DIGITAL TRANSFORMATION: AN INTRODUCTION

Exploring the ways digital transformation can help improve your business.

As technologies continue to advance, corporations and customers alike find themselves depending an ever-increasing amount on the newest available tools to fulfill their respective goals. This need for digital transformation is perhaps best embodied by the attention and resources dedicated to the subject in recent years. With a projected trillion-dollar increase in worldwide spending on digital transformation[1] and an estimated "91% of businesses… engaged in some form of digital initiative"[2] aimed at improving some aspect of their operations, the importance of executing those initiatives correctly could not be clearer. As this need develops further, it is exceedingly important that business professionals have a firm grasp on what digital transformation is, and how it can impact the success of an organization.

In a recent interview with Authority Magazine, Trexin Director Stuart Anderson examined the fundamentals of digital transformation and spoke to its vast potential.

WHAT IS DIGITAL TRANSFORMATION?

At its most reduced, digital transformation is the adoption of technology by an organization into its operations for a variety of purposes. These purposes are often sorted into three distinct categories distinguished by their focus: Operational Excellence, Customer Intimacy, and Product Leadership. Operational Excellence stresses the importance of smooth and efficient operational practices. Meanwhile, Customer Intimacy places particular emphasis on an organization's customers and its ability to promptly and sufficiently meet their needs. Product Leadership conversely attaches ultimate importance to the products offered by an organization from their quality to their distinctiveness within the market.

HOW DOES DIGITAL TRANSFORMATION LOOK IN PRACTICE?

Organizations now overwhelmingly champion Customer Intimacy in their digital transformations. Seventy-six percent of surveyed executives place value in customers as their top priority for these endeavors[3]. This is in line with data suggesting[4] that companies with a dedicated purpose have higher rates of success than companies without[4].

> **Advice from Stuart:** *"Certainly, my bias is the focus on the customer. Though, many organizations were throwing this moniker on initiatives more aligned with tech-debt reduction, others were focusing on the other stakeholder groups such as employee tools or business partner capabilities. Today, the predominant focus is the customer.[5]"*

[1] https://www.statista.com/statistics/870924/worldwide-digital-transformation-market-size/

[2] https://www.digital-adoption.com/digital-transformation-statistics-2/

[3] https://www.mckinsey.com/industries/financial-services/our-insights/banks-and-the-digital-flywheel-an-engine-for-ongoing-value-capture

[4] https://www.forbes.com/sites/caterinabulgarella/2018/09/21/purpose-driven-companies-evolve-faster-than-others/?sh=444c1f5455bc

[5] https://medium.com/authority-magazine/stuart-anderson-of-trexin-consulting-on-how-to-use-digital-transformation-to-take-your-company-to-e18a62e06fbf

WHO CAN BENEFIT FROM DIGITAL TRANSFORMATION?

Digital transformation can advance success within all firms and organizational structures. Due to high demand for technological competency and innovation on behalf of consumers[6], nearly all organizations have the capacity to adopt digital transformations in various components of their processes and operations to meet needs and attain success.

> **Advice from Stuart:** *"There are many resources and frameworks that come into play, notifiable: value streams, journey mapping, heuristic sciences, anthropology, vertical integration, Lean, automated testing, continuous deployment, resilience framework and many others… The capability and usability for the customer is so important, while every component down to the lowest level technical widget needs to work in unison so that experience meets or exceeds the expectation of the customer."*

WHAT ARE THE KEY ELEMENTS OF DIGITAL TRANSFORMATION?

As we further integrate technology into our work and everyday lives, we also continue to broaden the ways that we do so by defining and specifying key elements that are ubiquitous across successful digital transformations. The list below includes some of the most crucial elements necessary to consistently deliver a high-quality product regardless of what the project may be.

1. **Ensure Board Level Alignment and Sponsorship**
    Internal support is crucial for the success of a digital transformation. Without this, an organization may fail to appropriate necessary or essential resources to a project, thereby limiting its reach and success.
2. **Shed the Pork**
    Firms should be deliberate in their digital transformations. Clear, concise goals help to ensure that the project can develop steadily with a clear endpoint in sight.
3. **Be Interactive/Incremental**
    Akin to the previous point, those who choose to undergo a digital transformation would be wise to do so as guided by Lean Agile. This grants a sense of focus and direction to the implementation of a project while ensuring that no component of the transformation is inadequately completed[7].
4. **Dedicated Team**
    Assembling a team with an interest in and passion for digital transformations is among the most necessary elements to increase the likelihood of successful digital transformations. In the absence of a dedicated team, a project may be incapable of receiving the attention or care it needs to thrive.
5. **Measure Success**
    Establishing targets is essential to the evaluation of a transformation and its progress. These targets should be short-term to allow the project the ability to adapt easily to external changes such as emergent trends in consumer desire and behavior.

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.

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[6] https://www.businesswire.com/news/home/20180912005040/en/Communications%E2%80%99-Brands-Motion-2018-Global-Study-Escalating

[7] https://docs.broadcom.com/doc/the-impact-of-agile-quantified

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