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INDUSTRY INSIGHT

What is Digital Disruption & Transformation

Successful Digital Transformation involves successfully adapting your structures, process and infrastructure to your current customer needs and market forces

In this guide, we will look past buzzword to explore the real meaning of Digital Disruption and Digital Transformation.

There are mixed views in industry

Digital Transformation is not all that new, many Chief Information Officers may tell you that Digital Transformation is an extension of modernization efforts and process efficiency programs. Many Chief Marketing Officers may tell you that Digital Transformation is the organization's ongoing efforts to adapt to changing customer needs while the Chief Finance Officer may tell you that Digital Transformation is implementing process efficiency and cost reduction programs.

There are mixed views about Digital Transformation depending on which department you sit in but one thing is clear, digital Transformation is not going away. According to IDC 40% of all technology spending will go toward digital transformations, with enterprises spending in excess of \$2 trillion through 2019. According to Harvard business Review, \$1.3 trillion that was spent on Digital Transformation in 2018.



What is Digital Disruption

According to Gartner, Digital Disruption is 'an effect that changes the fundamental expectations and behaviors in a culture, market, industry or process that is caused by, or expressed through, digital capabilities, channels or assets'.

Digital Disruption can be seen as changes in the external environment that lead to organisations having to change their operations and process accordingly. Over a decade ago, we drove to our local video store to rent the latest releases but thanks to streaming services we can watch the latest movies on our smart phone while or our morning commute, we can bank from our phone or book flights without ever speaking with a service agent.

What is Digital Transformation

Digital Transformation on the other hand is 'anything from IT modernization to digital optimization, to the invention of new digital business models" according to Gartner. Technological advances in the external environment force many organisations to change how they operate and even how they provide value to customers.

According to Salesforce, Digital Transformation is 'the process of using digital technologies to create new — or modify existing — business processes, culture, and customer experiences to meet changing business and market requirements. This reimagining of business in the digital age is digital transformation'.

For example, Encyclopedia Britannica had its proud place on many of our bookshelves but with the rise of content online, Encyclopedia Britannica changed its model to become an online content provider. This was not the case for the movie rental company Blockbuster who failed to transition from providing content via an expansive physical store network to an online streaming provider like NetFlix.

How can your organisation lead its own Digital Transformation

Digital Transformation is more than bringing in new technology, it requires change to how parts of the organisation operates. According to George Westerman, MIT principal research scientist, Digital transformation marks a radical rethinking of how an organization uses technology, people and processes to fundamentally change business performance.

Senior leadership must be aligned on a common vision of what to achieve with Digital Transformation and work with mid management and operational staff to successfully implement it. Process will change, staff need upskilling and the organisation must be comfortable with the process of trial and error rather than seeking the instant gratification efficiency from the start. This can be difficult for seasoned management who built their careers on fine tuning their process only to find that the market has moved onto something different and a step change is required.

Digital Transformation can be seen as a response to shifting external forces or upgrades required inside the organisation. Different departments have different views on what Digital Transformation means to them but a unified view is needed. Digital Transformation is not just about technology, it requires adaptation to your organisations people and process operations.



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