

The critical steps you must take to achieve a true **digital transformation**



In 2018, more and more businesses are developing digital-first strategies to reposition themselves in the market and stay relevant in an ever-changing environment. In fact, 89% of IT and business management decision makers claim their organisations have their eyes set on developing a digital business. Despite this, only 37% have already started executing change.

So what's holding businesses around the world back from adopting an effective and efficient digital transformation?

In this whitepaper, we'll discuss the meaning of true digital transformation and equip you with the right tools to start seeing real change.

¹ <http://resources.idg.com/download/white-paper/2018-digital-business>





What is a true digital transformation?

“When digital transformation is done right, it’s like a caterpillar turning into a butterfly, but when done wrong, all you have is a really fast caterpillar.”²

This popular quote from George Westermann, Research Scientist at the MIT Center for Digital Business, demonstrates the risk of an improper approach to digital transformation quite effectively. When seeking to create a digital business, it isn’t enough to create additional digital channels or perfect existing ones. While doing so may improve your business, it’s unlikely to create significant change and see lasting ROI.

True digital transformation isn’t about simply digitising existing information or methods, but entirely reshaping business models. It’s typically recognised by the creation of new roles, products, departments or services that are inherently digital, rather than digitised versions of what already existed.

This digital-first approach creates a foundation for future success and ease of adaptation as the

online landscape rapidly evolves.

Another vital aspect of transformation is that it is the sum of its parts - not only one alteration, but a carefully mapped overhaul of processes designed to create value for your business in line with your strategic objectives.

To summarise, true digital transformation:

- Creates value for your business and prepares it for the future.
- Demands a series of shifts in your business model through to your end product.
- Typically requires the creation of new roles and specialised talent.

Achieving true digital transformation can be complicated but, armed with the right knowledge, it doesn’t have to be. By following these steps, you can simplify your transformation and achieve productive change.

1.0 Gain total buy-in

Digital transformation is not only the digitisation of existing knowledge. It involves a holistic shift in the way you do business. For this reason, it cannot be achieved by an IT decision maker alone.

To ensure your digital transformation is effective, you need to gain complete buy-in from key decision makers and stakeholders throughout the business. Without buy-in, departments may be especially resistant to change and create significant barriers. Remember that change must be managed carefully, as many employees exhibit initial resistance. In fact, 84% of failed business process reengineering projects cite problems with people as a key cause of failure³.

Gaining buy-in starts at the top. When pitching digital transformation, remember the following:

Start with the end in mind:

For most executives, the bottom line of any investment comes down to financials.

Expenditure and revenue will be the foremost questions for most executives, as projects will be expected to fit within the existing digital budget. Where possible, develop ROI projections to give executives a clear vision of their investment.

Emphasise value: Beyond financial value, your proposal should highlight the importance of a digital-first strategy for moving into the future. This may differ according to the state of your business' market and its digital trajectory.

Be transparent: Your proposal should clearly outline which departments of the business must adapt and the extent of the changes.

Pace your strategy: Especially in large organisations, rapid change can be considered a significant risk. Be willing to start small and embrace a gradual transformation. Provided each iteration is a step toward digital-first business, you can pace your transformation to satisfy the concerns of executives.

Leadership buy-in is only the first step towards a company-wide embrace of digital transformation. Survey results⁴ show a considerable disparity between the enthusiasm in frontline professionals and business leaders. Frontline staff are typically more resistant to change, so leaders must be prepared with change management strategies.

³http://conferinta.management.ase.ro/archives/2016/PDF/4_6.pdf

⁴<https://www.forbes.com/sites/markmurphy/2016/02/19/new-data-shows-that-leaders-overestimate-how-much-their-employees-want-to-change/#2760a05162f6>



2.0 Transform at every level

There are three key areas identified for effective digital-first strategies by successful transformational leaders of enterprise-level businesses⁵.

Transforming customer experience

This is the most visible and exciting level of digital transformation. With Generation Z (“digital natives”) representing a growing share of the consumer market, demands for tech-activated experiences are rapidly increasing.

Digital touch points help to meet consumer demands for faster service, centralised information and integrated channel engagement. Most beneficially, they provide an avenue for improved customer understanding. Social media engagement allows for the collection of qualitative data regarding customer demands and analytics tools can be implemented across digital channels for dynamic collection, processing and reporting of customer behaviours and demographics.

Transforming operational processes

Evolving your internal processes has less immediate effect on your business’ image, but its benefits play directly to the promotion of productivity, worker enablement and performance management.

Automation of simple processes eliminates the need for hours spent on menial administration, and enables staff to focus on key performance indicators. It may also promote consistency across these processes.

Digitalisation of work and communication can improve the appropriate sharing of knowledge throughout the business. Remote working systems, cloud-based file sharing and digital



communication processes provide a platform for more effective collaboration. Systems like CRMs create lasting records of customer engagement to simplify handover processes and front line workflow.

Just as touch points are enabling the collection of consumer data, digital processes improve transparency of employee performance, enabling leaders to develop informed management strategies.

Transforming business models

Modifying a business’ existing offerings to compete in the digital age is perhaps the most critical aspect of true transformation. Remember, digital transformation isn’t about changing the way you use technology; it’s about changing the way you do business.

How your business model changes will depend on the market your business exists in and its needs. This may mean creating digital delivery of traditional products or services or developing entirely new digital products to complement or replace existing output.

Digital transformation can also be an effective platform for efficient globalisation for large-scale businesses.

⁵https://www.cappgemini.com/wp-content/uploads/2017/07/Digital_Transformation__A_Road-Map_for_Billion-Dollar_Organizations.pdf



3.0 Develop digital capabilities

Digital capabilities are the building block upon which true digital transformation must be achieved. Without the right talent available, organisations may struggle to meet the demands of the transformational landscape.

Whether outsourced or in-house, your organisation needs access to agile professionals



Consult and activate your digital strategy,



Deliver software innovation,



Design a positive customer experience,



Curate stable back-end architecture,



Collect and analyse critical data,



Manage the impact of change.

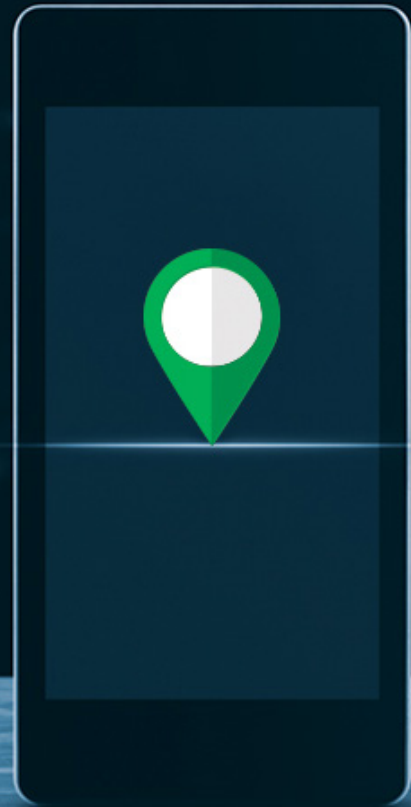
equipped with the technical knowledge to: These tasks call for a wide range of creative, technical and leadership expertise, many of which may not be present in a company yet to begin its approach to becoming a digital business.

XLdigital focuses on delivering comprehensive digital services and consultations to ensure a transformation truly unlocks the value of today's emerging technologies.

True digital transformation never ends so it is vital to be continually innovating and adapting to our rapidly changing digital landscape. As the cloud becomes commonplace and factors like machine learning come to the forefront of innovation, will your organisation be ready to transform accordingly?

Reach out to XLdigital today to learn more about digital transformation.

ANY QUESTIONS?



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