An Executives Guide To Digital Transformation

Leading Your Company's Technology Investment to Solve the Problems of Today & Tomorrow

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When I use the term 'Digital Transformation' with business leaders, I generally get a predictable range of reactions. Some are energized by the idea of Digital Transformation and some believe it is just the next in a long line of marketing terms to make them spend money. Whatever your reaction, our world is evolving, and whether we like it or not, our economies will change with it. My career spans the rise of the Internet, the development of the first web browser, the launch of the first social media platforms, the first cell phones, and so many things we take for granted. I have watched these technologies become commoditized and more importantly, watched them make huge impacts in day-to-day expectations and even the methods we use to research and procure goods and services. This is a just the beginning of a cycle of change that will affect – well everything.

As a business leader, I am constantly seeking to compare, learn, and improve my business and ensure that as an organization we are relevant and valuable. At its core, Digital Transformation is just a term that describes this basic business tenant – "if you're not growing, you're dying" as it relates to the challenges facing leaders today. In short, Digital Transformation describes three pillar activities: automate, modernize, innovate.

Automate

Automation has obvious benefits – it frees people from recurring tasks and "make work" that takes up precious cycles in their day. It focuses human capital on the urgent and important, and perhaps less obviously, it raises the bar on customer experience. Automation commonly can make processes go from days to hours, which makes your organization more responsive and promotes happiness in staff and customers. Over the last decade most of the operation of business was driven by technology. Can you name something that is not handled with technology tools in your organization? With technology driving business, and with the boom in data connection and synchronization products, it has never been easier to automate. Where can automation help your organization? Some common examples (but by no means an exhaustive list) would include:

- Self-service IT/Onboarding
- Accounting and BI reporting
- Sales and Order Processing
- Marketing Targeting (Inbound and Outbound)
- Human Resources (Vacation Scheduling, Reviews, Training)

There is so much possibility in terms of automation – but the real challenge is narrowing it down to those changes that will drive real value to the company and become examples that will drive staff to seek and embrace automation on their own. A few key wins will vastly improve the innovation cycles generated by your staff which, as discussed later, will be key to the organization's long term success. How do you get started automating your organization?

- Start looking for the Time Killers
- Find the innovation resources in your organization
- Decide if you need to drive, or if you can identify a driven leader who would benefit from getting out of the "lights on game"

Modernize

What does it mean to modernize? Focus on the following adaptivity builders: simplicity, scalability, high performance, software-defined, and security. Most of these are terms that can describe technology, but they also can be used to describe teams, processes, and go-to-market strategies. Corporate adaptability creates a capacity within your organization to seize opportunities born from innovation and quickly scale successes.

Simplicity

Technology and process tends to get weighed down over time by layers. These could be exceptions, or extra functionality, but in general as these layers increase, so does complexity. Complexity requires more human skills, more time, and places limits on what can be added and changed later. One of the big reasons people talk about cloud, or container-based architectures is that both can lead to greater levels of abstraction and simplicity in operations. Note that if focus is not put on simplicity as the main desired outcome, these technologies can also have the reverse effect.

Scalability

One of the keys to innovation is learning to operationalize trying new things: discarding what doesn't work and scaling that which does. If your organization doesn't support the idea of dynamic work groups, or quickly being able to provision the resources to try a new idea, it will quickly kill the innovative spirit within the staff. To win, you must respond quickly to the needs of staff and clients, take advantage of the opportunities, and control the sprawl to ensure the economics are always working to drive the company forward.

High Performance

Whether sales teams or technology tools, the bottleneck is what holds you back. Building to minimize or eliminate bottlenecks builds momentum on the fly wheel of your business. When you define a metric for what is fast and what is not you set the bar on which everything is designed and constructed. Amazon, Uber, and Hubspot measure their performance with adaptability. Their leadership set a goal to create and implement 10 changes a day. When they started, 10 changes was unthinkable – but once the "crazy" metric was on the table people worked to construct process and technology to meet or exceed the metric. Quantify "what is fast" and make sure the barriers are replaced with technologies or processes that can meet or exceed your expectations.

Software-Defined

The normal attributes of software-defined technologies are that they constantly innovate, they focus on automation with readily available APIs, and they extend the boundaries of the possible beyond the physical – whether geography or technology silo. Prioritize technologies that can adapt to the processes of your organization, that can help drive business, that have minimal administrative overhead, scale easily, and are simple enough to require minimal training.

Security

Unfortunately, the new world includes forces that would destroy what others have created. It is impossible to protect against these attacks without integrating security into every facet of process and technology. Simply drawing walls around the data center (like a firewall) no longer gets close to the bar of what's needed. Information has become the most valuable currency, and it needs to be tracked and secured at multiple levels. Operations must continue and include plans to ensure failures can be quickly corrected. Even when scaling massively, security needs to be maintained, and when it fails it needs to detect and report that occurrence.

Innovate

Innovations in client (and staff) experience are at the heart of Digital Transformation. How do you reimagine your business in an all-digital world. How do you meet clients and staff where they are; how do you gain more share of their time and resources? Innovation combines elements of process, culture, and people change – all focused into efforts to increase human satisfaction, and to expand the number of potential clients for the organization. While this sounds simple – it is not. It is incredibly difficult to create a culture

supportive of ideas and change, to evaluate those ideas, discard the ones that don't work in positive ways (all while encouraging more ideas) and executing flawlessly on the ideas that work. A few items to consider:

- Do you have a culture of innovation in your organization?
- Do you review performance based on people taking risks or do you punish mistakes?
- Do you support initiatives that create cross-functional groups to come up with ideas for improvements?
- Do you have a mechanism for employee and customer feedback?
- Do you use NPS scoring to measure satisfaction?
- Do you measure your organizations performance against its peers and competitors?

Digital Transformation

Digital Transformation, or whatever term used to describe finding the next generation of your organization – is both an important and difficult task to accomplish. You start by optimizing what you do today, preparing for the future by removing barriers and creating flexibility, and then you move into fundamental changes to process, people, and the organization as a whole. The benefit? Harnessing the next generation of buyers, growing and not dying, and getting clear on the products and services that are the core of your organization.

Interested in learning more about how you can take charge of your company's digital transformation?

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