

UNLOCKING BUSINESS VALUE THROUGH DIGITAL TRANSFORMATION

Strategies and insights to become a digitally mature enterprise



DIGITAL TRANSFORMATION



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Introduction

Adapting to digital is no longer an afterthought for enterprises.

Business conditions are volatile, and markets are constantly changing. The benchmarks for customer experience have changed and consumers are demanding a more personal, service-oriented approach. To meet this demand, companies must move from transactional interactions to value-based interactions.

Forward-thinking enterprises have realized these challenges and are investing in digital transformation. According to a study, by 2022, the worldwide spending on digital transformation technologies will reach \$1.97 trillion (IDG). However, the journey to digital maturity is long and tedious. Businesses are often slow to change, and digital transformation is costly and risky. Moreover, only 22% of enterprises have a comprehensive digital strategy in place.

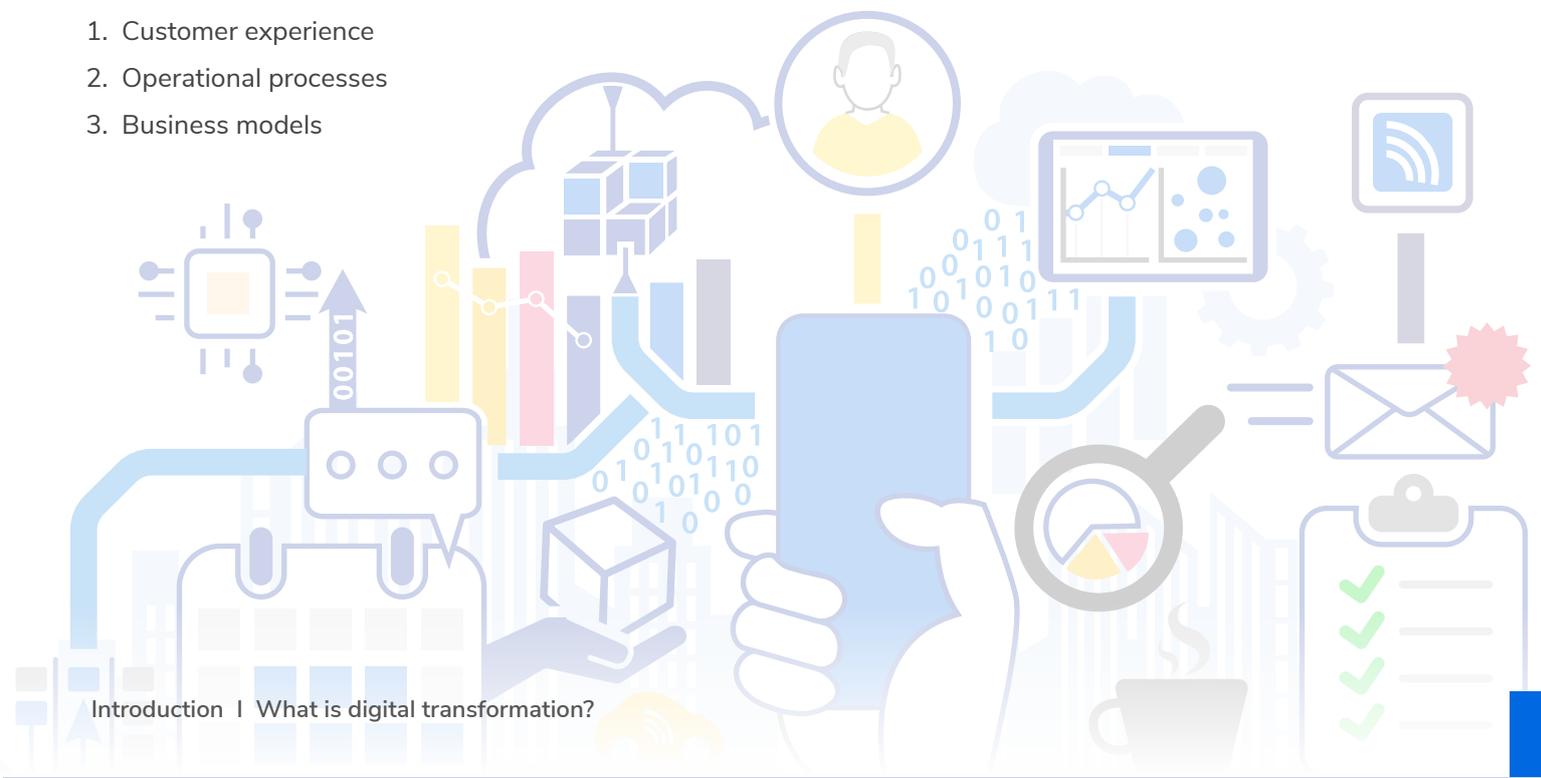
How can organizations successfully transform their digital processes with a clear vision of their future state? How can they navigate through the risks and complexities of digital evolution? This ebook will seek to answer these questions and demystify the myths and misunderstandings around digital transformation.

What is digital transformation?

Digital transformation is the use of technology to not just replicate an existing service in a digital form, but to transform that service into something significantly better. But it's not just about the technology: changing business processes and corporate culture are just as vital to the success of these initiatives. Digital transformation projects are often a way for large and established organisations to compete with nimbler, digital-only rivals. These projects tend to be large in scope and ambition, but are not without risks.

While digital transformation is a commonly used phrase, its definitions may vary. Beneath the hype and the confusion, digital transformation involves three areas:

1. Customer experience
2. Operational processes
3. Business models



How to build an effective digital transformation strategy?

1. Define the transformation objective
2. Assess your current capabilities
3. Provision resources and funding
4. Engage stakeholders and assign ownership
5. Create a roadmap
6. Ensure the right mix of skills

1. Define the transformation objective

A solid strategy begins with a clear understanding of what enterprises want to accomplish through digital transformation. This includes defining what a successful transformation means for their overall business and for their customers, in terms of customer engagement and experience. By establishing the goal, enterprises can adopt technologies with a clear focus on improving the overall business. Not only does this help in developing a comprehensive strategy, but it also avoids the siloed adoption of technologies.

2. Assess your current capabilities

Once you understand why your organization needs digital transformation, you need to identify what digital capabilities you currently possess. Evaluate your technology stack and assess how your workforce is working with your existing technologies. While this may sound fairly simple, the fact is that the majority of businesses make their digital transformation strategy without a clear understanding of how their organization is currently operating, leaving them vulnerable to either over or under transforming.

3. Plan investment and budget

Digital transformation on an enterprise-scale usually involves capital and technology-intensive investments. It is not uncommon for transformation projects to stall mid-way because of a lack of funds, or due to technology infrastructure that cannot cope with increased demands. That's why starting a budgeting process right at the inception of a digital transformation project is crucial -- It ensures that the scope of a project does not grow beyond the capabilities of an enterprise to fund it.

4. Engage stakeholders and define ownerships

The implications of digital transformation are far and wide. That's why it needs the approval and involvement of stakeholders at multiple levels. Whether it's the executive team or the ones driving the project, leaving either out can lead to a transformation project getting stalled. It should be the responsibility of the executive teams to involve board members while simultaneously bringing in every stakeholder. Like every other project, a digital transformation undertaking too needs motivation from all levels. In large enterprises, digital transformation requires project advocates at every level of seniority and in every department.



5. Create a roadmap

A well-defined roadmap is the backbone of every digital transformation project. It is important to start with a plan and include milestones, outlining every small step along the way. Quick wins can boost motivation for everyone involved, from developers through to staff and stakeholders. I can also ensure that everyone understands the why and how of the changes, across the company. Without sufficient planning, a digital transformation project could quickly spiral out of control. If the scope of the project and the strategic vision isn't clearly defined, the transformation can stall.

6. Bring together the right mix of skills and expertise

Once you're done with all the planning and preparation, it's time to ensure you have the right mix of skills and resources. Make sure you have a sufficiently resourced internal executive team that has the necessary technical knowledge and the authority to make decisions. You can outsource software development to a technology partner, and have your internal staff manage and drive the project. An experienced digital transformation partner can add tremendous value to your project by providing a neutral perspective on your current state and provide unbiased technology recommendations.



Start your journey towards digital transformation

Despite the challenging role of the CIO today, it's actually a great time to lead a digital transformation initiative. Old ways of working are getting discarded and the future belongs to companies investing in digital transformation. Successful CIOs and companies will be the ones that implement newer technologies and processes faster than their competitors. Here are five things enterprise executives need to know as they embark on digital transformation journey:

1. Determine what digital transformation means to your company

Digital transformation is not a universal concept. Keeping this in mind, the critical first step when embarking on a digital transformation journey is to establish digital transformation means for your organization. Make sure you look at the bigger picture and take into consideration your challenges, maturity, industry, and other factors that influence your business. Use this information to define what digital transformation means to your organizations in its own specific context, why you need it, and what you are trying to achieve.

2. Get buy-ins from the executive team

Once you have your high-level digital strategy defined, it is imperative that you align the executive team to your goals. This would not only demonstrate your commitment to digital transformation but also help you get your project off the ground and secure additional investment in the future. It might seem a relatively straightforward step in comparison to building out an entire digital transformation strategy, but it might take time to get the right buy-in so its key that you put this in motion as soon as possible once you have a solid plan in place.

3. Reimagine your workforce

Successful digital transformation requires a workforce with the capabilities to make a digital transformation's changes happen. Companies will need to invest and hire for a wide range of skillsets. Enterprises must think critically about the ways in which digitization could affect their businesses, and the skills they will need to keep up. They must develop clear workforce strategies to determine the digital skills and capabilities that they currently have—and will need in the future.

4. Bring about a cultural change

Digital transformation necessitates a change in the overall culture of an organization. Employees must be encouraged and empowered to keep up with the faster pace of business. This is where leaders have important roles to play by letting go of old practices. However, not all leaders have the experience to support such changes. To successfully enable a cultural shift, leadership-development programs should help leaders and employees alike to make the necessary shifts in mind-sets and behaviors.

5. Communicate effectively

Good communication is the key success factor in traditional change efforts. It is just as important in a digital transformation project. Companies must adopt quicker ways of working that complement the speed that digital transformation requires. They must move away from traditional channels that support only one-way communication (e.g. company-wide emails) and towards more interactive platforms (e.g., internal social media) that enable open dialogues. Another key to better communication is developing circulating concise messages, rather than lengthier emails.



Summary

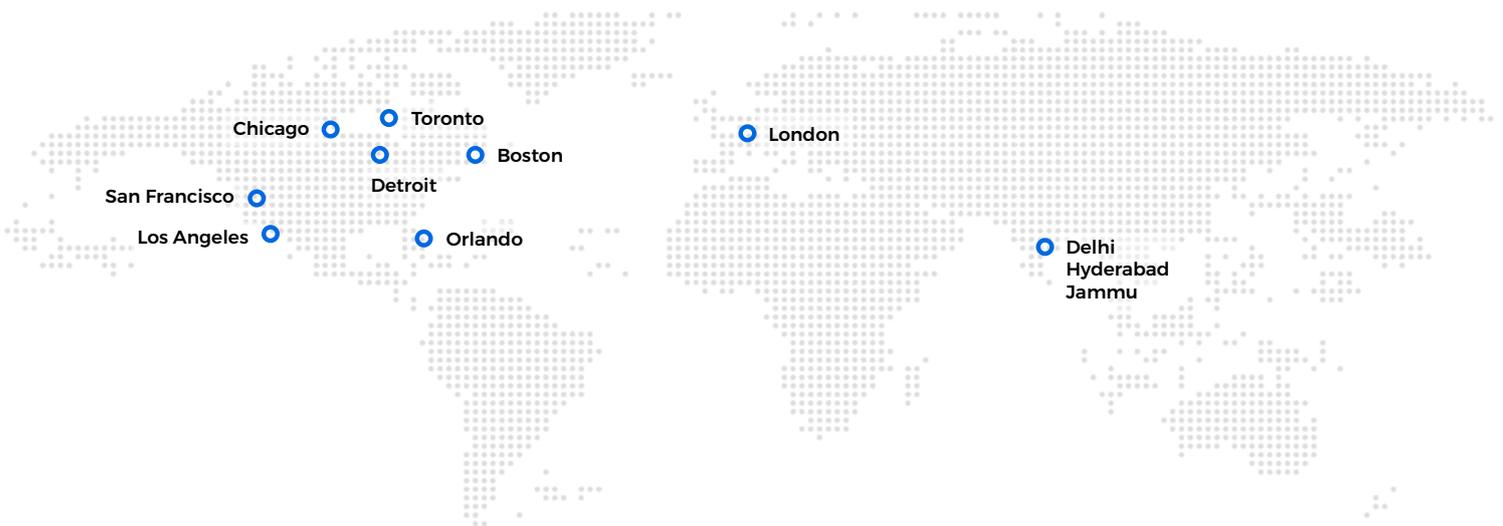
The term digital transformation puts great emphasis on technological change, but it is amply clear that digital transformation involves much more than technology. It is a fundamental rethink of the corporate model, for which technology serves as a catalyst. From revenue to efficiency and the organization structure – they are all up for scrutiny. So are the talent models, which need to offer more empowering, and more rewarding career paths.

How do you see digital transformation and what does it mean for your business? The answer to this question will be your starting point for a digital transformation.



TA Digital is an innovative digital transformation agency, specializing in delivering digital experience, commerce, and marketing solutions.

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