniques and processes used to enhance productivity and business gain. Data is extracted and categorised to identify and analyse behavioural data and patterns, and techniques vary according to organisational

requirements. Data analytics includes collection, measurement, analysis, visualisation and interpretation of data.

- **Digital Innovation** is the research and development of new data and digital products, processes, or business models
- **Data Literacy** is the ability to read, create and communicate data as information, as well as understanding the possibilities of using data and its consequences.
- **Data Management** is the overarching administrative process that includes acquisition, validation, storage and protection of data. The aim of data management is to ensure the data is accessible, reliable and timely for the end-users.
- **Data Protection**: Implementing data protection best practices in the ongoing and new operations, including but not limited to establishing and implementing policies for processing personal data, specifying purpose(s), minimizing data collection, providing information on personal data processing in an understandable manner, securing personal data, assessing data subjects' rights and other legal obligations (including any relevant national laws) before sharing personal data with third parties, and implementing means to respect data subject requests.
- **Data Science** is an interdisciplinary field that uses scientific methods, processes, algorithms and systems to extract knowledge and insights from many structured and unstructured data. Data science is related to data mining, machine learning and big data.
- **Human-Centred Design** is the process to involve end-users in the design of digital services and to have continuous feedback loops.
- **Information [general]: Data** that has been given value through analysis, interpretation, or compilation in a meaningful form that informs, answers a question of some kind.
- **ICT [general]**: stands for information and communication technology, a term that emphasizes the integration of telecommunication in the IT environment.
- **Information Management (IM)** Information management in the context of the IFRC is the collection, processing, analysis and dissemination of data and information to support decision-making. Data analytics is part of this process but has a definition of its own.
- **Information security [general]**: information security is the process of protecting **Data** whether in storage, transit or processing from unauthorized access, use, disclosure, destruction, modification, or disruption whether accidental or intentional. Information security controls ensure Confidentiality, Integrity, Availability and Compliance of all identified Information asset.
- **Integrability [non-functional requirement]**: this refers to testing if separately created/developed solutions work correctly together. This refers to the usage of industry standard integration platforms wherever possible. This includes but is not limited to the use reputable development tools, standard hardware and software interfaces, drivers, formats, algorithms, libraries, ports, cables, connectors, media, communication and network. See also **Interoperability**.
- **Interoperability [non-functional requirement]**: this is the characteristic of a **Solution** to work with other **Solutions**, at present or future, in either implementation or access, without any restrictions. It makes it easier to exchange **Information** both internally and externally. See also **interoperability**.
- **IT Service [general]**: is a customer-oriented offering and/or consumption of a technology-based transaction. For example, a domain name system (DNS) is not considered to be an IT service because it is not experienced by customers as a transaction or offering. Instead,

it is considered as an IT component. An email system would be considered as an IT service since it does offer end-user experience.

- **Security** [*non-functional requirement*]: security is the ability of an application to avoid malicious incidents and events outside of the designed system usage and prevent disclosure or loss of Information. This involves both cyber and physical aspects. Cybersecurity consists of properties like Authentication, Authorization, Encryption, Confidentiality and Compliance.
- **Solution** in the context of ITD policies, a solution refers to the combination of hardware, software and processes that support an activity mandated by the IFRC
- **Technology** related to both digital and data, where digital refers more to the infrastructure, applications, and data refers to the processes of data analytics.
- **User** [*general*]: the term user refers to all IFRC **Employees, Staff** and third-party suppliers permanently or temporarily authorized to store, process or transmit IFRC **Information asset**, regardless of the legal framework behind their activities.

1. Executive summary

The need for a successful and large-scale Digital Transformation is urgent. In virtually all countries, people increasingly rely on and expect a diverse range of digital services to interact with local government, companies, community organisations and services. The IFRC's Strategy 2030 identifies that this disruption, for better and for worse, is already happening within humanitarian assistance. The Digital Divide remains a persistent and significant challenge at both international, national and local levels, but also presents an opportunity for improving our humanitarian service delivery.

While there is no one commonly agreed upon definition, for the purposes of this document, Digital Transformation is defined as follows:

Digital transformation is a disruptive or incremental shift that allows us, the IFRC, to pursue new ways of humanitarian assistance by transforming current practices and developing new digital humanitarian services. Utilizing data analytics and digital technology – deployed by confident professionals, in service of people in need, and handling the data responsibly – can improve relevance, speed, quality, reach, accessibility, resilience, and sustainability of services by our NS.

This Digital Transformation Strategy **intends to develop and implement a standard for the digital delivery of humanitarian assistance in line with our fundamental principles and by NS.** The focus is on strengthening the **delivery** of humanitarian services. **The Digital Transformation Strategy therefore prioritises investments to improve relevance, speed, quality, accessibility and resilience of humanitarian services to people in need.** Second, the aim is to increase the **sustainability** of our humanitarian mandate and with it, performance, technical, social, and resource accountabilities.

Our Digital transformation is a journey rather than a specific destination. In part this is visible in the approach taken to formulate this strategy; it is rooted in a 12-week consultation which included working groups¹ and workshops² with three stakeholder groups: NS representatives from every region, IFRC secretariat members, and private sector partners. The document at hand presents a revised version of the digital transformation strategy that was approved by the governing board in November 2020 under the condition that its key elements were validated with NS.

To successfully complete the Digital Transformation journey, the following three **enablers** are woven through our Digital Transformation Strategy:

- Emphasizing that people are at the centre of the process
- Energising our network to share capabilities and knowledge between NS
- Improving IFRC's capacity for interoperability and common data standards

As there are clear actions required to secure digital transformation, these enablers are supported by **two main pillars:**

¹ The working groups addressed a framework of 86 hypotheses that considered core themes for consideration in the strategy (situational context, positional power and organising models)

² The workshops elaborated on the technical and financial design of the Digital Strategy

- A **maturity model** that provides strategic direction to NS, encourages ownership of Digital Transformation at NS level and measures progress (chapter 7.1)
- An **organising model** that leverages existing capabilities in the IFRC and promotes the establishment of an accelerator team (chapter 7.2).

This Digital Transformation Strategy concludes by presenting pathways for change (chapter 8), an ambition and a NS maturity pathway (chapter 9), as well as limitations and risks (chapter 10).

Enablers

To advance Digital Transformation across the Network, this Digital Transformation Strategy is built on the following three enablers:

People

The digital transformation we embark on is as much about people and culture as about leveraging data and technology. The Digital Transformation Strategy supports the IFRC in leveraging modern technology but emphasises that this cannot be done without overcoming the most challenging aspect of transformation: the paradigm shift required to spark behavioural change in differing user-groups. For example, NS need to develop a data-driven, decision-making culture and determine information needs, tailored and relevant to differing department and service areas. Information security needs to be integrated in this data-driven decision making as an overarching element of humanitarian protection, ensuring compliance with the do-no-harm principle.

Sharing capabilities and knowledge

We have a strong culture of helping each other within the Network, and the Secretariat promotes extensive projects and programmes to facilitate exchange of knowledge and capabilities. However, support is incremental, and typically has a short-term focus and is constrained by organisation silos. At the same time, strong digital capabilities already exist in our network. **To capitalise on these capabilities, this Digital Transformation Strategy taps into the network of extensive capabilities that already exist in NS, the Secretariat and our private sector partners to support NS to drive forward through the maturity model.** The mechanism for this is an organising model that incentivises creation of capacity through competency networks which is then deployed to those with the ambition to drive digital transformation in their NS but currently lack the capabilities. Building this mechanism will be an important initial step in the move towards delivering the strategy.

Interoperability and common data standards

This Digital Transformation Strategy aims to advance the interoperability of systems and services, as well as a common data model and common data standards within the IFRC Network, contributing to efficient and effective coordination, supported by timely, trusted, granular, and accessible data at all levels. Today, there is hardly interoperability of systems. Instead, there is a do-it-yourself mentality among NS, partially caused by the lack of joint procurement of digital services. In many well-funded NS, business units operate solely in a national context, receiving

services from national service providers. In less well-funded NS who rely on international support, there is more space for a global offering.

Strategic Pillars

To operationalize the three enablers (people, sharing, interoperability), this Digital Transformation Strategy is built on two main pillars: the maturity model (chapter 7.1) and an organising model (chapter 7.2).

Pillar one: the maturity model approach

The **strategy considers differing levels of data and digital capabilities across various user groups by outlining a digital maturity model**. The digital maturity model addresses three domains (people, process and tech) across three steps. It supports NS in articulating and tracking their digital transformation journey by mapping their current (as-is) and future (to-be) data and digital capabilities.

In summary, **Step 1** sets up the fundamentals. Leadership creates a high-level vision on Data and Digital and multi-disciplinary digital teams are starting to form. On the technology side, focus is on getting basic IT, functioning internet and telecommunications available.

Step 2 advances to improve effectiveness in humanitarian services. Then, advances are made in digital and data literacy; we see multidisciplinary digital and data teams that deliver operational and humanitarian impact and share data across the whole organisation for self-service insight analysis.

Step 3 encourages new ways of humanitarian assistance enabled by digital tools to quickly react on humanitarian needs. All staff and volunteers must be trained in data and digital tools, and leadership optimises humanitarian assistance continuously. Decisions will be data-driven, and the organisation will have a completely flexible and scalable IT infrastructure to build new tools following a human-centred design process.

The working estimate³ is that of the 192 NS, the majority of NS are at the first step, an estimated 20 NS are at the second step, and estimated 10 NS are at the third step. This distribution on the one hand shows the scale of the digital divide that needs to be addressed, and on the other hand the strength and ability available in the Network for steps 2 and 3.

Ownership of digital transformation at NS level

The objective is to address the digital divide by radically increasing the adoption of digital transformation in the NS in general and specifically at Step 1. Consequently, this encourages National Society leaders to take full ownership of their own journey through the digital maturity

³ At the time of writing, a quick scan has been developed to provide an indication of NS digital maturity, with the aim to complete this scan in 30 NS by mid 2021

model. This will mean difficult decisions to ensure prioritisation of data & digital investments. They will be stimulated to design an accelerator team to support, monitor progress and act as agents of change for their National Society by encouraging a cultural integration of digital maturity, as well as its implementation. To graduate to a next level of data and digital maturity, NS can tap into data and digital competency networks for peer-to-peer exchange of capabilities & resources.

Pillar two: The organising model

To organise the Secretariat and NS for change, the strategy pursues an organising model that includes an accelerator team.

Accelerator team

A new organisational entity will be launched, consisting of 30 FTEs. These FTEs will follow a matrix method where they work across all the divisions and with NS. They are carefully selected and have a significant role, including reporting duties, to:

- Refine and manage the maturity model
- Design and develop digital services
- Develop finance mechanisms, manage performance and monitor implementation
- Manage cultural change, digital mentoring, research, communications and regional coordination

Given challenges on affordability and scarce resources, the Accelerator team will be predominantly staffed through transfers and secondments of carefully selected people to deliver these key activities.

We must prioritise this transformation over some existing initiatives so that the required focus is applied consistently and capably. Where specific expertise is lacking in the Network, private partners will be invited to provide direct and collaborative support through dedicated staff. Beyond staffing, further requirements for the Accelerator team will be met through a shared investment model.

Leadership authority and accountability

Delivering change in a complex, federated organisation is a big challenge and demands strong leadership. The accelerator team will be directed by a Director Digital Transformation, who will coordinate between global (IFRC) and local (NS) level. At the global level, the Director Digital Transformation will work across the IFRC Secretariat divisions, with a direct reporting line to the USG (Global Relations, Humanitarian Diplomacy and Digitalisation (GRHDD) Division) and indirect reporting lines to the other two USG (Management Policy, Strategy and Corporate Services (MPSCS) Division and National Society Development and Operations Coordination (NSDOC) Division). This is to ensure a holistic approach is maintained, particularly in working collaboratively with Operations and NS. The Director Digital Transformation in turn directs the accelerator team dispersed across key IFRC Secretariat functions in Geneva and regions, collaborates with IFRC competency networks and private sector partners and incentivises and promotes the transformation across all levels. The accelerator team is available to provide direct support to NS

in their digital transformation, however, NS are expected to own the digital transformation process at national level.

A shared investment model

To resource the competency networks and other joint investments in the IFRC's digital transformation process, a combination of effective cost recovery and shared investment models are needed. The Shared Leadership approach will be used to build on existing models and framework agreements to establish a set of services for shared investment and for procurement. This pertains to global licensing agreements to support NS in developing their digital services and capabilities.

Pathways for change

The two strategic pillars of this strategy require particular action to ensure the biggest positive impact on humanitarian services when we digitise them. Therefore, in chapter 8, this Digital Transformation Strategy elaborates on the following pathways for change:

- To **build on the case for change**, human-centric design should be centralised in our service delivery, as well as fostering behavioural change in the way staff, volunteers and communities at-risk relate to data and digital;
- To benefit from increased service delivery and decreased costs, **the Secretariat and NS need to align**;
- We need to prioritise **digital innovation of front-line humanitarian services**;
- We need to create better opportunities for **private sector partnerships**;
- We need to create new opportunities for operations teams to use data to support decision-making, by starting **a program of work on data and analytics**;
- While our Digital Transformation Strategy highlights the importance of people and their culture of using data and digital, we acknowledge a strong need to **deploy the appropriate technology**;

Measuring success and achieving ambition

There are two main clusters of digital capabilities in NS: those at the early stages of digitising internal processes, driven by infrastructure and practical support for fundamental processes and systems, and those with several years of building capabilities. This includes advanced web services, data analytics, and business intelligence, as well as facial recognition, virtual reality and artificial intelligence.

The ambition of this Digital Transformation Strategy (chapter 9) is to ensure that ~50% of the number of NS in Step 1 graduate to Step 2, and 50% of those NS in Step 2 graduate to Step 3, within four years. This is significant as 50% of the membership would advance one level. The number of NS in Step 1 will be reduced by ~50% to an estimated 85 NS. Furthermore, the aim is to multiply the number of NS in Step 2 by ~5, to an estimated 94 NS. The ambition means that the IFRC will have moved from 'most are at Step 1' to 'most are at Step 2'. The advanced group of NS

in Group 3 will have grown from 10 to 16 – this further strengthens leading-edge capabilities as a differentiator in the competition for donor funding.

Expected progress of National Societies over 4 years

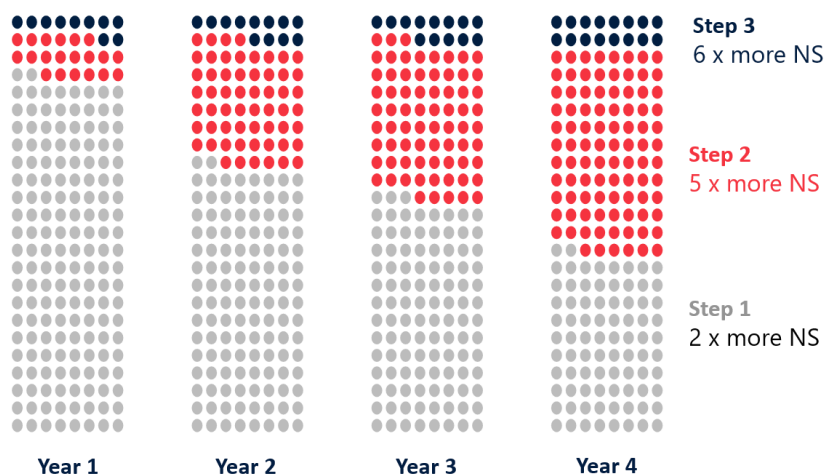


Figure 1: Ambition of Digital Transformation

Risks and limitations

In chapter 10, this Digital Transformation Strategy outlines how to manage risk and limitations:

- What is the cost of doing nothing?
- How to overcome challenges?
- How do we manage risks?

Having introduced enablers and pillars of digital transformation at IFRC, the remainder of this document further details the Digital Transformation Strategy. First, the key insights from research conducted with three stakeholder groups (NS, Secretariat, Private sector partners) are presented in chapter 6. Second, the strategic pillars are explored in-depth in chapter 7: the maturity model in chapter 7.1 and the organising model in chapter 7.2. Finally, the Digital Transformation Strategy concludes with pathways for change in chapter 8, ambitions in chapter 9, and limitations in chapter 10

2. Introduction

In virtually all countries, people increasingly rely on and expect a diverse range of digital services to interact with local government, companies, community organisations and services. The IFRC's Strategy 2030 identifies that this disruption, for better and for worse, is already happening within humanitarian assistance. The Digital Divide remains a persistent and significant challenge at both international, national and local levels, but also presents an opportunity for improving our humanitarian service delivery.

The need for a successful and large-scale Digital Transformation is urgent.

Digital transformation is prioritised as one of seven transformations identified by the IFRC to rise to the next decade's main challenges. The IFRC's Strategy 2030 highlights that effective integration of data analytics and digital technology, capabilities, and digital culture enables the network to harness its collective intelligence, multiply its impact, and democratise access to information. It goes accompanied with a competitive advantage – with better information, we have better negotiation power and increased trust vis-à-vis donors, governments and the private sector. Furthermore, better information allows us to increase transparency and trust of communities, while allowing us to develop new ways to engage with them.

While “digital” is commonly understood as “applying the culture, practices, processes & technologies of the Internet-era to respond to people's raised expectations”⁴, there is no such common definition for digital **transformation**.

For the sake of creating a common language, this strategy is guided by the following definition⁵:

Digital transformation is a disruptive or incremental shift that allows us, the IFRC, to pursue new ways of humanitarian assistance by transforming current practices and developing new digital humanitarian services. Utilizing data analytics and digital technology – deployed by confident professionals, in service of people in need, and handling the data responsibly – can improve relevance, speed, quality, accessibility, resilience, and sustainability of services by our NS.

Case in point

Funded by the European Union and its Member States under the Facility for Refugees in Turkey, the Emergency Social Safety Net (ESSN) programme provides monthly cash assistance via debit cards to the most vulnerable refugees in Turkey.

Thanks to the flagship ESSN project, the Turkish Red Crescent Society's digital platform has been able to build a data & digital back bone that enabled dignified humanitarian response, organizational development, integration and partnerships with governmental and non-governmental organizations, cost efficiency, scalability and better levels of accountability.

This resulted in empowering the recipients by giving them full agency while maintaining a high standard of transparency and accountability.

⁴ <https://definitionofdigital.com/>

⁵ This definition is based on a Digital Transformation Research, reviewing 36 academic sources of literature on digital transformation, conducted by the Delft University of Technology in collaboration with the Netherlands RC in 2020. Find the research paper [here](#).

3. Scope

Digital Transformation brings widespread opportunities that require diligent management and clear scope setting.

First, the Digital Transformation Strategy **intends to develop and implement a standard for the digital delivery of humanitarian assistance in line with our fundamental principles and by NS**. The focus is on strengthening the **delivery** of humanitarian services. **The Digital Transformation Strategy therefore prioritises investments to improve relevance, speed, quality, resilience and accessibility of humanitarian services to people in need**. Second, the aim is to increase the **sustainability** of our humanitarian mandate and with it, four levels of shared accountabilities (performance, technical, social, and resources). The Digital Transformation Strategy is comprehensive such that accountabilities and collective systems spread across the IFRC and that information and knowledge logically flow from this primary focus on the humanitarian angle.

The major advantage of this prioritisation is that this drives the digitalisation of our services to focus on people in need, to then align collective systems to support accordingly. Secondly, this hierarchy of focus enables us to ensure that our scarce day-to-day operations and change management resources are prioritised, better aligned and are not conflicted by shifting directives.

Our Digital transformation is a journey rather than a specific destination. We do not aim for a **fully** digital IFRC, but a **more** digital IFRC. We do this in line with the Strategy 2030 and the Digital Pledge, brought forward by both IFRC and ICRC. We encourage ambition of digital transformation by applying a digital maturity and an organising model.

We recognise that this Digital Transformation Strategy is not a Digital Transformation Strategy on its own, but more a **strategy fit for a digital world**. The journey is long and never-ending – there will always be an innovation to explore. Most of this Digital Transformation Strategy relates to a three- to five-year time horizon, but the IFRC must also make sure to keep options open for further (potentially more radical) digital services solutions as technology and our appetite for organisational change evolve.

4. Methodology

This strategy is rooted in a 12-week consultation which included working groups⁶ and workshops⁷ with three stakeholder groups: NS representatives from every region, IFRC secretariat members, and private sector partners. Furthermore, in-depth interviews were held with seven National Society leaders from all regions. Furthermore, digital events⁸ were organised in four official languages and two time zones, attended by approximately 75 NS. The document at hand presents a revised version of the digital transformation strategy which was approved by the governing board in November under the condition that its key elements were validated with NS.

⁶ The working groups addressed a framework of 86 hypotheses that considered core themes for consideration in the strategy (situational context, positional power and organising models)

⁷ The workshops elaborated on the technical and financial design of the Digital Strategy

⁸ Research insights were shared in interactive digital sessions: one session for technical / managerial staff at the Climate: RED summit, two virtual dialogues on NS leadership level, and one session with Netherlands RC' international delegates

5. Research insights

This section contains insights from the analysis of a framework of 86 hypotheses applied within three working groups, in addition to seven interviews with NS leaders, validated and substantiated through a series of membership consultation events, altogether involving 75 NS.

“We have the tools, but I wouldn’t say we are digitally transformed, because we don’t have the systems and culture in place.” (NS consultation quote)

The hypothesis framework examined the situational context, positioning power, and the future operating model of the IFRC and its 192 national societies. The insights presented below have served as the founding basis for this Digital Transformation Strategy.

People

As emphasized in the introduction and scope of this Digital Transformation Strategy, Digital Transformation is as much about people and culture as about leveraging data and technology.

We acknowledge that the biggest challenge to overcome is the paradigm shift needed to spark and sustain behavioural change, which is challenged by the distributed character of the IFRC, as well as the wide-ranging levels of digital capabilities among and within NS.

The emphasis on people and their culture of using data and digital was addressed as a key issue during the consultation with NS stakeholders. For example, our consultation reflected that digital tools are in some local contexts perceived as “leisure” and not recognized for their professional benefit. Across the Network, we need to adapt a culture to make efficiency a primary lens for viewing digital investments, to be evaluated across the network to identify current tools used elsewhere in the Network and opportunities for increasing communication within NS and IFRC. Furthermore, the consultation highlighted that the implementation of data and digital standards need to be accompanied by a focus on soft skill management: in the end, it is not about the tools we put in place but about the way people engage with them.

For example, volunteer management is a great focus of change: technology increases the opportunity for remote involvement, which radically changes the way volunteers engage, and may significantly attract new volunteers with specific data and digital capabilities and retain and connect with volunteers in easy to use, ubiquitous digital tools.

Setting standards for the delivery of humanitarian assistance

“If the IFRC wants to lead in humanitarian service delivery, it needs to know things others don’t know. Therefore, it [the IFRC] needs to make sure data is collected in the right way and in the right time.”
(NS consultation quote)

The speed of data and digital innovation increases the expectations for engagement with volunteers, communities, and partner organisations based on the ease-of-use that digital transformation brings to other parts of society. Digital transformation, at the same time, provides an opportunity for the IFRC to set a

standard for the digital delivery of humanitarian assistance. It allows for process and service optimisation by **fostering faster translation of information into knowledge**. This combination can positively impact decision-making and transparent compliance with our fundamental principles.

Furthermore, the global and often nationwide reach of the IFRC and the ability to respond and generate information at a scale no other humanitarian actor can come close to matching creates an opportunity for the IFRC to become an **increasingly trusted data producer**, with a big role to play for volunteers in data collection and analysis. Faster and better delivery of humanitarian assistance also brings a competitive advantage: it furthers our influence and supports NS' position, vis-à-vis governments and intergovernmental organisation such as the UN. With better information at hand, NS have more negotiation power and can create more effective partnerships.

Sharing knowledge

Digital transformation in the IFRC should be driven by a **needs-based process**, guided and responding to requests from NS regarding humanitarian and operational responses and requirements. The distributed network of the IFRC provides a vast resource of experience, learning, and support that can be leveraged through a better model for **peer-to-peer sharing** and increased collaboration among NS. Sustainable financing for such inter-NS sharing of capabilities needs to be strengthened. Some running examples of peer-to-peer networks and coordination platforms are:

- Communications Network
- SIMS network
- IFRC Mobile Data Collection Working Group
- CASH IM Working Group
- Innovation Kitchen Cabinet
- PMER Network
- Peer networks based on language commonalities, such as in the MENA region

Despite strong efforts to develop and share digital capabilities, **obstacles** concerning alignment and interoperability of systems remain. This includes a culture of risk adversity, need for more top-management buy-in and support throughout project cycles, a lack of sustainable funds and 'fit for purpose' budget management, and a strong tendency to work in silos. Another obstacle to alignment is that in every region, NS are struggling to use and find the technology they need to help them the most in the future. The use of business intelligence and data analytics tools has increased

Case in point

Launched in 2011, the Digital Divide Initiative supported NS to develop IT plans, improve critical IT systems' reliability, and migrate to cloud-based email systems. Over the medium- and long-term, however, funding and investments were not sustained. NS and the IFRC Secretariat often lack the capability to address these issues individually. Models for collaboration and joint investment have emerged (e.g., Shared Leadership), but these have not yet adapted for broad multi-stakeholder contexts (e.g., including private sector partners) or for providing support to wide geographically dispersed sets of NS.

significantly in the last five years. However, demand for reliable data to inform decisions outweighs supply.

One way to improve **sharing** and reuse of capabilities is to develop a global service catalogue⁹, summarizing digital services, products and capabilities available within the Network. Furthermore, given the strength of digital capabilities available across the Network, there will be an advantage in pooling resources in competency-based networks such that NS can share benefits and development.

Digital transformation cannot succeed without timely, trusted, granular, and accessible data. This includes implementing **common data** management systems, protocols, and data protection policies that respect local legislation. For example, a common data model should be developed to

“ Partnership[s] need to be more sustainable. Not just one of, ‘give us things.’ everyone has to get something out of the relationship.” (Quote from partner consultation)

support NS in aligning national databases. Furthermore, as expressed in the SMCC2.0 resolution adopted by the Movement in 2019, efficient and effective coordination requires interoperability of systems and services, as well as common data standards.

In addition to the opportunity for NS to enhance service delivery, common data standards have been mentioned as a solution to meet reporting needs from NS and expectations from the Secretariat to position the IFRC within the global arena.

The use of automation, while attractive in principle, is difficult to achieve in practice. There have been initiatives to automate disaster monitoring, but there are still many unexplored processes and opportunities within our humanitarian services. To explore these processes further, the Digital Transformation Strategy should include continuous learning to better understand how to support digital innovation and to move these lessons through into operations through a rigorous and participatory process.

Insourcing, outsourcing and partnership options

Currently, the IFRC Secretariat and many NS use both licensed and open-source digital solutions. Although there is a recognition that open source solutions have **advantages** such as being free of charge, open-source also has its **limitations** such as bug remediation timelines or sometimes limited availability of technical resources worldwide. An effective support model for bug fixing of open source is key to ensure stability, and availability of the digital service provided. Digital transformation can be accelerated if more IFRC and NS programs contribute to open source communities and share their projects as open source. Open Data is another tool used for humanitarian information and collaboration across organisations. The network is engaged in processes to share data responsibility and when possible in open formats. For large-scale and core components of data and digital, the preference is to utilise licensed services.¹⁰

⁹ The three working groups have been asked to identify digital capabilities and services already existing in the Network. This preliminary inventory can be found in Annex 1.

¹⁰ For clear guidance on open-source and licensing, please refer to the ITD Strategy 2030

On considering the configuration of digital services management, clear guidance needs to be developed in balancing the costs and benefits of **outsourcing versus building in-house capacities**. Gaps in technical product management, IT infrastructure, and connectivity are evident as more of these tools and services are adopted into our digital response offerings. The right partner(s) in these areas alleviate pain points where we cannot reliably attract or afford the right talent. At the same time, outsourcing is a **balance** between control and efficiency, and drawing the line is a delicate job, especially working with humanitarian data where third-party access to data needs to be limited.

Achieving success with digital transformation requires a partnership approach that maximises the **goodwill** of partners. A look at the existing RCRC Principles of Cooperation reveals lost opportunities when it comes to collaborating regionally and globally. This “siloing” is prevalent in situations where NS are not collaborative and generous with their partners. Partners are ready to upgrade our digital capabilities across the Network. However, to meaningfully engage these companies, the Secretariat needs **clear asks** and explicit onboarding. In many well-funded NS, business units operate solely in a national context, taking services from national service providers. In less well-funded NS, there is likely more demand for a global offering of **joint procurement of digital services**. The collective power that the NS could bring in **negotiating** terms and services with global providers is vastly underutilised. Illustrating this potential, Microsoft has invested CHF 84 million in-kind and cash over the past 7 years with the IFRC Network, working with over 70 NS to provide easy licensing templates for access to cloud-based services for business operations and productivity software. Instead of leveraging these economies of scale consistently, too often the reliance on do-it-yourself approaches within many of the NS and IFRC programmes, leads to a plethora of solutions. Resultingly, there is little interoperability between the different systems and the maintenance burden is multiplied.

Planning and implementing an IFRC-wide digital transformation bring **information security risks** which require considerable efforts to address by upskilling staff within the IFRC Network. Creating a common understanding about information security with governments and private sector protects our RCRC branding from being used for harm in disinformation campaigns and provides government agencies and other partners the confidence in our digital tools, all of which further protects our staff, volunteers, and people and communities in need.

The broader S2030 picture

Both IFRC and ICRC recognise the need to pursue their digital transformation journeys and have launched the Digital Pledge to encourage the process. As mentioned previously, Digital Transformation is one of seven IFRC-wide priorities for the next decade. It is unclear if all significant transformation initiatives in the Strategy 2030 are sufficiently defined to ensure that they align and minimise conflicts in direction or decision-making. However, Digital Transformation is fundamental to the success of the other six transformations identified in Strategy 2030 to rise to the next decade's five global challenges.

6. Strategic Pillars

To advance Digital Transformation across the Network, this Digital Transformation Strategy identifies two strategic pillars:

- a maturity model that provides strategic direction for NS, encourages ownership at NS level and provides a measurement of progress and investment by the Secretariat, the Network or private section partners (chapter 7.1)
- an organising model that leverages existing strengths in the IFRC and establishes an accelerator team (chapter 7.2)

The pillars of this Digital Transformation Strategy are based on research insights shared by the three stakeholder groups mentioned in the previous chapter. This chapter details the pillars by first outlining the maturity model and then the organising model.

7.1 The Maturity Model

As reflected in the Digital Divide Initiative (started in 2011), NS represent a broad spectrum of digital capabilities. Some NS are in the preliminary stages of digitising internal processes, driven by infrastructure and practical support for the fundamental processes and systems. Other NS have years of building capabilities to include advanced web services, data analytics, and business intelligence. Others still extend into exploring and piloting digital innovations, such as virtual reality and artificial intelligence.

Generally, the maturity of NS' digital capabilities does not outpace the level of the local economy. Therefore, this approach must be multi-faceted, defining the support and goals for each NS that is practical and appropriate for their specific circumstance and using existing procedures and governance.

The digital maturity model provides this direction, and the assessment process encourage ownership of Digital Transformation within NS and provides a measurement of progress and investment by the Secretariat, the Network, or private sector partners. Together, the process and model make up the approach to Digital Transformation. The model builds on and would link to existing mechanisms for assessing NS capabilities, including the Organizational Capacity Assessment and Certification (OCAC) and Preparedness for Effective Response (PER). The approach guides NS to:

- a) determine their digital maturity level
- b) formulate and resource a Digital Transformation Strategy
- c) increase their level of digital maturity
- d) adopt and report against Network-wide standards of digital and data management
- e) identify the percentage of their budget invested in digital transformation

The model is organised as follows:

Building on insights from the Digital Divide Initiative, the ICT Health Check and other assessment frameworks already existing in the Network, the digital maturity model defines a way to map current and future data and digital capabilities of any given NS across three steps. Each step touches upon three domains (people, process, and technology), and each domain is divided into distinct themes. . The “People” domain consists of two themes: (1) Leadership and Culture, (2) Human Resources and Data Literacy, The “Process” domain consists of five themes(1) Engagement, (2) Organisational structure and internal collaboration, (3) Partnerships and Service Delivery, (4) PMEAL & Decision Making, (5) Data Protection and Responsibility, Resource MobilisationThe “Technology” domain addresses two main themes (1)Data and (2) Digital. This model reflects that digital transformation is **as much about people and culture as about leveraging data and technology.**

The maturity model is not a stand-alone assessment tool only aimed at gathering data for monitoring and evaluation. Rather, it is part a broader digital transformation approach scoping the “as-is” and “to-be” of data and digital in any given NS. This approach supports NS to articulate and accelerate their own digital transformation journey by mapping current capabilities and future ambitions, and helps the NS develop concrete steps in moving their digital transformation forward. Conducting a Digital Transformation Assessment using the Maturity Model is estimated to take six weeks depending on whether it is pursued full-time over consecutive weeks or part-time over a longer period. It is recommended that NS request support from a second NS in co-facilitating the assessment.

While the maturity model approach encourages NS to own their digital transformation processes, this Digital Transformation Strategy proposes that support should be available through an “accelerator team”. One of the tasks of the accelerator team is to ensure that the maturity model connects to existing assessment frameworks. The accelerator team is explained further in chapter 8.2.

The three steps of the maturity model are outlined as follows:

Advancing Digital Maturity

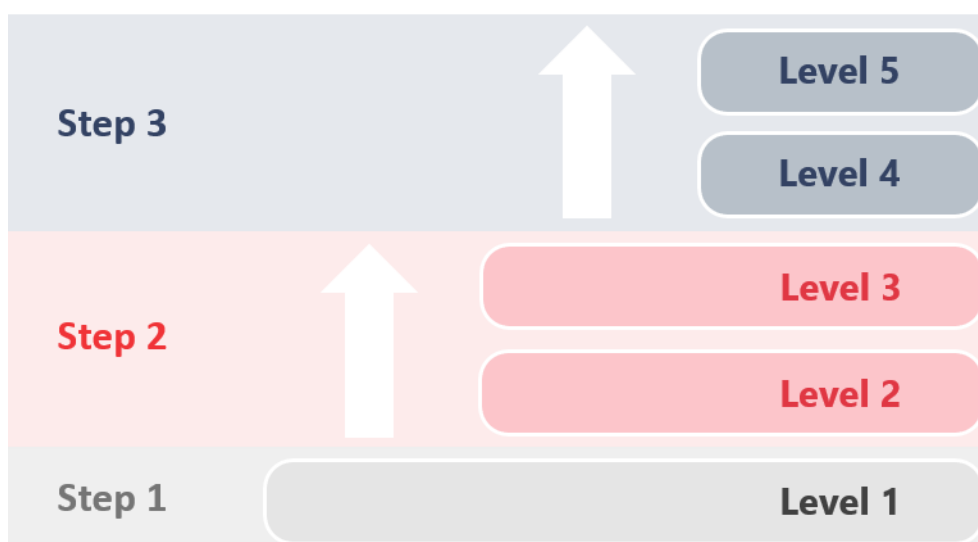


Figure 2: Progress in digital maturity

Step 1 sets up the fundamentals (e.g. availability of basic IT infrastructure, digital applications and network systems, basic skills training), **Step 2** advances to improve effectiveness in humanitarian services and efficiency in supportive capabilities, and **Step 3** encourages new ways of delivering humanitarian assistance by centralizing digital and data tools. For high-level planning, this Digital Transformation Strategy estimates that the number of NS in Step 1 is 162, 20 in Step 2 and 10 in Step 3¹¹. However, we recognize that that precise numbers are not yet available. One task of the accelerator team is to review the maturity model approach and detail further the criteria for each of the steps, as well as support various means in which NS can assess their own digital maturity.

The digital maturity model recognizes that digital transformation is multi-interpretable across contexts. The sequence and prioritisation of indicators may differ across contexts. For example, sometimes a mobile data collection may be more important to a NS than putting basic IT infrastructure in branches. The digital maturity model encourages ownership at NS level. This means that NS may adopt indicators that are most suitable to their own needs and context. Furthermore, the maturity model recognises that a more digital service offering does not mean that traditional methods should be fully replaced, especially in contexts where digital and data are less accessible or stable. The steps of the maturity model are detailed in the matrix below. For an extended version of this matrix, go to bit.ly/digitalmaturitymodel.

¹¹ These are working estimates; at the time of writing, a quick scan has been developed to provide an indication of NS digital maturity, with the aim to complete this scan in 30 NS by mid 2021

IFRC Digital Transformation Maturity Model

| IFRC Digital Transformation Maturity Model | | | | |
|--|--|---|--|---------|
| | STEP 1 | STEP 2 | | STEP 3 |
| | Level 1 | Level 2 | Level 3 | Level 4 |
| | Level 1 | Level 2 | Level 3 | Level 5 |
| People | <ul style="list-style-type: none"> Leadership and management are open to digital transformation Staff & volunteers show curiosity and understand the need of data & digital. Some are 'data-literate'. There are professional data-employees and some awareness on information security. Basic digital services provided to public | <ul style="list-style-type: none"> Leadership actively supports the implementation of a digital transformation strategy. Data and digital experts are actively recruited. There is data and digital awareness in the workplace. Most of the staff and some of the volunteers are trained on data literacy. Staff & volunteers think of and act on digital technologies when they consider ways to improve services. Public services enable two-way interaction | <ul style="list-style-type: none"> Leadership uses data and digital to continually optimize humanitarian services. Staff & volunteers have vital, accelerating role in digital transformation. Recruitment and selection is focused on optimising digital capabilities. Leadership and staff are open to ideas and viewpoints related to data & digital different to their own Every employee and volunteer is data-literate. Every area of expertise has an internal expert. People in need (also) receive assistance digitally Public can access menu of diverse humanitarian services via digital tools | |
| Process | <ul style="list-style-type: none"> Communication is fragmented, mostly one-way Data and digital experts underutilized when designing humanitarian services. For some digital projects, there is a collaboration with private sector partners Financing for digital transformation is ad hoc, piggybacking on humanitarian projects Monitoring at project level, but limited overview across humanitarian services. Compliant with basics of data protection regulation | <ul style="list-style-type: none"> Digital communication channels are used to capture feedback to improve operations A data and digital team understand the needs and gaps of the operations and actively supports improving humanitarian services. Receiving and sharing insights with the IFRC Network and private sector. There is a fixed budget for digital services innovations for humanitarian assistance and internal processes Operations are structurally monitored and data insights lead to improved humanitarian outcomes. | <ul style="list-style-type: none"> No Digital Transformation Strategy, just strategy in a digital world Proactive listening and analysis enables the NS to influence societal topics and services are highly valued and impactful. Operations and Digital are fully integrated and organisation is agile. NS provides professional, reliable and scalable digital services to the IFRC Network. Data-driven decision-making becoming the norm. Data responsibility and consideration of ethical concerns taken into account. New digital business models generate a new income stream for the national society Specialists, digital products and services (internal/external) are centrally orchestrated and supported through a service design approach Privacy is guaranteed by 'Privacy by design' | |
| Technology | <ul style="list-style-type: none"> Data is sometimes used, but not consistent, quality is unknown There are basic IT applications but daily tasks still require a lot of manual labour NS staff are equipped with user devices, e.g. laptop and or mobile phone. | <ul style="list-style-type: none"> Data is gathered with a goal in mind, the quality is sufficient for useful insights. Data analytic dashboards are widely available for data driven decisions. For most important internal and humanitarian processes digital tools are developed (partly external) and used. There is a central digital & data / IT infrastructure, and systems are in place with audit trail capabilities to support accountability in Finance, HR, logistics, procurement, etc. Organisation has formal information security positions; users receive regular information security updates | <ul style="list-style-type: none"> Data is used in majority of operational, tactical and strategic decisions. Data quality and data standards are monitored. New digital-enabled humanitarian services are developed with custom digital applications. Central IT infrastructure is flexible and scalable and continuously adjusted to changing internal and humanitarian needs. Ownership, management and roadmaps are in the hands of each organisation Organisation has an information security strategy; regular information security testing is performed | |

7. 2 Organising model

Digital transformation is a major undertaking. It cannot be understated that bringing transformative change effectively and efficiently is a complicated process for any institution. The distributed and federated character of the IFRC presents challenges, such as the need for greater standardisation of global systems and data structure while not eroding local choice or leveraging private sector partners and humanitarian institutions while maintaining the network's comparative advantages. To address these challenges, the Digital Transformation Strategy includes an 'organising model' to leverage existing strengths across the IFRC.

This organising model is shown in schematic form below and shows the objective for NS to progress through the maturity matrix towards a higher plane of digital maturity. NS are encouraged to own the progress of digital transformation and do this through self-development supported by other NS and Secretariat functions through an 'energised' network. As such, the organising model consists of:

- An accelerator team
- Data & digital competency networks
- Shared and sustained investment

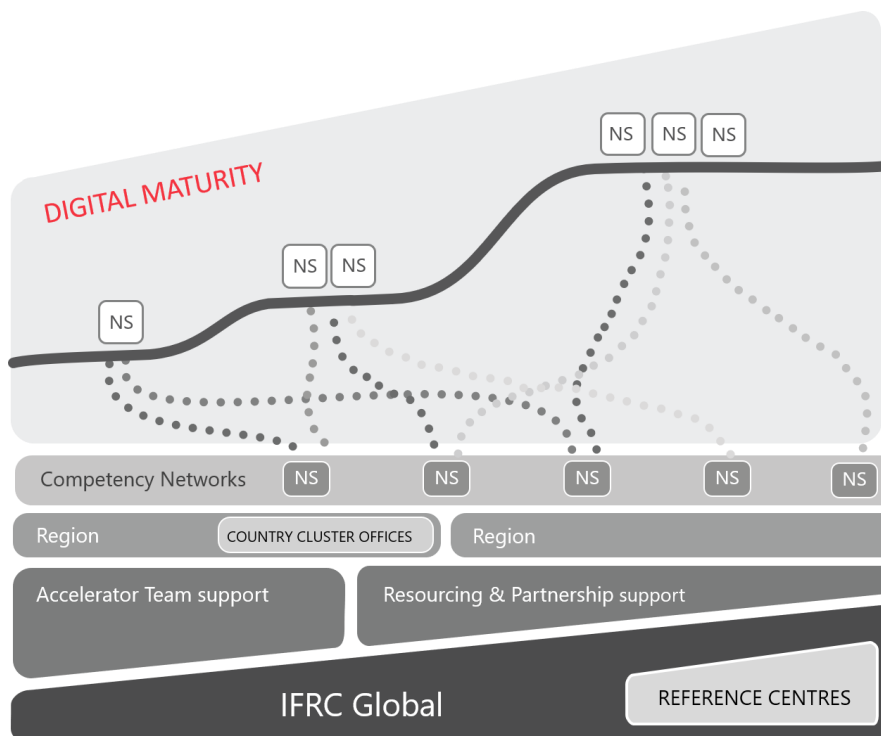


Figure 3: Energising the network

How the organising model fits into our existing capacities:

| for NS | for IFRC Secretariat | for partners |
|---|---|--|
| <ul style="list-style-type: none"> • Potential to benefit from joint investment in collaboration with IFRC and private sector partners • Linking of NS digital transformation strategy to IFRC Digital Transformation Strategy to bring focus, extend humanitarian reach and collective impact • Engagement in Shared Leadership model: <ul style="list-style-type: none"> ○ at Country level as part of a Country Cooperation Support Plan and based on outcomes of NS digital maturity self-assessments where partners are willing to pool funding ○ at Regional Level, focused on regional data management ○ at Global Level to guide quality standards and creation of new initiatives | <ul style="list-style-type: none"> • Serving as broker for sharing the knowledge and expertise • Facilitating the interaction among NSs to address digital needs in humanitarian service delivery • Providing strategic and operational coordination to link digital transformation initiatives in network • Establishing standards to guide the network • Analysing most impactful digital value cases working closely with programme teams including volunteer management, Health, Community Engagement and Accountability, and Cash • Building on strengths in IT, Information Management team, PMER, and Communications. • Aligning and amplifying ITD Framework, IM Strategy, and related implementation plans¹² | <ul style="list-style-type: none"> • Providing social impact in target markets through enhanced collaboration with the IFRC Network • Extending reach and collaboration through network-wide partnering with IFRC members and Secretariat • Engaging staff and clients in new collaborative models to digitally extend humanitarian impact. |

The maturity model approach is a strategic pillar that supports the energising approach above. It defines different levels of digital maturity, can identify that level within each NS, and provide pathways for upscaling their digital literacy, capabilities, and tools commensurate to what is effective and appropriate for their setting and mission. The maturity model also outlines how NS may utilise competency networks for ongoing development. Competency networks enable interested NS to monitor progress across multiple NS, find opportunities to consolidate efforts for greater efficiency, and promote knowledge-sharing and transfer where one NS has prior ventured into new technologies or innovations. Coupled with the Secretariat to extend this monitoring globally and coordinate external support where beneficial, the maturity model is a strong component to make digital transformation a reality.

An accelerator team to energise change

Our consultation underscored the need to incentivise digital transformation through an organisational entity in addition to the NS, Regional Offices and the Secretariat: An Accelerator Team. This new Accelerator team will energise the Network and promote ownership of digital transformation at NS level by providing direct support to NS, brokering support from Secretariat, members and external partners and facilitating peer-to-peer support among NS.

¹² See '2020-30 ITD Framework' and 'IFRC Information Management Review & Strategic Direction 2020-2023'

The accelerator team is only worthwhile if NS invest simultaneously in their Digital Transformation. Therefore, ownership of Digital Transformation at NS level is essential for this Digital Transformation Strategy to succeed. Considering the central importance of peer-to-peer support in this model, it is essential that best practices are validated and shared, and that incentives are created to encourage knowledge and capability sharing. The accelerator team will be responsible to encourage this process. The accelerator team will actively engage in “storytelling,” including through identifying “change champions” within the National Societies and promote digital transformation locally.

The activities of the accelerator team are organised along five groupings, set out in the table below:

| | | |
|---|--------------------------------------|---|
| Maturity model design & roll out, Knowledge Management and Learning | Maturity model | Detail design of the maturity model and guide NS in applying the framework |
| | Learning & Development | Design and manage global digital L&D programmes |
| | Knowledge management | Custodian and disseminator of KM on digital |
| Digital Services design and development | Service design | Software design/development team on demand for small projects (development and advising) |
| | Service design | Architects |
| | Service design | User research and design team |
| | Service design | Digital services design |
| | Common Data Model | Guide development and promotion of common data model to enhance interoperability among IFRC digital and data services |
| Finance & performance management | Fund management & incentivisation | Fundraising, marketing, and funds allocation - Finance of transformation activity including governance, securing funds and allocation of funds to NS, research and analysis of return on investment for key interventions |
| | Performance management | Sets global targets for NS progression through the maturity model; also compliance & audit |
| | Partnership | Digital partnership management, including fund management, program development to access institutional donor grants |
| Culture change, research, communications and regional coordination | Change Management | Facilitator of change management advisory for NS. |
| | Culture change and research | Coordinate research agenda to support an evidence-based approach throughout the teams’ delivery |
| | Digital communications and promotion | Promoting progress and capturing success stories; |
| | Digital community engagement | Guiding focus on community engagement in digital tools and services offered as advisory service for NS and Secretariat programmes |
| | Regional coordinator | Regional offices data engineers |
| | Support | Digital event/engagement design and facilitation advisor |
| Standards, guidelines and procurement | Standards | Setting global standards |
| | Guidelines | Setting global policies - guidelines |
| | Information security | Guiding Information Security policy and standards |
| | Design authority | Custodian of centralisation/ localisation of relevant standards |
| | Procurement | Full P2P stream, procurement to payment, and contracting - Management of global procurement of license agreements |

Fitting the accelerator team in

The accelerator team will be established as change agents and to energise the network over what is planned as a four-year acceleration period. With a digital transformation director and management team of three to five people covered by Other Resources, the team will maximize the use of 26-28 positions drawn from a combination of existing Secretariat staff, secondments from NS, and partner support. Where there are specific gaps and limited experience within the IFRC (e.g. change management for large initiatives), new positions through external recruitment or private sector partner support will be considered. New positions and any additional investments will be covered by Other Resources.¹³

To make this work, the staffing approach should focus on:

- Transfers and embedded assignments are long-term to minimise ramp-up or ramp-down inefficiency
- Part-time allocation of staff is reduced to a minimum and no less than 50%. We recognise that other work will may be deprioritised to resource this team – people will not carry out other work alongside the transformation. There needs to be the focus.
- Robust selection criteria and process as the right people must be in the team
- Include options for remote working

The IFRC Network needs to expand its excellence in multi-sourcing from its vast resource pool of employees, volunteers, and partner relationships. There is a significant opportunity for role sharing and joint investment from relevant organising models, such as the Shared Leadership model. However, given the complexity of the transformation, the heavy use of sharing is expected to increase the required resources.

| Approach for organising | Pros | Cons |
|--|---|--|
| Anchored in National Society community | Strong local ownership | Duplication of effort |
| A separate organisational entity | Customised and outside of influences | Legal structure cost and time |
| Anchored in IFRC Global Relations, Humanitarian Diplomacy & Digitalisation division and cross-linked to other IFRC Secretariat divisions | Energy from new Division; matrix structure may strengthen links among diverse teams | Some time required as the new Division is formed |
| Anchored within IFRC Digitalisation & IT department | Provides strong centre of focus and base within existing institutions | Anchoring within only one department loses holistic impact; may not be feasible to consolidate all functions while preserving links to program teams |
| Shared leadership between NS and IFRC Secretariat | Common ownership & governance | Complex to balance priorities among diverse members (although valuable as a process) |

¹³ As at early March 2021, the IFRC Secretariat decided to expand the scope of the DITD department to include Digital Transformation. The Digital Accelerator Team will be housed in this department under a newly to be recruited Director Digital Transformation.

| Approach for organising | Pros | Cons |
|--|---|--|
| Shared leadership between NS, IFRC Secretariat, and External Transformation Partner(s) | Common ownership & governance; and ties in a transformation partner | Complex and may require new hybrid forms of partnership bridging pro bono support and business relations |

Secretariat support and Shared Leadership are not mutually exclusive and would need to be combined to ensure maximum impact and dedicated focus on this multi-year journey. This shift encourages shared ownership, guidance, and investment by creating opportunities for shared leadership, establishing vital change management roles, and forming sustainable partnerships with technology providers.

Competency networks

Peer-to-peer support is an essential resource for the IFRC’s success in digital transformation. A competency network is a group of experts on a given competency (e.g., WASH, data analysis, Cash-Based Financing) from respective NS and/or the IFRC Secretariat. These experts handle requests for expertise from within the network and support the IFRC Secretariat in developing new policies, tools, methodologies, and to share these with the IFRC Network for application (and beyond). Within the network, the information will be available regarding who has specific expertise and knowledge, and the level of availability to execute specific requests. In addition, all existing tools, methods/methodologies, trainings, information on the sector or competency will be available on a digital platform.¹⁴ A communication or awareness-raising campaign will be set up for the IFRC Network regarding the existence of the different competency networks, for people to understand the purpose, and know where to find it and how to access it.

Shared and sustained investment

We strive for low input and operation costs to ensure that the benefits of digital transformation are shared across the organisation. To resource the digital transformation process within the IFRC Network, a combination of effective cost recovery and shared investment models are needed. Many NS are recognising the role of digital transformation to improve efficiencies and extend humanitarian services in cost-effective ways. Leveraging the benefits of investment in digital services for cost recovery, e.g. through digital service fees, is an important tool for NS to maintain and sustain investments. This can be an effective complement to enhanced fundraising and partnership support, which are also essential elements.

Pooling funding, expertise, and other resources between NS, the Secretariat, and committed partners can also help provide seed resources and catalyse further investment. Shared investment through models like the National Society Investment Alliance (NSIA) can enable more consistent access by NS to sustained funding and increase the collective impact for donors. Similarly expanded use of framework agreements (already used for example to leverage contracting terms with service providers between the IFRC and ICRC) and global licensing agreements to enhances the range of solutions available to individual NS in developing their digital services and capabilities. These mechanisms for joint resourcing will also further enable the creation of collective services

¹⁴ Properly linked to IFRCs current online libraries and resources.

that connect NS in engaging an increasingly globalized set of volunteers, community members, and partner organisations.

To enable this pooled funding with a global scope, the prioritization of resources needs to be agreed among diverse members of the IFRC Network and made transparent to donors. As such, a management mechanism is needed that brings together representatives from the NSs in the five regions, the IFRC secretariat, possibly the ICRC and private sector partners. We recommend coordination around management and advisory support to enable success of the accelerator team. This should ensure a balanced usage of the funds/resources across geographies, and is the forum for discussion of risks, progress, fund-raising- finances, prioritization – voting of new initiatives approval, terminated initiatives to celebrate, etc. The IT Leadership Group that existed in the past provides useful insights for this governance model. Similarly, the IFRC Secretariat has an IT Steering Committee composed of the 3 USGs, the CFO, the CIO, the director of internal audit and internal investigations, and other directors.

7. Pathways for change

Having outlined the two strategic pillars in the previous chapter, this chapter outlines pathways that lead digital transformation forward.

Build on the case for change

Strategy 2030 set out digital transformation as a key priority for the future. This recognition of urgency now needs to be followed through with strategic pillars. The strategic pillars are the maturity model and the organising model. The first will enable the IFRC to address the digital divide, the second will energise our network through an accelerator team. This results in different ways of working to not only deliver humanitarian services in increasingly more effective and efficient ways but also to incentivise the sharing across boundaries.

Digitalisation, especially with wide levels of the digital divide is a long journey, not a quick fix. Shifts in behaviour are certainly challenging and creating a supportive culture is vital; these challenges should not be dismissed lightly, and the roles of our leadership and the action of the accelerator team significantly advances the cause. Consequently, there is an on-going need to keep Secretary Generals focused on process improvement and culture change. As mentioned above, National Society champions play a key role here, particularly in Step 1 organisations. The main drive is to encourage ownership at leadership levels in both NS and the Secretariat. Whilst the accelerator team is in place to energise the transformation effort, it must not become a silo in its own right and become a barrier to local ownership. The accelerator team is a finite resource to energise, not to own, digitalisation, and will disband once a critical mass of transformation has been achieved. The current plan for this is four years from inception.

The consultation process has also emphasised focusing on the needs of those on the frontline. This is captured in the scope of the strategy, is repeatedly emphasised as human-centred design through the report and needs to be reflected in future budget setting and reviews of innovation.

Finally, the consultation has a strong message on our attitude to digitalisation and a need to sustain emphasis on strong IT project management as well as invest in a program of data and analytics to accelerate our digital transformation. As NS move onwards once the fundamentals

are in place, digitalisation blends to cultural change and leadership needs to address this holistically. The accelerator team has the mandate to promote this as NS set out to progress through the maturity model.

Align the Secretariat and NS

The principles of digitalisation – better services, less cost, sharing knowledge and applying the right technology efficiently – are easy to align around. Easy, but it is daunting to know where to start. The maturity model provides many guidelines, including where a National Society currently sits, providing an opportunity for certification of a certain level and sets out aims to progress to the next level. This is a mechanism that can align the leaders within and across NS, shared accountabilities, and collective actions to unify an objective to progress through the maturity levels.

No matter where the current start point is, a next step on the journey is described enabling better understanding of the topic, the relevant terminologies and where best to invest.

Financing will always be a challenge. Having the accelerator team well-positioned and governed supports (a) NS and their ambition to progress, (b) promoting capabilities transfer and the sharing of capabilities and (c) influencing collective digitalisation policy, processes and systems.

The consultation sessions with National Society leaders proved that having some vehicle for sharing success stories, guidance and advice is valued. Leadership forums are not new but are a key change activity. The accelerator team has a remit to set up a digitisation themed leadership forum.

National Society leadership will have the challenge of how to maintain momentum and actionable with competition on time and resources. Whilst this may be easier in a digital culture of a National Society at Step 3, there is a strong case for allocating 'digital champion' roles for NS at Step 1, sitting with a Chief Digital Officer role as part of the leadership team to provide focus and address investment priorities.

Governance is also key and is recognised in how we organise for change. As we move to a shared leadership model for the accelerator team, oversight will be provided by an overarching governing body with sub-groups representing NS in each maturity model step. The governing body will build on the learning from the IT Leadership Group that has existed within the IFRC Network in the past and provided a forum for exchange and shared planning and decision-making among the IFRC Secretariat and NS members.

Accelerate digital innovation of front-line humanitarian services

Digital transformation offers potential across the range of humanitarian services. Due to the complexity of change management and limited funding, it is essential to prioritise and to recognise the comparative advantages and interests within a distributed network like the IFRC. A quick scan is needed to identify those humanitarian services that have the biggest return on investment when using more data and digital technology. A business value case approach is applied; the return of investment is specified in terms of increase in speed, quality, (cost-) effectiveness, transparency and accountability.



Figure 4: Accelerating data and digital innovation

After the identification of the most valuable cases for change a digital innovation project is initiated. National Society operational teams work together with their peers and global counterparts in the IFRC to go through the digital innovation process:

1. Envisioning how the service could change using data and digital. Humanitarian services might be comparable among NS, but differences in context could lead multiple pathways for the digitalization of a particular service.
2. Designing the service. This is where the business value case is further detailed with an initial group of NS. Digital Transformation design principles (Annex 2) are followed, such as a human centred Impact for the operational teams is specified and technology needs are outlined.
3. Promoting the improved service. This is where the new service is promoted and buy-in created with a critical group of NS needed to justify the investment.
4. Implementation. This is where resources are confirmed and partners found, and the digital service is researched, developed, implemented and tested using an iterative digital development approach. A support network from early adopters is formed to help other NS implement.

From the consultation process several humanitarian services have been highlighted that could greatly benefit from going through the above process. A starting list is suggested for the following humanitarian services: health facilities, ambulance services, cash- and voucher-based assistance, and the following supportive services: beneficiary registration, and volunteer management. Annex 1 outlines several current initiatives to address digital needs in these services.

Accelerate progress on data and data analytics including common data model

Building on the progress of many NS investing in their core IT systems, the next stages in digital transformation emphasise the quality and availability of their data, and related digital services, as essential ingredients for effective and efficient humanitarian services in our digital world. In the next decade, data will become one of the most valuable assets for the IFRC Network. The IFRC and NS will become trusted data providers. A program of work on data and data analytics will create

new opportunities for operations teams to use data to support decision making. The following key priorities have been identified:

- Develop and promote a common data model for the IFRC Network to greatly enhance the interoperability of data and insights at all levels.
- Develop a data literacy curriculum for volunteers and staff, to improve quality and use of data in decision making.
- Through the Digital Maturity Model, increase the basic data analytics capacities on People, Process and Technology at all NSs and advanced capacities with a few that will support others.
- Bring together much closer the existing capacities on IT and information management with capacities in the network skilled on data analytics and data science.
- Place more emphasis on data in digital (IT) development projects, ensuring that from now on high quality data is collected and accessible throughout all digital systems.

Develop capabilities by structured networking and better leveraging external partnerships

The Digital Transformation Strategy supports a mechanism to connect demand (a National Society that has a need) and supply (a National Society that has capability and capacity to deliver support) through a competency network. This mechanism also facilitates effective private sector partnership.

To professionalise this mechanism, a process to qualify demand, certify supply and fund transfer is required. This is simple in principle but will be difficult to engineer and will require early attention by the accelerator team and its governing body.

Given the innovative nature of digitalisation, there is a need to create enhanced capacity for experimentation and pioneering while at the same time extending consistent access to foundation solutions. Whilst many NS will choose to continue to keep experimentation within their control, the Accelerator team provides a great opportunity to pool resource, in collaboration with the Solferino Academy, IFRC Reference Centres, and other motivated stakeholders.

Deploy the appropriate technology

The RCRC's sovereignty principle holds that NS continue to choose what technology best suits their needs. Alongside this, the accelerator team will work collaboratively with NS technology teams and Secretariat teams to explore standardisation opportunities. There will be many of these in Steps 1 & 2 that will mostly deploy commoditised software, but less in Step 3's leading-edge, until this in turn also commoditises. As standardisation strengthens, the potential for significant volumes will drive procurement savings in license agreements and reduce the overall cost to serve.

There is a balance to be made between building on inhouse capacities (insourcing) and procurement (outsourcing). While NS should remain in charge of striking that balance, in general, the IFRC should (1) selectively build capabilities so that we can innovate and develop our own

digital service solutions, (2) anticipate gains for NS when we can better connect our digital systems and data across countries (e.g. in engaging migrant and diaspora communities), and (3) utilise the IFRC's collective negotiating power better to reach joint procurement of services with global providers.

Given that technology becomes a key component of how we work in outward-facing humanitarian services and internal processes and that investment in technology and associated processes is significant, we will promote the integration of digital solutions into humanitarian services through enhanced service design and business case models, building on existing successes in these areas by IFRC IT and IM teams. By ensuring a more detailed understanding of a case to change these key services and processes add value in terms of desired outcomes, overall costs, including costs to change and risk. This thinking should be applied tactically on major projects only to ensure that we do not impose unnecessary overhead, for example when digitalising our humanitarian services (e.g. Health, Cash).

One topic that repeated through the consultation is the need to improve problem definition. As-is, there is significant inefficiency both within the IFRC and with our private sector partners. Given this, there should be a good business case for the accelerator team to explore how to train, mentor and shape recruitment policy. Similarly, on specific technical capabilities, three emerged as priorities:

- Data analytics
- Data protection
- Information security

Open source is proving to be an essential tool for services like the GO Platform where extensibility, open access, and partner co-development are key needs. To better support the use of open source, the accelerator team will need to work closely with IFRC Secretariat and NS procurement and IT departments to ensure streamlined assessment, acquisition, support, and maintenance.

Finally, regarding the principle that digitalisation is a journey, operating models and systems do not remain efficient and effective forever and therefore, a refresh cycle needs to be managed.

8. An ambitious journey for our NS

Measuring success and achieving ambition

An early activity of the Accelerator team will be to develop the maturity model to a functional level and then work with all 192 NS to benchmark their current position. This should be done at the more granular 5 levels of maturity and then summarised using the 3 steps.

Considering that digital transformation is long-term journey without a specific end-goal, it is important to recognise that the long-term journey becomes a target on its own. It sets a vehicle for performance management of the IFRC as a whole. In the near term, reporting on the status and performance management is part of the remit of the Accelerator team. The following ambition guides our long-term transformation journey:

Expected progress of National Societies over 4 years

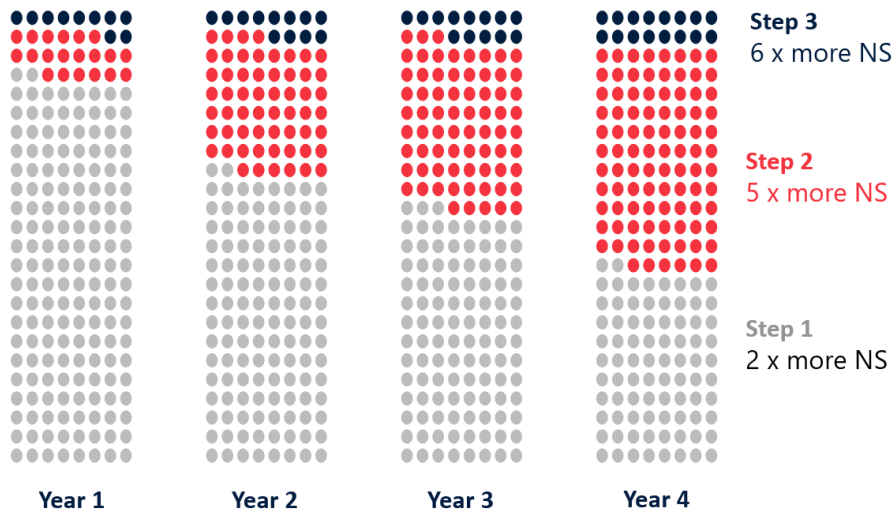


Figure 5: Ambition of progress

By Year 4, the Step 1 cohort has reduced by ~50% to an estimated 82. The Step 2 cohort has increased ~5 times.. At this time, as a general statement, the IFRC has moved from 'most are at Step 1' to 'most are at Step 2'. The most advanced group of NS in Group 3 have grown to an estimated 16 – the relatively low rate increase here reflects the leading-edge standards in this group.

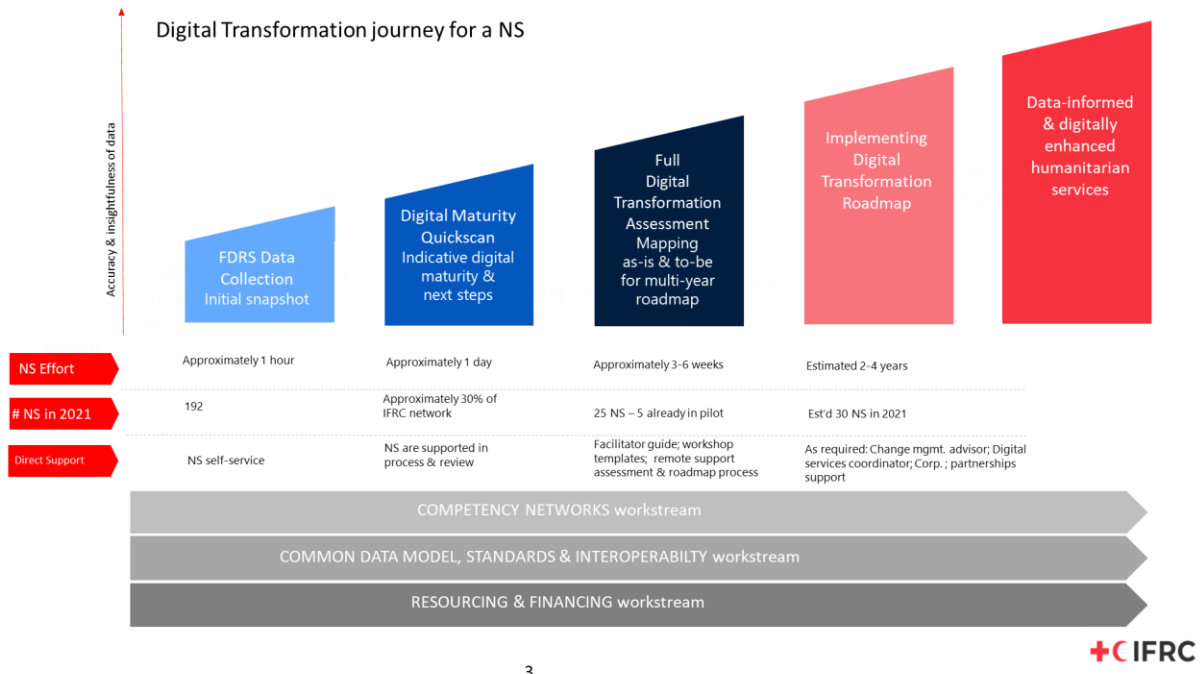
The following points need to be considered:

- The focus on Step 1, addressing the fundamental technology – this is an intention to actively reduce the digital divide
- Build scale at Step 2, working with more sophisticated systems – this is where data and systems interoperability starts to present opportunity, together with bigger volume for negotiating better license deals, and growing digital volunteer opportunities
- Pushing the boundaries at Level 3 – this is where the Federation maximises its External Relationships with digital and technology firms and academia, becomes their partner of choice and sustains the position as leading humanitarian services provider

NS roadmap

The Digital Transformation strategy is designed for NS; a number of steps can be taken by NS to kick off their journey to digitally transform. The below graphic includes the steps envisaged to be taken by NS.

Figure 6: High-level timeline



The high-level plan for the Digital Transformation consists of five major phases:

- Pre-mobilisation – this is the time from the end of the strategy work to the mobilisation¹⁵. During this time, further consideration is given to major parts of the strategy – the maturity model, funding mechanism for sharing capabilities, research, testing the ambition for National Society targets and conceptualising Learning & Development and other People-oriented work. This work will be funded from existing seed funds (e.g. support to advance digital services as part of COVID response)
- Mobilisation – the start of the engagement with NS including an audit of the as-is levels on the maturity model. Also includes the mobilisation of the Accelerator team
- Design & validation – to operationalise the key parts of the strategy and piloting as well as preparing for scale.
- After mobilisation the Accelerator team goes live with the key parts of the strategy. From that point to the end of the financial year, we refine and institutionalise processes. We also advocate for ‘digitalisation alliances’ from the National Society leadership
- In line with the annual financial reporting process, we then use the parts of the strategy and their associated processes to work with the NS to develop through the maturity model

This process continues until we have confidence that it is self-sustaining. At this point, processes are exported to appropriate parts of the IFRC and the Accelerator team is transitioned.

As mentioned in the scope section of this Digital Transformation Strategy, Digital Transformation is a journey rather than an end destination. Sustainable Digital Transformation requires a multi-year commitment and adaptivity to ongoing technological innovation. The leadership and organisation’s institutions need to reinforce the transformation through budgeting, resource

¹⁵ This strategy was finalised during the pre-mobilisation phase, which started in January 2021 and is due to transition to mobilisation phase in the second half of 2021

allocation and KPIs, internal inter-disciplinary collaboration, and by adopting supportive line management behaviours.

9. Managing institutional and implementation risk

This strategy outlines the features and benefits of adopting digital transformation and notes above the major changes and resources required to bring this to reality. We do not doubt that this is a major commitment for the Federation and this consideration presents three questions:

- 1) **What is the cost of doing nothing? Do we really need to do this?** Our analysis from the research is that one of the reasons we need to continue and speed up on our digital transformation is to keep our humanitarian services relevant and our institutions up to date. This is affirmed in Strategy 2030; aligns with our purpose of serving those individuals in crisis or disaster; and maintains our differential when competing for donor funding. Moreover, to truly live the IFRC principles, we cannot leave anyone behind. Data & Digital Transformation is key to ensure we remain a global network and can reach everyone in our NS distributed network. Without digital transformation, all this is at further risk.
- 2) **Can we overcome the delivery challenges?** Both at the National Society level and for the Accelerator team digital transformation will bring risk. Whilst much of this will be funding related, the technology-driven transformation also brings risk on brand, process and people-related topics. Implementation will require diligent risk management at both NS level and in the Accelerator team. Given this two-layer approach we will be able to professionally manage risks and where required design and engage appropriate governance arrangements to support risk management and mitigation.
- 3) **How do we manage risk?** A common risk assessment framework needs to be rolled out across the Network to ensure operational and investment risks are considered and the risk taken does not exceed the IFRC's risk tolerance. Solutions shall go through risk assessment to establish their confidentiality, integrity, availability and regulatory impact and controls must be built-in to mitigate the risks.

Annexes

Annex 1: Inventory of Digital Capabilities

Examples of digital technology used in humanitarian service delivery

| Capability | Which NS? |
|---|--|
| Membership registration | Kenya RC |
| Volunteer management | Burundi RC; Mozambique RC; Spanish Red Cross, IFRC Surge deployment team |
| APIs, GIS, capacity strengthening | American Red Cross, Netherlands RedCross -510 |
| IM community of practice and Surge information management | SIMS network |
| Federation-wide reporting | Federation-wide Databank and Reporting System (FDRS), GO platform |
| Mobile Data Collection | IFRC Secretariat, Spanish RC, Syrian Arab RC |
| Mobile app development | Global Disaster Preparedness Center, Kenyan Red Cross |
| Machine Learning and Artificial Intelligence | Norwegian RC, Australian RC; Netherlands RC-510 |
| Cash and IM support | IFRC Secretariat, American RC; British RC; Turkish RC; Kenya RC; Netherlands RC-510 |
| Digital risk assessment (community risk profiles) and Predictive impact analytics (support to EWEA) | Netherlands Red Cross-510, IFRC Americas region, IFRC IM team |
| Data team creation, data responsibility, data literacy, human centred design | IFRC Secretariat, Netherlands Red Cross-510, |
| Data readiness assessment | American RC; Netherlands Red Cross-510 |
| Digital transformation and maturity assessment | Netherlands Red Cross-510 |
| Digital products and services, scaling | Australian RC, Kenyan Red Cross, Norwegian RC, Netherlands Red Cross-510 |
| Service design | British RC, Australian RC, American Red Cross, Netherlands RC, Swiss RC, Danish RC |
| Enterprise Resource Planning | IFRC Secretariat |
| Innovation and Research | IFRC Secretariat, Danish RC, American RC; Norwegian RC, British RC, Netherlands RC-510; |
| Virtual reality and Artificial intelligence | ICRC, Netherlands RC-510, South Korea RC |
| Pattern-based digitisation | Swiss RC |
| Dispatch of ambulance services and Health information systems | German Red Cross, French Red Cross, Magen David Adom, Mexican RC, Red Cross Red Crescent Health Information System (RCHIS) |

Annex 2: Design Principles and their implications

This list has been developed as part of the consultation’s workshops and serves as a high-level guideline for the accelerator team. The list is a work in progress and will be refined further during the pre-mobilisation phase of the implementation to support the anchoring of digital transformation in shared principles. A grouping of IFRC aligned principles versus digital transformation principles helps to demonstrate to what extent the IFRC principles are lived throughout the Digital Transformation Journey.

| IFRC principle | Principle | Implications |
|----------------|----------------------|---|
| Humanity | Human-centred design | <ul style="list-style-type: none"> • Design with the users, not for them. The human-centred design should be the standard across programmes and services, and ideally applied from a user perspective across humanitarian services recognizing that users (whether community members, volunteers, NS staff or partners) have diverse needs and roles that they can play. • New systems must add value to as many people as possible and be easy to use (e.g. Data dashboards accessible at multiple levels) • Our products and services are as intuitive, useful, understandable, honest and as simple as possible. We use creativity to develop solutions that are focused and elegant. Our service design delivers seemingly simple solutions to complex problems. |
| Impartiality | Open | <ul style="list-style-type: none"> • IFRC makes a clear and public commitment to open source as principal. Open source solutions promote adaptable solutions by reducing vendor dependency. Internal development of software, mobile, and APIs are open source with standards of accessibility and well-documented for members and IFRC to learn and re-use. • Efforts are aligned with key open source/open data partners to encourage digital volunteerism • In-line with external, established standards and definitions of digital principles related not only to open source technology but open organisations (e.g., digitalprinciples.org, theopenorganization.org/definition). |
| Neutrality | Interoperable | <ul style="list-style-type: none"> • All digital services have a clear and valuable purpose which will make a positive difference to our staff and beneficiaries. We build specialist tools which do one job well, rather than complex systems which do many jobs poorly. We ensure our systems are interoperable – from data structures and API standards to usability and design. • Interoperability and modularity are intended to support multiple uses cases. This has implications for data collection especially, where the current mantra is to collect the minimum data needed for the current project. This may reduce the potential for other uses cases. • Systems and processes built to be able to talk to one another vastly improve data collection, reporting, collation, and analysis. • Where a collective service/platform has been agreed - to be co-owned and managed where possible. Adapt service design to reflect needs and capabilities of the collective. |

| IFRC principle | Principle | Implications |
|-------------------|--------------|---|
| | | <ul style="list-style-type: none"> The RCRC Principles of Cooperation need to adjust to address the global reach of technology companies but also to recognise the global dispersal of diaspora communities, which ultimately may have links to multiple NS. |
| Independence | Secure | <ul style="list-style-type: none"> Rollout a common risk assessment framework across the Network that ensures operational and investment risks are considered and the risk taken does not exceed the organisation's risk tolerance. Solutions shall go through risk assessment to establish their confidentiality, integrity, availability and regulatory impact and controls must be built-in to mitigate the risks. Clear agreement with NS and partners of data protection principle |
| Voluntary Service | Mobile-first | <ul style="list-style-type: none"> Move from an enterprise IT model to context specific models such as an emerging market, mobile-first organisational model, or mobile only model. |
| Universality | Resilient | <ul style="list-style-type: none"> Capture and meet expectations at all levels: Beneficiaries, Volunteers, Donors, and NSs by considering engagement as community engagement |
| Unity | Inclusive | <ul style="list-style-type: none"> Common operating models combined with needs assessments will facilitate tailor-made solutions for NS that respect in-house capacities and practices. The NS with lowest levels of digital maturity need to be prioritised first. Additionally, there is a need to develop collaboration models driven by open access, interoperability, and orientation, to enable local humanitarian workers to create local solutions linked by shared data and digital threads. A lack of access and connectivity negatively impacts the Networks work with the most vulnerable, and it would be beneficial to carry out mapping of connectivity in a country. A map of connectivity would help IFRC lobby for funding. Translation into 4 languages as standard (using machine learning via partners, translation services, or leveraging our global volunteer network.) Establish minimum standards of accessibility (e.g., bandwidth, browser, operating system) |

Additional Principles.

| Principle | Implications |
|---------------|--|
| Agile | <ul style="list-style-type: none"> Modular, iterative to scale programmes with digital as a mechanism rather than an 'add on.' Flexible procurement and project management to allow for rapid prototype and iteration. Adapt culture to make efficiency a primary lens for viewing digital investments, to be evaluated across the network to identify current tools used elsewhere in the Network and opportunities for increasing communication within NS and IFRC. |
| Collaborative | <ul style="list-style-type: none"> Revise global resource mobilisation agreements for digital and financing needs. Movement capabilities are improved through digital partnerships. |

| Principle | Implications |
|-------------------|--|
| Innovative | <ul style="list-style-type: none"> • New ways of obtaining cross-sector finance and partnership for digital services. Reframe National Society Investment Alliance (NSIA) to have a digital arm to directly fund NS for digital needs bypassing secretariat overhead and focused on NS needs. • A commitment to explore, train, and incorporate the latest technologies for possible efficiency gains (e.g., AI, Machine Learning). • There should be plenty of space for bottom-up digital innovations and providing a platform to share and build upon these innovations by others. • There is no innovation without failure. Reduce bureaucratic overhead to not only accept failure at times but encourage teams to try, fail, and try again. |
| Sustainable | <ul style="list-style-type: none"> • The product lifecycle is considered during design and implementation, including costs, resource consumption, longevity, flexibility, and environmental impact. Sustainable solutions are prioritised. We deliver products that scale, not projects that fail. Ensure sustained funding and resource for projects that succeed. Visible and accessible process for projects to graduate from pilot to sustained service. • Sustainable Digital transformation requires a multi-year commitment. The leadership and organisation's institutions need to reinforce the transformation through budgeting, resource allocation and KPIs, internal inter-disciplinary collaboration, and by adopting supportive line management behaviours. However, even for NS with resources dedicated to digital transformation, it can take years to arrive at a level of full digital transformation. This also hinges on having people and practices in place to operationalise digital change. • Multi-channel solutions will require different kinds of partnerships and enabling technology. Operational efficiency will increase if long-term relations can be built with local partners, skilled volunteers, and local nodes of regional and global organisations. |
| Robust | <ul style="list-style-type: none"> • Solutions are built to survive and thrive in the contexts where we deliver our work, not just in digitally mature countries and offices. This requires the combination of frontline experience with technical expertise. • Functions for defining, monitoring, and implementing continuous improvement |
| Affordable | <ul style="list-style-type: none"> • We strive for low input and operation costs to ensure that the benefits of digital transformation are shared across the organisation. • This requires products which are designed within the constraints of the end-use context, as well as progressive cost-sharing agreements which draw on the global reach and resources of the IFRC. |
| Adaptive | <ul style="list-style-type: none"> • digital literacy training, management awareness, analysis working groups, check all Information systems for reports |
| Non-duplicative | <ul style="list-style-type: none"> • Building a trusted network of partners that collaborate on getting common operational datasets (CODs) of high quality, granularity and completeness, is a practical way to overcome the data gaps in the IFRC Network, and to prevent duplication of effort and data collection fatigue with beneficiaries. • IFRC digital services steering group (to include NS & ICRC?) to be created overseeing digital platform and projects • Annual digital services workshop created to provide more clarity and distributed ownership of service development |
| Platform agnostic | <ul style="list-style-type: none"> • Our commitment to service adaptability based on soft/hardware investment. Procurement rules which reflect the commitment |

| Principle | Implications |
|--------------|---|
| Standardised | <ul style="list-style-type: none"> • There is a need for research, development and implementation of a Common Data Model across the IFRC secretariat and NS. This spurs inter-operability within RCRC humanitarian services, and federation-wide reporting of needs and impact. This model should be supported by policies and methods of implementation and reviewed vis-a-vis a new maturity model that maps the technical and security capacity. • If we can get staff, volunteers and the membership into one database – built to industry/IT standards -- we can show scale and scope of the Network and mobilise digitally by improving data collection, reporting, collation, analysis. However, we cannot achieve this without a centralised database or common data model w/o common syntax. |
| Automated | <ul style="list-style-type: none"> • The upkeep of these systems and data is not sustainable with only manual input. How we can work smarter through automation builds in not only efficiency and consistency but incentives (I.e., more value with less work). |