

Enable Your Business

Everything You Need to Know
About Digital Transformation



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It's funny how far we've come

Not so long ago we used paper maps to navigate, opened the phone book to find a tradie, and called restaurants to reserve a table.

Today, we expect to do all these things online.

Technology is everywhere. It is described as the fastest growing industry. Ever.

And now technology has become synonymous with **digital transformation**. This means that we often see technology positioned as the lead role in digital transformation - the driving force behind your business improvement or the best way to help you manage disruption.

Head to any business conference and you will hear someone talking about their digital transformation journey. Visit the show booths and consultants will quickly tell you how they can lead your digital transformation.

Both groups will cite the huge benefits you will see once your digital transformation journey is complete. But neither of them will share how the research reveals that 70% of all businesses that embark on a digital transformation initiative will fail to reach their goals.

So why do so many digital transformation efforts **fail**?

Because Digital Transformation has nothing to do with technology

While digital technologies can improve your efficiency and enhance customer experience, if your organisation lacks the right mindset for change or your current practices are broken, then adding technology will simply magnify those flaws.

Just as you don't make a butterfly by simply sticking wings onto a caterpillar, you are not a digital company just because you use technology.

In this e-Book we explore what Digital Transformation *really means* and what factors spell the difference between failure and success.

First, let's take a trip

Before we talk in more detail about technology plans – what's contained in one and why they're important – imagine you are planning an overseas holiday. Chances are you've done some planning before setting out. You will probably work out a few details beforehand, like:

- **Where** do you want to go?

Australia? The Pacific Islands? Asia?

- **Which** airline will you fly?

Air New Zealand? Qantas? Emirates?

- **How long** are you going for?

The weekend? A week? Longer?

- **What** do you want to do while you are there?*Sightseeing?*

Sport? Adventure? Relax on the beach?

- **Who** do you want to go with?

Family? Friends? Join a tour group?

To make your trip successful, and to save a lot of time and stress along the way, you plan. You ask yourself the **where, which, how long, what, who and why** questions to paint a picture of the journey and give you a good sense of what you want it to look like.

If you don't do the thinking, you risk a whole lot of challenges; like ending up in the wrong location, missing out on interesting sights along the way, not having the right clothing or gear to comfortably enjoy a place, or spending a lot more money than expected.

You will still get there, you might even have fun but, without a plan, you will not get the most out of your trip.

Wait, digital transformation is like a journey?

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Yes, it is!



Digital Transformation is the cultural, organisational, and operational change of a business ecosystem through the smart integration of People, Information, Process and Technology, across all levels and functions in a staged way.

What's more, true transformation **is not a singular project but a range of smaller deliverables** to achieve clear goals.

If we continue the metaphor that digital transformation is a journey, we can dive deeper into the four points mentioned above, using them as a compass to guide us on the journey:

- 1. People** – You need to consult both your staff and the customers you serve before embarking on any changes. Consider your staff as the people who are going to be impacted by change, either positively or negatively. On the other hand, understanding your customers is crucial as they purchase your services or products. That's why you should focus the benefits of your digital transformation on customer outcomes and experience. Your customers will tell you what they want, and your staff will tell you what's going to work. Not only should you keep both groups in mind, but you need to work with them to determine your transformation goals.
- 2. Information** – Information is the biggest asset for any business and is collected in every transaction, from customer and product data, through to company metrics and staff records. Good transformation requires you to understand the information you hold and how it will benefit you. Bad information can seriously hinder your business. Before you start on a transformation journey, you need to understand the information held by your business, what it's used for, and how you capture it. If you do not have a good information strategy in place, then you should not start the journey.

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3. Process – Whether it is sales or fulfilment, service or delivery, chances are your business has processes in place for every activity.

For successful transformation, it's vital you manage your processes effectively. You need to know what processes you have, whether they are wasteful or adding value, and how you want to see them transformed.

After closely examining what you do and how, you often discover that you can either execute processes faster, or there are activities you should stop because they are wasting your time, energy and money.

4. Technology – Only after you have pieced together everything else, should you start to look at the technology solutions. This does not necessarily mean you need to go out and buy new solutions – you may find you already have the technology that delivers what you need.

Digital Transformation is not about introducing technology into your business, but making sure you are using technology *effectively*. As such, there is no single technology that will deliver the ultimate in “speed” or “innovation”.

A collective focus on these four key areas will ensure that your transformation journey has the best chance of being successful.

Where do you start?

Here are five things that you should do in your digital transformation activity:

1. Figure out your business strategy before investing.

Leaders looking to enhance their organisation's performance through digital technologies often have a specific tool in mind. "Our organization needs a machine learning strategy," perhaps. But the best combination of tools for a given organization will vary from one vision to another. That's why digital transformation should be guided by the broader business strategy, not by chasing the next shiny object.

2. Go your own way.

Too often, organisations seeking transformation (digital and otherwise) engage an army of outside consultants who tend to apply one-size-fits-all solutions in the name of "best practices." A more reliable and meaningful approach is relying on insiders - your staff. They have intimate knowledge about what works and what doesn't in their daily operations.

Including staff in the process has the added benefit of addressing their unfounded fears that digital transformation will make their role redundant. Addressing fears around job losses head on means your staff are less likely to resist change. An open-minded and transparent approach to change fosters confidence and encourages your staff to embrace new and improved ways of working.

3. Consolidate sources of the truth.

When information is not shared properly or is stored across multiple systems, it's a great time waster and makes it difficult for different teams to collaborate. Now is the time to start consolidating these silos of information (or at least point them) to a single place. This will enable your staff to be self-sufficient and access the real-time information they need to do their job efficiently and accurately.

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4. Design customer experience from the outside in.

If your goal is to improve customer satisfaction and confidence, then any digital transformation effort must start with a diagnostic or auditing phase. The only way to know where to make changes and how to make them is by gathering extensive and in-depth input from your customers. Let them prioritise what changes they want to see in your organisation.

5. Get the right leader involved.

When it's time to change, businesses must have a solid governance structure in place to execute strategies well, make decisions quickly, keep the transformation on course, and provide regular progress reports to the CEO and board. And, crucially, they must hire the right leader to steer the ship. The ideal leader should be best-in-class, known for their extensive experience in orchestrating transformations and guiding companies through the process. A positive mindset and a focus on what's possible, balanced with a realistic view of the company's current capabilities, encourages confidence and a growth mindset amongst your staff. What's more, the ideal leader should help deliver a strategy which motivates disparate groups to act towards a shared vision in a cohesive and structured way.

Not sure where to start?

We can't deny that digital transformation might mean introducing new technology. But that in itself is not what makes the transformation a success. Technology enables digital transformation by ensuring that people, processes, and information work together efficiently and effectively.

Getting started on the journey can be a challenge, so if you want guidance and support through your digital transformation, we're here to help!

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