

DIGITAL TRANSFORMATION IN PRACTICE

Exploring some of the ways Trexin can help its Clients transform their digital strategies.

In the first [Trexin Insight Paper \(TIP\) of this series](#), we provided a broad look at the fundamentals and potential for digital transformation. Subsequent articles, beginning with this one, will dive more deeply into the specific topics previously broached. In this TIP, we will examine some of the most prominent ways in which digital transformations can be and has been implemented to contribute to client success. With most firms seeking to undergo some sort of digital transformation¹, the intricacies of each individual project will vary significantly. However, as firms race to optimize their digital transformations, trends have begun to emerge regarding the kinds of projects on which attention and investment are concentrated.² Whereas the previous TIP sought to answer the question of what digital transformation is and what it is capable of, this TIP will describe some of the specific ways a firm might seek to utilize a digital transformation to advance.

BUSINESS PROCESS AND VALUE STREAM

Despite the importance of the business process, it is often one of the most overlooked aspects of a firm when digital transformations are considered³. From supply chains to a firm's internal value streams, the business process has significant potential for digital transformations allowing the firm to better compete in today's rapidly evolving climate. digital transformations in this area of a business encompasses a variety of problems and solutions such as automating to cut down on the time it takes to deliver a product or tracking the individual components of the process to find and eliminate any extraneous or unnecessary steps⁴. Firms like Trexin are employing digital transformation throughout the business process in new and exciting ways like developing software capable of optimizing the use of space in a distribution center by utilizing information regarding the size and shape of products⁵. Meanwhile, other firms have developed digital capabilities that optimize routes for the pickup and delivery of merchandise based not only on proximity, but also traffic and time of day⁶. On the client facing side of digital transformation, firms might analyze pathways on their sites as well as personalize homepages to add value to the customer.

MARKETING AND DISTRIBUTION

In marketing, digital transformations often seek to answer questions like: How can we make the experience as smooth as possible for the customer? How are we engaging with the consumer? What does the consumer think of when they hear the name of our firm?⁷ In this context, digital transformations then often focus on swiftly and continuously addressing these questions by examining a firm's social media presence, websites, and ad campaigns, to name just a few areas of interest. Action then takes several different forms from analyzing the metrics associated with each avenue of marketing and ensuring that these avenues come together to form a positive, consistent, and coherent picture of the

¹ <https://financesonline.com/digital-transformation-statistics/>

² <https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/the-top-trends-in-tech>

³ <https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/the-case-for-digital-reinvention>

⁴ <https://www.mckinsey.com/capabilities/operations/our-insights/digital-transformation-raising-supply-chain-performance-to-new-levels>

⁵ <https://www.sciencedirect.com/science/article/pii/S0167811618300739>

⁶ <https://hbr.org/2022/07/digital-transformation-is-changing-supply-chain-relationships>

⁷ <https://www2.deloitte.com/us/en/pages/chief-marketing-officer/articles/digital-transformation-in-marketing.html>

firm and what it does⁸. While this can certainly seem daunting, digital transformation in marketing can also take the form of meta-analyses that sift through and organize data to help determine what customers may prefer or not prefer in a firm's campaign.

CUSTOMER FOCUS AND INTIMACY

On the other side of a firm's relationship to its customers is its ability to satisfy customer needs and wants through effective product creation and value maximization. Now seen as one of the most necessary elements of digital transformation (which will be discussed in the next TIP in this series), customer intimacy describes a firm's ability to know and meet the needs of individual customers and segments of the market alike. The importance of customer intimacy in the modern world is perhaps best illustrated by the success of Nike, the entire ethos of whom is built upon customer intimacy⁹¹⁰. digital transformations play a crucial role in any modern firm's ability to maximize customer intimacy through several means. Algorithms, for example, that track user data on a website help a firm to better understand what products a customer may want in the future. Meanwhile, programs that cross-reference such data with that of other users help to identify segments in the market to better promote new and upcoming products to those that would find value in them. Alternatively, digital transformation in this space can help determine what about a firm their customers value to maximize that value and spread it to an increased client base having attained that knowledge¹¹.

DIGITAL ECOSYSTEMS

Perhaps the most far-reaching goal of digital transformation is the creation of digital ecosystems. These endeavors connect the firm with customers, internal data, external data, third party research, and several other areas of interest to create a web of information that helps firms to better serve and expand their customer base¹². Firms choosing digital transformation of this kind will undergo a process through which the various elements of a firm's digital profile are compiled to extract and analyze information. At times this takes the form of sharing information with, or obtaining information from, sources outside of the firm such as product suppliers or trade partners with the mutual goal of optimizing business operations and customer satisfaction¹³. The interconnectivity that exists between the disparate elements of an organization and those of its partners gives rise to the concept of a Digital Ecosystem where these factors function independently but nevertheless impact and provide key information for the overall strategy of a firm.

Throughout this TIP, we've examined some of the many ways that a firm might seek to implement digital transformations to better increase their odds of success in their respective industry. While these are some of the most common goals and applications of digital transformation across the business world, it is crucial to note that a digital transformation can take a near infinite number of forms depending on the specific needs of each firm. The next TIP in this series will examine the ways in which digital transformation is more uniform across firms and industries: the underlying rationale and principles that guide a firm's digital transformation, of which it is commonly accepted that there are only three.

⁸ <https://www2.deloitte.com/us/en/pages/chief-marketing-officer/articles/digital-transformation-in-marketing.html>

⁹ <https://mblm.com/press-releases/mblms-report-finds-nike-ranks-most-intimate-apparel-brand-followed-by-levis-and-under-armour/>

¹⁰ <https://www.forbes.com/sites/gregpetro/2016/07/08/nike-just-does-it-keeping-an-eye-on-the-customer/>

¹¹ <https://www.linkedin.com/pulse/digital-transformation-customer-centricity-intimacy-damodaram/>

¹² <https://www.techtarget.com/searchcio/definition/digital-ecosystem>

¹³ <https://www.forbes.com/sites/forbestechcouncil/2022/03/22/the-ecosystem-why-partnersplayers-must-come-together-to-achieve-digital-transformation/>

[Digital Transformation: An Introduction TIP](#)

This TIP is an expansion of a recently published interview with Stuart Anderson. For more information, refer to the Authority Magazine article [here](#).

To learn more about how Trexin can help you develop and implement technological strategies, click [here](#).



This TIP was written by Kenneth Beymer. Kenneth welcomes comments and discussion on this topic and can be reached at kenneth.beymer@trexin.com.
