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INDUSTRY INSIGHTS

Digital Transformation Is An Overused Buzzword

Digital Transformation has become an overused buzzword used by organisations selling basic websites, social media management services, landing pages or other general webservices but it is so much more than that. Developing your first website or adding content to social media is iterative but it is not transformative.

Master your Digital Transformation

Lets Get Past Buzzwords

Digital Transformation is more than a buzzword or fad, it is a fundamental evolution of an organisation to ensure its survival and growth. From the days of the printing press, when water turbines were introduced to power factories or when the conveyor belt brought us mass production, technology has been used to create new products or services, improve operations and scale organisations. Digital Transformation is the current incarnation of this long standing trend with the addition of connected digital technologies.

What Is Digital Transformation?

According to Dell 'Digital Transformation puts technology at the heart of an organization's products, services and operations – to help accelerate the business and competitively differentiate itself – in order to improve the experience for its customers'. According to Gartner, Digital Business Transformation is 'the process of exploiting digital technologies and supporting capabilities to create a robust new digital business model'.

When implemented correctly, Digital Transformation can enable many industries and organisations to use digital technologies to improve operational efficiency, provide customer value and differentiate themselves from competitors. For example: smart cars are becoming autonomous, smart homes provide comfort and entertainment and connected communities share information via platform websites.

Digital Transformation is 'the process of exploiting digital technologies and supporting capabilities to create a robust new digital business model'. (Gartner)

Master your Digital Transformation

Digital Transformation Is Not For Every Organisation

If your organisation resists change, is unwilling to invest in continuous improvement and has an organisational culture that resists change, then Digital Transformation is not for you. Digital Transformation is not solely in the realm of digital native businesses or tech start-ups.

Existing organisations across a wide range of sectors can transform how their business operates with technology and people at the heart of their efforts. Organisations can pursue Digital Transformation by using smart connected devices to capture data, analytical tools to identify & predict patterns and new means of development to improve their products & services.

The speed and competitive nature of business are accelerating. With the exponential growth of processing speed, connectivity and the reduction in memory storage, the rate of technological advancement has outpaced linear business growth resulting in a wide range of advanced tools available to organisations who possess the right vision for how they can be used and the right ability to leverage technology such as artificial intelligence, sensors (Internet of Things), additive manufacturing (3d printing), robotics, distributed ledgers (blockchain) and more.

Organisations must assess how they should respond to changing market, competitive and industry forces. Technology is not a silver bullet to save your organisation but it can be a key enabler of survival and growth allowing you to keep pace with competitor and meet customer demands.

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What Is Driving Digital Transformation

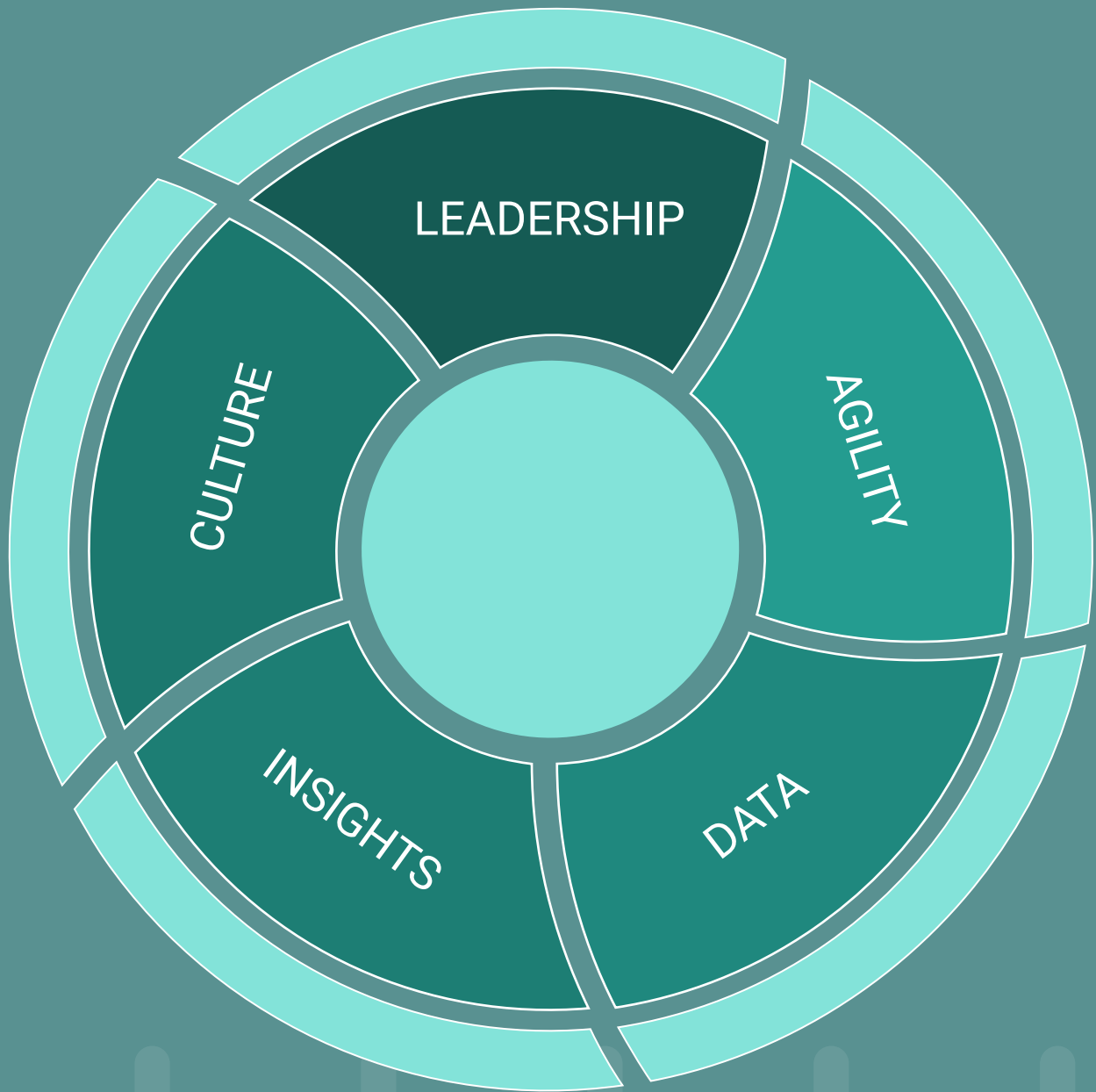
In addition to the exponential growth in connectivity, processing power and reduced storage costs there are a range of factors contributing to the current growth in Digital Transformation. According to David Rogers from Columbia Business School, the following 5 factors are driving Digital Transformation:

1. Customers have evolved from passive targets to dynamic networks that are connected by technology such as social media and online review sites.
2. The competitive landscape has evolved, organisations are also competing with organisations in other industries that can provide greater customer value. Connected (IoT) products allow organisations to transition from a product business to a platform business and gain a competitive advantage.
3. Organisations realise the importance of using proprietary data to generate and act upon insights, narrow artificial intelligence and big data can be leveraged effectively here. Some organisations aggregate third party data and layer it with their own to create additional insights or a unique value proposition.
4. Innovation has become a faster and cheaper process based on experimentation and an agile development methodology rather than a top down and waterfall model, experimentation is key.
5. Rather than defending value propositions through surface level branding, organisations can use technology to add additional features to their products and services for greater differentiation.

Now we know the drivers of Digital Transformation,

What can we do about it?

5 Capabilities for Successful Digital Transformation



5 Capabilities for Successful Digital Transformation:

1. **Leadership**
2. **Agility**
3. **Data**
4. **Insight**
5. **Culture**

Technology Does Not Replace Strategy

Many academics, consultants and experts have stated that Digital Transformation is not about technology. This is only partly true, the right technology is absolutely required but technology is not a replacement for a robust strategy. When implemented correctly, technology can be an enabler to deliver the strategy set by the organisation.

Below are 5 capabilities needed for successful Digital Transformation:

Leadership: Organisations must foster agile leaders and managers who can assess a changing landscape, define their path through it and bring their organisation with them. Leaders don't ignore change, they see technology as a strategic enabler.

Agility: The ability to implement new technology and change their processes across the entire organisation rather than being locked to legacy systems/methods.

Data: The capturing of data at multiple touchpoints and use of online analytical tools. Organisations with extensive physical environments (retails, distributors, airlines, banks, manufacturers etc) will use connected sensors (IoT).

Insights: The ability to combine & analyse that data, derive insights, inform decision making and take corrective action later on.

Culture: Organisations who can successfully adapt their process and support their people on their digital transformation journey.

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Conclusion

Digital Transformation is the adaption of how an organisation operates, it allows organisations to deliver better products/services to market and even neutralize competitive pressures.

Technology is a key element but strong leadership and the right organisational culture are required. Various environmental forces are driving digital transformation such as technology advancement, technology cost reduction, changing customers and organisational approaches.

And remember, the next time you hear about that digital transformation you will understand what it is, what is driving it and how your organisation can benefit from Digital Transformation.

Key Takeaways

- **Digital Transformation uses digital technologies and organisational capabilities to create stronger business**
- **Technology is NOT a replacement for Strategy**
- **5 capabilities for successful Digital Transformation are: Leadership, Agility, Data, Insights and Culture**

Learn More About Digital Transformation



Robert is a Digital Transformation & Digital Marketing Lecturer. He is available for your webinar, conference, event & training.

With nearly a decades experience, he has worked with Hubspot, Digital Marketing Institute, Irish Times Training and others. He is a judge for several industry awards, he is a regular speaker at conferences and corporate webinars. Robert was even shortlisted for the Net Visionary awards in 2017.

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