



# Digital transformation: just do it. Now!

## CORE ISSUES

- What drives digital transformation
- Barriers to successful transformation
- The opportunities that come with transformation
- Understanding the importance of context

## INTRODUCTION

Most organizations recognize the importance of digital transformation if they want to prosper in a fast-changing world where customers and market disrupters now dictate the terms of business.

Some companies have already advanced on this journey; others are still dabbling. These roundtables represented a good cross-section with participants hailing from financial services, retail, automotive manufacturing and government.

## WHAT DRIVES DIGITAL TRANSFORMATION

Removing friction is a driving force behind many digital transformation initiatives. Participants referred to a video shown in an earlier session, which highlighted the frustration of online consumers who have to jump through all sorts of administrative and security hoops to complete the simplest transactions. This need to be repeatedly re-authenticated is mirrored in the corporate world, interrupting workflow.

Mobile devices could be the key to alleviating these frustrations. It is already possible for organizations to recognize individuals in a particular location or context via their personal devices and build a profile from their behavior, triggering certain actions or content.

## BARRIERS TO SUCCESSFUL TRANSFORMATION

It became clear that successful digital transformation means getting everyone on board and not being able to do this can be a barrier. Within an organization, it offers to empower everyone (not just white-collar workers) with access to the knowledge they need to remove friction from everyday processes.

Indeed, employees are now actively driving technology use because of the faster pace of development of consumer devices, apps and services.

The infrastructure architects in the roundtable pointed out the inevitable restrictions of legacy systems and security requirements, but conceded that preoccupation with risk can hamper progress – when employees simply want to do their job more efficiently, aided by tools they use freely at home.

## KEY TAKE-AWAYS



- A flexible, long-term vision is important but also focus on constant incremental improvements
- Remove friction to empower employees; harness internal entrepreneurs
- Context is everything. People's preferences vary by time, place and circumstance
- Don't get hung up on risk containment.

## THE OPPORTUNITIES THAT COME WITH TRANSFORMATION

Digital transformation offers a chance for service innovation. The retail sector is among the most advanced users of technology here, as rival organizations strive to impress customers with an ever more convenient and differentiated experience.

Here, digital transformation is as much about transforming the bricks-and-mortar shopping environment as it is about making online purchasing slicker. This could be by replacing cash desks with mobile payments. More ambitiously, it might involve using augmented reality so customers can, for example, see themselves wearing the same garment in different colors without having to try them all on.

A step up from this might be 'transferred augmentation' – the option to share that augmented representation with someone else.

In manufacturing, digital transformation offers new opportunities to extend customer relationships beyond the point of sale. One of the promises of the Internet of Things is that goods will be able to communicate information about their status and environment once in use - not only to the consumer but also to the product creator (or their service partner).

This paves the way for new revenue streams derived from after-sales services - or pay-as-you-go models whereby cars, washing machines and coffee makers are consumed as utilities rather than products with a finite lifespan.

## UNDERSTANDING THE IMPORTANCE OF CONTEXT

First, organizations need to get the basics right. One obvious area is integrating channels more seamlessly so that customers can start a process online and complete it in person.

It's also important to understand the importance of context, as people's preferences change depending on what they're trying to do, when, and where they are at the time.

Take the trend towards 'interstitial consumption' of content – the need to absorb information quickly in bite-sized chunks, say while travelling or waiting for an appointment. This doesn't replace the need for in-depth analysis.

Mobile news is great for a quick hit, but people still like to take their time over in-depth reports when they have more time. Similarly business users will always need to be able to drill down to the detail behind any key report findings.

There is also a time for self service, and a time for personal attention.

Recognizing generational differences is crucial too. Digital natives are learning in different ways, for example instinctively turning to YouTube for a quick video on how to do something, rather than picking up a manual. These diverging consumption patterns demand new ways of packaging content, and new business models to protect revenues. Persuading consumers to pay for value-added content might require education to counteract the growing expectation that digital content should be free.

### CONCLUSIONS



- Starting now is critical. The longer it takes to begin, the larger the gap to cover
- Transformation brings opportunities to innovate
- Generational differences affect consumption patterns
- Internal process change triggers need for new skills and cultural adjustments.

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