Digital transformation must be driven from the top to ensure success

Most South African organisations are looking at how they can harness the latest data, technologies and insights to become more productive, profitable and competitive - whether they're focusing on using machine learning to make sense of big data or whether they're grappli with how they can best engage with and reach mobile customers.

By Richard Mullins 10 Aug 2017

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The challenge is that many organisations still think of digital transformation as a channel, marketing or technology challenge rather than as a profound shift in how the business as a whole operates. The result is that most companies end up with islands of digital excellence across the business, but with little connectio between them. Lacking a coherent strategy, they end up with fragmented business processes and inconsistent customer experiences.

For digital technology to yield the maximum business benefit, it needs to transcend the boundaries of marketing and channels, joining up the customer experience with elements of the business such as sales, customer service, distribution, product development, human resources, R&D, manufacturing and logistics Each of these has a role to play in the customer experience and each of them can be enhanced through data and the insights it surfaces.

Taking control of digital

That's why C-suite executives – the CEO, supported by the Exco and the board – need to take control of digital strategy. They are the people setting the strategic direction for the business and they are the ones who see how the different departments and functions can – and should – join up. It's up to them to chart a digital direction for the business and provide leadership.

The reason that it's important to set a strategy from the top is that digital technology is more than a new marketing technology or distribution channel – it demands a fundamental look at the organisation's busines model. Digital native companies like Google and Amazon did not change the world by grafting web store

fronts and mobile apps to old business practices, but by rethinking how industries should work from the back-office to the customer-facing channel.

When one looks at the problems that many traditional organisations face in digital transformation, they aris because they have only implement digital solutions in certain siloes in the organisation. For example, man retailers who have stepped into digital commerce have not scaled their call centres or their logistics operations to cater for the high expectations customers have from ecommerce sites.

The result? A slick online ordering process, followed by delays in product delivery and an unimpressive, analogue experience when the customer phones the contact centre to complain. Or consider how differen the experience might between interacting with a customer service rep on social media compared to speaking to a call centre agent – one may be dynamic and empowered to think creatively to solve a customer problem, while the other's hands are tied by legacy processes.

Joining the dots with data

An important element here is the company's access to data – what sort of data the business collects, whe it resides in the organisation, how different divisions in the enterprise define data attributes, and the politic of sharing data. With the right strategy and enterprise architecture in place, departments could be sharing data to make the business as a whole work better.

For example, putting marketing's data about social media sentiment in the hands of the R&D team can provide insights for product development. Likewise, giving marketing access to customer service's information about product failures, complaints and compliments can help sharpen the brand's value proposition. And joining up the HR strategy to customer experience can boost customer satisfaction.

The CEO and his or team have the power to mandate sharing of data and to facilitate a common framewo for digital transformation. They can also look at the business model and the trade-offs in a holistic way – What will it mean to move more sales online? Where are the next disruptive threats to our business comin from? How do we take advantage of new revenues without damaging our legacy business? How much budget do we allocate to innovation and to improving existing processes?

Businesses that succeed in the digital age will be those that drive digital transformation from the top as a strategic imperative. Only senior leadership has the authority and the holistic view of the business needed reimagine the enterprise as a digital business, and to drive through the changes to the operating model th are necessary to bring the digital vision to life.

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