Getting Digital Transformation Right

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Digital transformation is more than applying digital technology to create incremental operational efficiencies. A company can digitize a previously manual process to make an existing process better—but that is incremental improvement. Digital transformation is a larger, bet-your-business proposition.

For one thing, digital transformation efforts are intertwined with customer experience (CX) and CX improvement is done using digital technologies. A new survey from Altimeter Group on the State of Digital Transformation finds 54 percent of companies are fast-tracking efforts to improve and integrate omnichannel CX. That same survey found CX to be the second-biggest digital transformation driver, right after capturing growth opportunities in new markets.

Research has shown that although many companies are trying to transform using digital technologies, many of these projects go awry or are abandoned before completion. A survey by Wipro Digital, for example, found that only 50 percent of companies are successfully executing on their digital transformation strategies.

The upshot of these findings is that if a company gets digital transformation efforts wrong, the results can negatively impact CX and make it difficult to obtain and retain customers. Clearly, getting digital transformation right is a business imperative.

Transformation that results in better CX and company growth sounds great, but how do you get there? Which technologies—cloud-based apps, artificial intelligence (AI) or knowledge management (KM)—should be applied? Certainly, trying to custom-build solutions in a best-of-breed fashion can be difficult. Because of this fact, part of the answer lies in finding foundational technologies that can be adapted for multiple digital transformation objectives.

It is a mistake, however, to lead with technology. Issues like getting digital transformation project leadership and breaking efforts down into smaller phases are just as important as the software you'll leverage. Get the human elements right first, while looking for technology solutions that serve core roles like advanced analytics and knowledge management.

Digital transformation governance

Since digital transformation efforts are crucial to business success, it's important to focus first on the project management or governance aspects of digital transformation, including elevating involvement to the highest levels in the company.

Why? Digital transformation, by its nature, isn't departmental. Transformation that works across channels—and throughout the product lifecycle—needs the backing of top executives and collaboration from multiple departments to succeed.

For example, an outcome such as better customer support across channels might involve chatbots on a website governed by one department but also field service operations led by another group, and product revisions led by another. Coordination between top functional leaders, overseen and driven by a C-level executive, will ensure alignment for the digital transformation objectives.

As for top executive involvement in this initiative, if a company is really out to transform, top leaders

must drive the change. Digital transformation leadership may simply become part of a CEO's job description. In fact, in its [Digital Transformation predictions](#), IDC foresees that by 2022, the chief digital officer title will be on the decline, while 60 percent of CEOs will have spent part of their careers leading digital initiatives.

With this urgency and context in mind, it also helps to take a phased approach to digital transformation. While you certainly don't want a collection of disjointed projects, there should be incremental improvements that build momentum and show payback.

Think in terms of more specific outcomes you can phase in as part of a more ambitious digital transformation vision. The journey becomes more manageable in bite-size chunks—and less prone to being just a slogan.

Perhaps the biggest piece of advice is to make the transformation objective customer-focused, not company-focused.

We have a lot of data about customers, which we can slice and dice to understand their buying patterns and recommend purchases and target them with promotions. But to succeed at CX-focused digital transformation, interactions need to be analyzed from the customer perspective. Think in terms of the lifestyle interests or business needs customers are trying to solve when they turn to you and make sure the various touchpoints you have (or create) help meet these needs.

Is that new chatbot just saving your company on staffing costs, or does it actually give good answers to customers while escalating to a human (when needed) seamlessly and intelligently? Digital transformation deliverables like these should be judged by how they'll be perceived—and used—by your customers.

To their credit, many organizations already conduct extensive customer surveys and research as part of their Voice of the Customer or VoC programs. It makes sense to blend VoC feedback and direction with any transformation efforts that intersect with CX.

Single source of truth

There are many technologies that can be part of digital transformation programs, and many of these can help CX. Chatbots driven by artificial intelligence and IoT and connected devices can make CX more effective or present a new way of interacting with a company.

Digital technology and smart connected products result in additional points of interaction for customers. This can be great if you want to grow through new channels, though product-as-a-service offerings or simply by making customer interactions more efficient.

But interacting with customers across multiple channels and devices also is a challenge in that you want to present consistent information that is nonetheless tailored to each channel or device. To meet this challenge, companies need a software foundation that allows them to create a single source of truth to feed content through all channels. Once in place, this foundation can serve multiple digital transformation and CX programs, rather than being a one-off system.

The single source of truth doesn't have to be one big database, but rather can be more of a central foundation for gathering and authoring content. Think of this foundation as a knowledge ecosystem which can turn data into information and deliver effective content via the touchpoints. Each channel of your knowledge ecosystem will require a different version of the same answer. These slight variations will be the difference in winning customers' loyalty or having them look elsewhere.

Curate and coordinate

In culinary circles, a well-curated meal is one where the courses complement each other, and the wine or dessert hits just the right notes. The metaphor works for our purposes here, too. When you present content digitally to customers, the information should be tailored to the strong points or limitations of a particular channel or point of interaction. In short, it's about presenting consistent

information tailored to the delivery medium or touchpoint.

To accomplish this goal, companies need to establish a content curation process to ensure that information you present to customers is purpose-fit to each channel and targeted to the right audience. With the foundation of a single source of truth in place, you can refine crucial customer-facing content for consistency and value. People in your company should have easy-to-use authoring tools that allow them to generate and refine content that matches what the customer needs at every touchpoint.

The organization's content foundation should also be able to create a solid digital orchestration workflow. Frictionless CX can be an apt term, but it's just a buzzword unless you have workflow tools to orchestrate the processes that culminate in CX touchpoints.

Ideally, employees should have digital workflow tools for driving interdepartmental collaboration, incorporating customer feedback, and quickly updating procedures. Orchestration can be thought of as how the right information can be modified dynamically to present an effective information payload to the channel or person needing it—in a timely manner.

Continuous improvement

Transformation and CX are continuous in nature. You are never really "done" with digital transformation, especially CX-focused efforts, as you have to constantly refresh your systems with what you are learning from customers via social media, chatbots, call center systems, and all other touchpoints. To this end, the organization needs a means of supporting a social continuous improvement feedback loop.

Customers should be at the center of digital transformation, but you need mechanisms in place to stay in sync with what you learn from them. Your single-source-of-truth foundation and supporting tools for workflow and orchestration should be able to support the type of feedback loop you need to keep information fresh—and aligned with how customers are interacting with you across channels and devices.

Amid all of the digital transformation tech hype, do not forget that there are still people involved from inception to management, even with AI. Additionally, we need to keep in mind that no major transformation project will succeed without a great baseline of processes in place.

Without easy ways to orchestrate people and processes and refine and manage knowledge, digital transformation efforts can end up creating silos that don't serve customers well. One of the most important aspects of a true—and successful—digital transformation effort involves doing away with the 'information everywhere' syndrome. Instead, it gives way to a single source that serves up the same branded and compliant information—regardless of the channel.