

DIGITAL TRANSITION REVOLUTION

How to build your digital strategy

EQUANTIIS

WHAT IS A DIGITAL STRATEGY?

Every business should be looking at how their technology capabilities can support their overall vision and direction. This is what we call Digital Strategy. However knowing where to start and how to be successful in this ever changing technology world isn't always easy.

If this sounds like your business, you may be wondering just how to create a digital strategy that's aligned to the overall vision, and successfully implement technological change.

To help you understand where to start, this whitepaper outlines the steps required to successfully design and implement long-term improvements.

We'll answer common questions like:

- How do you create a digital strategy?
- How do I get everybody aligned?
- What is the importance of customer experience mapping?
- What steps you need to undertake to successfully implement technology change?

DIGITAL WHAT?

Before we get into the details of this, we need to deal with the elephant in the room – Digital Transformation.

The term 'digital transformation' is certainly shrouded in mystery. It has basically become a meaningless buzzword where no one really knows its true meaning anymore, causing confusion and lack of focus among business leaders.

Let us tell you why.

Up until recently, many business leaders have misunderstood the term "digital transformation," and with such confusion around this term, many have struggled to execute change in their business. To successfully level up your organisation, it is imperative to understand what exactly digital transformation is.

To bring you out of the dark, there's actually no such thing as "digital transformation". In fact, no one has ever fully completed a digital transformation.

The word transformation alludes to there being a set beginning and end. Yet, in reality, a business needs to constantly adapt and pivot in a world of ever-changing demands to keep up with today's markets.

At some stage, every business will need to implement change, and will need a plan which aligns with the overall strategy and delivers the best customer experience.

Where organisations should be heading towards is "Digital Transition".

To transition into a digital world, you need to craft a solid strategy, a business must intently examine all aspects of its operations and question everything with a fresh customer-centric perspective. By questioning everything, including the business' operations, processes, and current ways of working, you will begin to understand exactly what is and isn't working and how this affects your customer's experience.

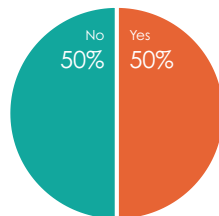
Once you have gained a clear insight into what needs to be changed, you can build out a plan and prioritise the transition.

STATE OF THE NATION

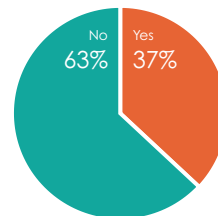
Digital strategy projects are not new. In fact, if you haven't undertaken one you are already well behind. In order to stay relevant and remain optimal, every business will have to undertake some form of a digital project and should be seen as a continual exercise to promote innovation within the workforce. The challenge right now? Digital projects aren't being delivered very well, if at all.

In our recent Digital Leader Summit, we surveyed 165 leaders from different industries. The results from this survey are:

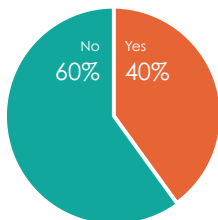
Does your organisation have a transformation strategy?



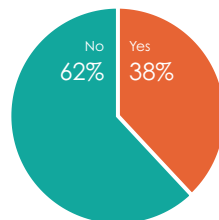
Do you have a clear, actionable Vision for change?



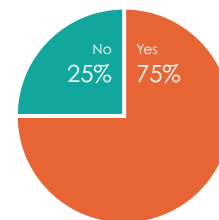
Are you confident in your ability to deliver change?



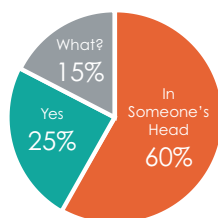
Do you have the right skills internally to deliver change?



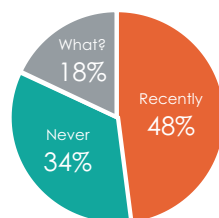
Are the IT department leading your Digital Transformation?



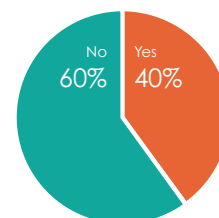
Have your business processes been documented?



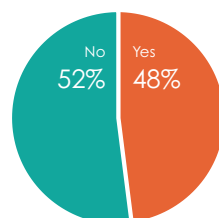
When was the last time your organisation did any customer experience mapping?



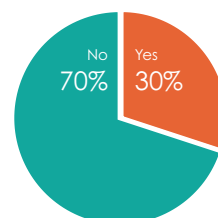
Has your organisation completed a business transformation before?



I.T. is represented at Board Level



Have you the ability to bring out new products easily based on market conditions?



WHY DO THESE INITIATIVES OFTEN FAIL?

Research has shown that 84% of “digitally led” projects fail due to poor leadership, a lack of vision and no understanding of the purpose.

A key challenge right now is for organisations to elevate their leadership teams to really understand digital and how this will enable them to deliver against their vision and strategy. Unfortunately, we are not seeing that happening. We see the common false preconception that as soon as technology is mentioned it becomes an IT issue.

Digital visioning and enablement should be driven by the business not just the IT department, as this is where internal staff need to be aligned and understand the bigger picture of what digital enablement is, and what it can bring.

Assessing your Digital Maturity and Opportunities

As previously discussed, ‘Transformation’ as a term often gets in the way of delivering positive change and practical improvements that provide immediate benefits to your customers.

In the current climate, successful organisations will be thinking about a transition rather than a transformation.

Transition is an agile approach where you make incremental changes that takes your organisation from being fundamentally analogue by design to one that is digital design. This transition enables businesses to quickly pivot in an ever-changing world of priorities.

In the digital maturity diagram below, this is represented by moving from a Digital Maturity Level 2 where you may have digitised your offline processes, to a Level 3 where you have redesigned your processes by fully leveraging digital technologies based around a solid understand of your customer needs.

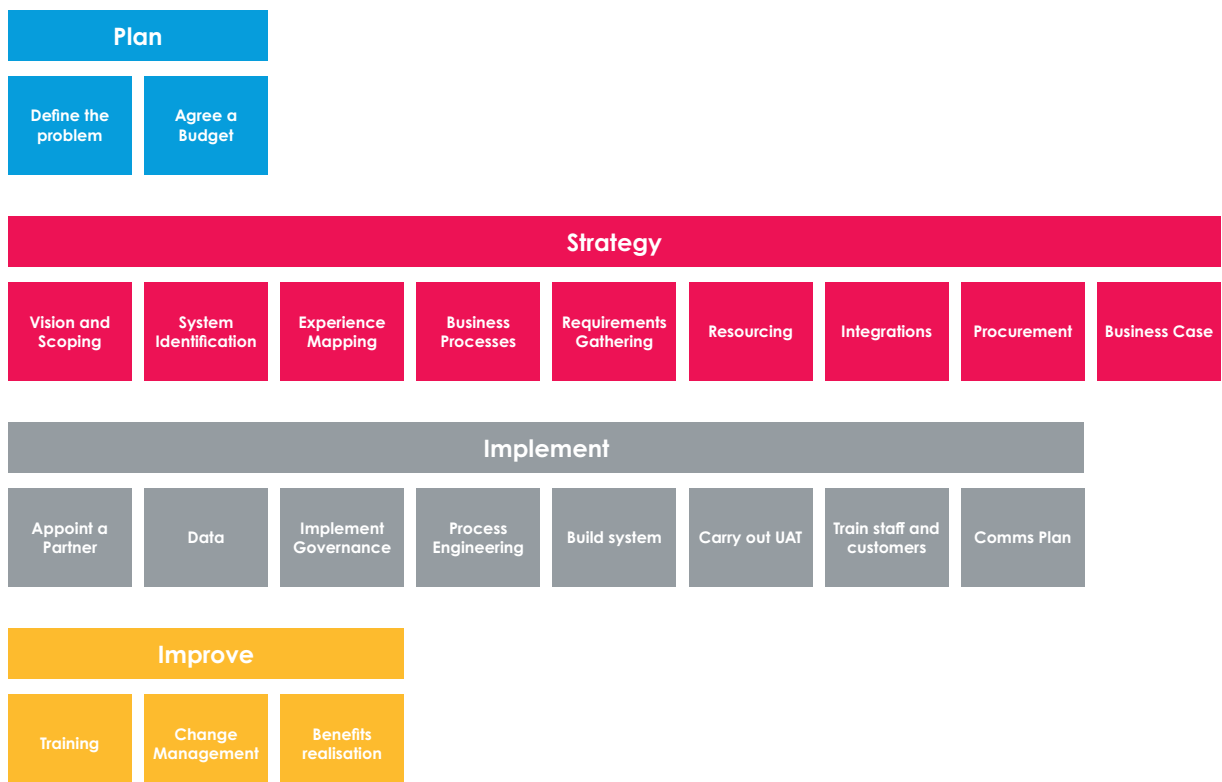
Digital Maturity Model	Level 0	Level 1	Level 2	Level 3	Level 4	Level 5
Use this model to assess where you are and where you want to be on your digital journey	Offline Using mainly manual paper-based processes	Digital Channels Using digital channels but not digital end-to-end	Digitised Services Offline processes have been "Digitised"	Digital Services Processes have been digitally reassigned	Digital Organisation The organisation has been redesigned to work digitally	Born Digital The business model is digital first
The Digital Organisation	Analogue by design			Digital by design		
The Digital Journey	Evolution (Change happens organically)		Transition (Change through specific projects)		Transformation (Change through organisation-wide design)	

Once you've analysed where you think you currently are in terms of digital maturity and where you need to be, you can more easily define the digital opportunities which will help you deliver the best customer experience. These digital opportunities can be brought together in a digital strategy.

YOUR STEP-BY-STEP GUIDE TO BUILDING A DIGITAL STRATEGY

Any technology change that takes place in an organisation must have a clear well-defined business need that aligns with the existing commercial and corporate strategies.

This guide will take you through how to plan, identify and scope your digital project in order to build a business case to successfully implement a digital transition and change.



THE PLANNING STAGE

To execute successful digital transitions, you must begin by planning what you would like to achieve and then allocating an appropriate budget. During the planning stage you need to identify how your project aligns back to a wider strategy that your company has agreed upon, remembering that there is no such thing as an IT project.

Actions

1. Form an internal working group that can come together to address the issue in an informal way. Together, work on understanding the business need that will secure executive sponsorship.
2. Consider if the need is really a problem and if it needs to be solved in order to achieve the business corporate strategy. Then, identify what the challenges are.
3. Next, work together on evaluating the technical constraints. Remember to let the business rather than the IT department lead.
4. Do your research. Speak to your network, friendly competitors and other experts who can provide insight and helpful recommendations.

Recommendations

1. Until you have scoped out the project, you cannot create a budget estimate. However, if you cannot afford the project, then you may need to consider alternative ways to finance it, such as looking at an opex model.
2. When creating a budget and looking for investment, always consider where you can save costs and to adjust your budget accordingly.

GETTING STARTED

Any technology change can be a complex undertaking. Before you begin looking at investing in one or switching to a new one, you need to align your needs internally first. This may start with an idea in one person's head who spots an opportunity or a group of people. The key part is to bring everybody together.

Actions

1. Begin by finding an executive sponsor and creating a project team. Please note that it is imperative to have an executive sponsor for this initiative. If you can't get one, you must stop the project, as it simply won't work otherwise.
2. Then, hold a workshop with the project team and clarify your vision for the project. Consider what you want the project to deliver and outline the constraints you will inevitably face as well as what good looks like. These will be your building blocks for the entire project and any decisions that are made should be referenced back to these. This will ensure that everyone remains on the same page and understands the projects main aims.

Recommendations

1. Check that the vision of the project aligns with the corporate strategy
2. Keep it to one page and make sure it is engaging as it needs to be understood and agreed by everybody.
3. Allow the IT department to have input, but not lead.
4. Be clear on each person's roles and responsibilities.
5. Set clear deadlines.

Vision and System Identification: Less than 1 week



IDENTIFYING THE ROOT CAUSE

The reason why most projects fail is because they focus on symptoms rather than the underlying issues within the organisation. For instance, “we can’t send personalised communications.” What this normally means is “the system is no longer supported or updated by the provider, however, our data is structured in such a way that we can segment the data to personalise communications and improve engagement.”

It’s important to understand the root cause of the problem the business is experiencing and to consider what initiatives could resolve this.

Actions

1. Identify the root cause of the problem and the systems that contribute to it. A new CRM might just be one part of the solution. There could also be changes required within your financing system, website, etc.
2. Identify the technical scope of the project, including what systems need to be reviewed and why. Make sure to understand the impact changing these systems will have on the business. Don’t forget to take into account any upcoming events that could also have an impact.

Recommendations

1. Make sure you understand the contractual obligations of your current systems as these could limit your potential for change.
2. Consider all of the systems across your business. It is best to put everything up for discussion and prioritise accordingly, rather than neglect certain aspects of the business and regret it later down the line.

System Identification: Less than 1 week



UNDERSTAND YOUR CUSTOMER EXPERIENCE

Your next focus should be your customer needs. Many businesses make the mistake of focusing on their internal processes first, rather than on how they can change their systems to improve the experience for their customer.

“You have to start with the customer & work back towards the technology”

Actions

1. Create new organisation wide personas that allow you to clearly identify with your end customer intimately. Use these new personas to challenge yourself when making critical decisions. Talk to your customers, ask them what you could do better. Ask them if there's anything you could improve. Then, your personas will be based on real customers.
2. Once you have completed your persona mapping, identify key tasks these personas undertake and map out the journey the customer needs to take. Then speak with customers and understand their emotional state at certain parts of the journey. Looking at this information, find the root cause of what is causing poor experiences as well as the positive ones. Use this information to inform you on where systems or business process need to to change.

Recommendations

1. Use the personas you created for staff training to help your employees understand your mission and who your customers are.
2. Use this opportunity to capture the needs and unmet needs of your customer to help you with the service design at a later stage.
3. Make sure to factor into your plans the target customers that are not yet onboard with your business.

Experience Mapping: 2 weeks



UNDERSTAND YOUR BUSINESS PROCESSES

Our digital survey reveals that a staggering 64% of businesses do not have their business processes documented or properly understood by their employees. Unless you have a good understanding of your business' processes there is little to no value in updating your technology.

Every business has underlying processes that feed into how their systems operate and the outcomes they achieve. These processes are often stored, believe it or not, solely in someone's head and therefore inconsistently carried out. This means they're inefficient and probably haven't been updated for many years. To successfully deliver better outcomes, it is so, so important that you review and update your business' processes.

Actions

- Carry out a process discovery workshop
- Map out all of the factors that contribute to your business' processes including the touch points, external factors, etc.
- Find the opportunities to improve the processes. Consider where you can leverage technology to do so.
- Make process improvement a continual part of your business operations.

Recommendations

- To motivate your employees to engage with your business' processes, make sure to design engaging, interactive and inclusive workshops. Experiment with adding gamification to add a bit of fun.
- Look for quick wins.
- Gain an understanding of where you can make your business processes more efficient.

Business Processes: 3 weeks



FUTUREPROOF YOUR PROJECT

It's critical to get people to think about what is needed, rather than what you are currently doing. Before you start a requirements gathering workshop, get yourself familiar with what technology can enable and what your peers are doing to give some inspiration. Don't be led or seduced by individual technology products and features.

Now that you have identified each of your business' processes, you need to understand their functional requirements. To do this, you should carry out further workshops with your team to understand how things are currently happening in your business. You can then use this insight to encourage people to think differently and come up with new requirements.

Remember, functional requirements are what the business needs the new technology to deliver such as data reports, etc.

Actions

1. Identify the business functions and SMEs from each.
2. Create outcome-based stories for each of your functional requirements. These will form a part of your partner engagement exercise and help you to focus on a business outcome rather than defining how you will achieve it. For example, 'we want automated online Direct Debit.'
3. Prioritise the functional requirements, then create a sign off process to prevent scope creep.

Recommendations

1. People don't know what they don't know. Make sure to get yourself up to speed on the latest technologies, what your competition is using and what you envision as the future of technology. However, remember to not be led by technology.
2. Complete the 'hold a postcard from the future' exercise by simply asking each of your employees to write themselves a vision of what you would like in 5 years if there were no barriers.
3. Incentivise creativity but use the MoSCoW method to set limits and priorities.

Requirements Gathering: 2 weeks



RESOURCING

Remember this is not a technology project. This project requires multiples levels of investment, not simply a new software license. Without a doubt, people will be the largest factor within this project, so you need to make sure that you have taken all of your staff, as well as any new staff you may require, into consideration too.

Actions

- Consider what additional training you need to give to your staff to successfully implement any changes and each of the following questions:
 - Do you have the right staff to fulfil your vision and business goals?
 - Will you need extra staff for when you go live for support and maintenance?
 - How will you backfill the staff required to deliver the project?
 - Does your staff have the relevant skills to carry out each part of the project such as governance?
- Map out all the other activities in your business, along with who is responsible for delivering them, so you do not overlap.

Recommendations

1. Use a psychometric profile tool like TMS to ensure you have the right balance of behaviours and mindsets on the project.
2. Invest in a resource management tool.
3. Don't forget to continuously review your skills, including what you need to maintain and what you need to improve upon.
4. Consider who you need to take an active role in each project. Ask yourself if you need to back fill them so that they can meet the required deadlines as well as the responsibilities of their day job.

Resourcing: 1 day



INTEGRATIONS

“The action or process of joining things to gather successfully”

One of the key challenges you will face with your technology will be siloed systems that don't communicate with each other. Because of this, it is imperative to create a solid foundation of integration between your systems. Alternatively, you may need to find different ways to connect systems which remove the need for manual processes.

As this is an important consideration, don't underestimate the importance of taking the time to fully scope it out.

How much integration is needed will depend on your business and the complexity of your data. If your data is quite complex, you may require an Enterprise Service Bus (ESB) to help you manage the data effectively. Alternatively, if your data is quite straightforward, you may only need a CRM.

Actions

Find the gaps in your business processes and systems. Use this information to map out what systems need to be integrated.

Recommendations

1. Integrations can easily become overcomplicated. To keep yours simple, consider phasing integrations at a later stage so that the project does not become overwhelming before it even gets off the ground.
2. One size does not fit all. Consider a hybrid approach of using technologies such as robotic process automation (RPA) to bridge the gap and reduce high-effort laborious tasks.

Integrations: 1-10 days



PROCUREMENT

Now that you understand the scope of the project, you can begin the process of finding the right partner. It is essential that you view this as a partnership as this will not be a transactional project.

The relationship you form will be critical to the success of your project. The best partners are those that you can work with technically and commercially and who understand your organisation as well as how best to help you to achieve your goals.

Remember that each organisation will have its own procurement guidelines that need to be respected.

Additionally, respect the market and the volume of tenders that go out. Make sure you do not send it out cold and that you allocate enough time to speak with people. If possible, hold a supplier session so they can hear your vision, ask questions and start to build that relationship.

Actions

- Work out if you need to put this through a recognised framework and if so, which one.
- Make sure the document is fit for purpose. Only ask for information if you really need to. For example, do you really need a bank reference?
- Agree a timeline and scoring matrix to avoid subjective opinions.
- Form a review panel.

Recommendations

- Begin by warming up the market, making sure to leave plenty of time to make your decision. Clearly articulate your problem, as well as your budget, to make your business appealing to the right partner.
- Consider who needs to be involved – security, DPO, system owners, etc.
- Factor in people's holiday and allow sufficient time to review documents. Articulate your timeline clearly so everybody is aware of deadlines.
- Store all documents on a shared drive to collaborate more effectively.
- Agree what “good chemistry” means. Do the company values align with yours?

Integrations: 4-6 weeks



BUSINESS CASE

Regardless of the size of the business, it is always recommended to have a business case. A business case is a document that brings together all the planning and recommendations for the project so far. Organisations that have a more defined procurement process will especially need this in order to justify the spend and gain formal sign off on the project.

Creating a business case is a fairly small exercise and it is definitely worth spending the time putting one together. Although you may not officially need a business case, it is likely that at a later date you will be asked why a certain sum of money was invested in the project and it is good practice to have a business case which you can use to back up both the spend and project.

Actions

- Put all the information from the previous exercises together in one document.
- Articulate the business case in plain English.
- Make sure your business case looks at the entire project, not just the cost of the software.

Recommendations

- Make sure you outline 3 options with one option being “do nothing.”
- Don't write the business case with a recommended conclusion in mind. For example, ‘we need a Microsoft Dynamics platform to...’
- Get somebody to peer review the business case who has not been involved in the project. If they understand the angle, then you are good to go.

Integrations: 4-6 weeks



CONCLUSION

It's a journey not a transformation

Those that are successful in becoming “digitally mature” do so by taking a long-term view. Although there will be events that promote certain decisions and initiatives, digital strategy is an ongoing project more like a marathon than a sprint.

It's one that should be constantly evolving with good governance with no fixed end date.

Take a holistic approach

A digital strategy must be looked at holistically within a business. Although you may be tempted to pass it off completely to the IT department, it is imperative that the digital strategy is led by the business leaders and supported by the IT department.

Yes, your digital strategy will have a technical focus, but it shouldn't be solely a technical initiative.

It's vital that your digital strategy is focused on people; you want satisfied customers, and you want satisfied staff to successfully deliver the products and services.

Questions such as ‘what's in it for the customer?’ should always precede questions such as ‘how do we need to change our technical IP?’

Building out a digital strategy can seem somewhat daunting. There's a lot to consider, and there's usually a lot to do. To help you to understand how to build a comprehensive digital strategy, we've outlined the essential framework to uncover quick wins and change your company behaviours for the better.

Although developing a digital strategy can be daunting, it should be seen as an exciting challenge to unlock so much latent potential within your organisation. However, it is important to not be seduced by software and to remember why you are doing the project in the first place. Don't forget your purpose.

Don't rush! Avoid beginning a project that never ends up being finished because the groundwork was rushed. Above all, make sure to have fun. You are about to build a lasting part of the legacy of your organisation and these projects can take time, so you need plenty of positive energy and drive.

It will pay dividends if you take the time to lay the ground-work up front.

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Let's talk!

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