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DISRUPTING YOUR BUSINESS AND INDUSTRY THROUGH DIGITAL TRANSFORMATION
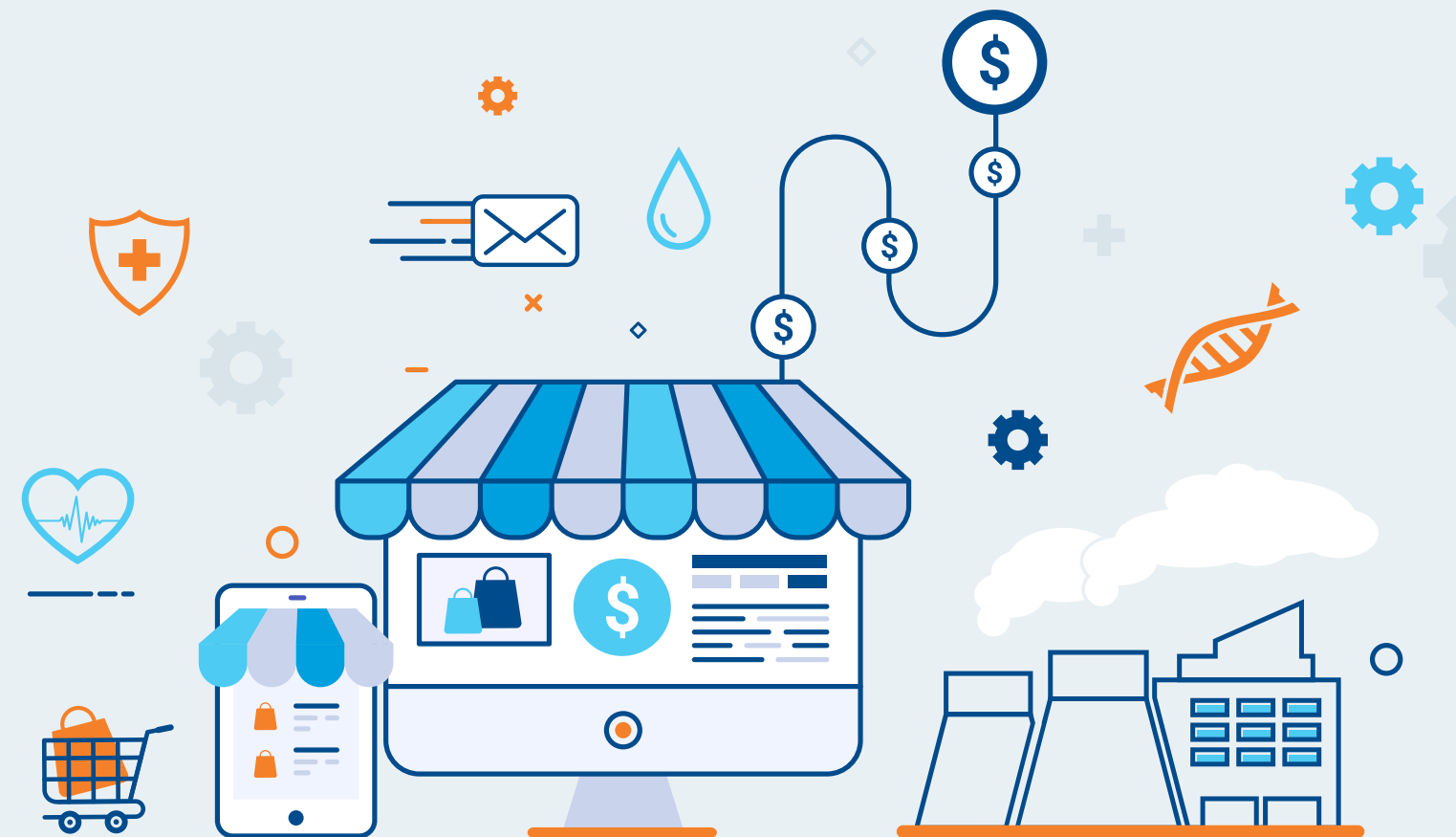
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INTRODUCTION

Today's world
is driven by

DIGITAL TECHNOLOGY

There is no way around it. From our modes of communication to how we shop for new products to how we conduct business, the digital experience has become a major part of our lives – and even more so after the COVID-19 pandemic. This sentiment surely isn't going to change any time soon. In fact, there are only signs of it increasing and expanding as we move further and further into the 2020s and beyond.

With that said,

The old way of doing things is effectively just that – the old way. Businesses – smart and successful businesses – are fundamentally changing how they deliver value to customers. They are working to make the necessary adjustments, improvements, and transitions to remain relevant and competitive in an increasingly digitized world

Businesses not only have to change the way they do business, but they must be prepared for continuous change and recognize that the status quo will never again be an option.

With that in mind,

This eBook is designed to provide you with the insight you need into the process of accelerating your business' digital advancements. You can begin to formulate your modernization plan and think through a clearly defined process that can help you get started.

So, if you're ready to begin,
let's move into our first topic of discussion.

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What does

DIGITAL MODERNIZATION
really mean?

"**The answer to that simple question is that digital modernization (and digital transformation) are quickly becoming overused and ill-defined terms. They are used as simple proxies for a range of activities designed to help your business innovate, adapt to new consumer behaviors, streamline your operations, replace legacy systems, move your data to the cloud, and a host of other actions that redefine or retool significant parts of your business' operations.**

In other words, you can't just "digitally modernize" or "digitally transform." They are terms that are too broad and provide no clear definitions of what actions need to be taken. According to Gartner, digital modernization is "the use of digital technologies to change a business model and provide new revenue and value-producing opportunities; it is the process of moving to a digital business." At Programmers, we think that is the right way to think about it.

In fact, many CIOs and organizational leaders don't like the phrase "digital transformation" either. It suggests that the goal of your effort is to improve technology only. It is certainly not. Your goals should be business transformation and perpetual business improvement– facilitated by technology, the means to an especially important set of ends.

Nonetheless, some leaders still talk about it in that vernacular, so let's take a look at some important statistics around digital transformation. First, nearly 90% of senior business leaders believe that digitalization is an important priority for their company. From there, more than 60% of company CEOs say that they already have a digital transformation strategy underway. However, 72% claim that their company has failed to meet their revenue expectations after digitalization, while nearly 70% of companies missed their profit growth expectations.

So, what does this tell us? It tells us that business leaders obviously see digitalization as an essential process – however, it is also clear that there is not enough of a consensus on how to successfully approach these activities. It is estimated that in 2018, while $1.3 trillion was spent on digital transformation, $900 billion went to waste (Harvard Business Review).

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Business Evaluation First,
Technology Evaluation Second

It's critical to understand that technology does not come first in this process. It's not about "digital." It's not about technology or systems. New platforms, cloud migrations, and other technologies are just a means to an end. Technology should not be built for technology's sake – and if it is, will likely end up just giving you shiny new toys, but no meaningful business impact

Instead, start with a top-to-bottom analysis of your business processes and products, looking to identify how your current digital platform provides true customer value. The areas you'll want to review include:

01: Stakeholders' choke points and pain points

02: Unmet customer needs or wants

03: Significant opportunities for business growth that are stalled or have not even begun

04: Improved financial performance

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If, through your evaluation, you discover your products or systems are not meeting stakeholders' needs, these are the areas on which you should focus. Applications that lack the flexibility and capabilities to keep pace with the demands of digital business may be impeding revenue growth, creating unnecessary expenses, or creating an unnecessary risk of liability.

Digital transformation doesn't start with a technology idea. It starts with identifying the drivers, both technology and business, that can move your business forward. It isn't about changing your business model – it's about using digital technologies to execute your business model.

Why Do Companies Need
To Digitalize?

Other than avoiding the ash heap of businesses gone by, why do companies need to digitalize?

The answer:
to embrace digital technologies to facilitate a continuous process of business transformation.

An article penned by Eugene Xiong, the Founder and Chairman of the Board of Foxit, talks about the reasons why digital is so important for businesses in today's world. Written during the early stages of the COVID-19 pandemic, when there was an even more rapid shift to digital technology, to facilitate our newly classified "socially distanced" work-from-home" lives, the article points to the necessity of digital technology to maintain some semblance of normalcy during those unprecedented times.

In the article, Xiong says, "it behooves all of us to continue migrating from a brick-and-mortar mentality to a digital business mindset whenever and wherever possible. While companies like Netflix, Google, and Amazon are leaders in the shift to digital business, virtually every company can benefit from digitalization particularly during times like these."

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Business transformation requires not only new technology, but a cultural shift from top to bottom, and buy-in across an organization to make your transitions smooth and smart. Mindset and cultural shifts are steps that do not require many resources or technological expertise to achieve but are just as important as coding

We still haven't really talked about the benefits of digitalizing – and these benefits will underscore the need.

01: **Customer Demands**

At the very heart of the benefits that come along with digitalization is customer experience, in a B2C or B2B environment. B2B and B2C audiences might have vastly different requirements, but the need for business models to keep pace is no more essential in one vs. the other.

At the heart of every business is customer experience. Get behind your competitors in customer experience and your business will stay behind, too. Customers will appreciate:

- Increased and improved access and engagement, time savings, cost savings, more fun, or any way in which you can improve their interaction with your business.

- Meeting customers where they are is a key innovation objective and from where you must formulate your strategies.

- By digitalizing the ways in which your customers access and interact with your business or brand, you can meet them where they are, which drives traffic, leads, conversions – and ultimately, profits.

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02: Increased Productivity and Employee Empowerment

The one word that always seems to come into play when talking about digitalization is "efficiency." Driving efficiency in your business processes, in your employees' tasks, and in your operations will only help to benefit your business.

With that in mind,
technologies like automation and machine learning could work wonders in making your business more efficient from day to day. These technologies help to eliminate manual tasks and free up more time for your employees to focus on areas that might be more important, like customer service, IT, network security, sales, etc.

03: Actionable Data

At Programmers, this is likely the most common problem clients come to us with: "We have so much data, but we don't know how to organize it, visualize it, or make it work for us." Digital transformation efforts should be focused on a complete evaluation of your most critical metrics and using technology to make them accessible and actionable. An increased focus and usage of artificial intelligence and machine learning are a couple of the ways to extract the data insights you need.

Programmers recently helped a large fast-food chain do just that. The starting point of the solution for this chain was the Programmers INSIGHTS Solution – a combination of business expertise, algorithms, and cloud services built for different business scenarios, applied as an MVP (Minimum Viable Product). The solution, proposed and developed by Programmers, employed artificial intelligence and advanced analytics tools, giving the chain the technologies to model hundreds of millions of orders to inform their promotion strategies and approach to product bundling.

Said the chain's marketing coordinator: "We had all this information…but we never worked with it this way. It will be a new world to have this kind of vision…" into our business. "This experience changed our minds about what we can extract from our data, which is far more than what we were accustomed to. It opened the door for new modes of analysis going forward."

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That's the power of using digital tools to transform a mission-critical business process.

Increased Profitability

Remember earlier when we pointed out some interesting statistics regarding digitalization? We said that a large percentage of businesses report failing to hit their projected profits after digitalizing. So, considering this, how does digitalization increase profits?

Efficiency and productivity are two core areas that any business needs to succeed. If you aren't reaping the benefits financially from digitalization just yet, then you likely aren't operating as efficiently or as productively as possible just yet. In this case, it's time to revisit your efforts and see just where the bottlenecks are, so that you can continue to free up time and allow your employees to dedicate their attention to those profit-driving tasks.

Is It Time To Digitalize?

So, after learning more about why companies digitalize and the benefits that come along with it, what do you think? Is it time for your business to digitalize? Let's talk about that next.

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> "If you haven't started, or aren't sure you are on the right path, it's time to get your organization to rethink old operating models, figuring out how, where and when your customers want to be served, and creating the tools and technologies to increase your speed and agility to be able to respond to competitors and shifting consumer demands."

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I Think We Need To Modernize
Now What?

Have you reached that point yet – that "aha!" moment? If you have, then you've arrived at the right place. Unfortunately, transforming your business isn't as easy as purchasing a few new fancy computers, doing some cloud migration, or buying a new data analysis platform.

It's about reevaluating your value proposition – what problem are you solving and how can new digital tools assist? Your value proposition needs to be based in digital technologies in order to truly be successful in a digital world.

So, with that said, what do you do? Where do you go from here? Where do you begin?

❯ The Path Forward

Most importantly, you need to begin by determining just what business operations need to be improved or reinvented. What will it mean for your business to digitalize? How can you incorporate digital technology into your daily work flow to make your business run as efficiently as possible and to make your employees as productive as possible – both critical aspects of a successful, profit-driving digital transformation.

❯ Identify Partners

It should go without saying, but most business leaders are not proven, experienced experts in digital technology. In fact, many SMEs have IT experts to keep their systems running, but not to create new corporate strategies and that is to be expected. Without technology professionals embedded within your ranks, how can you begin to bring some of your digitalization needs to life?

As a business leader, you're likely bogged down with running the business, so finding the time in the day to learn all about innovative business technologies and design a strategy to implement them into your business might not be possible.

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The most valuable partners are ones that have taken this path before. They can help you avoid common pitfalls and provide valuable guidance, including:

01: Assessing the organization, offering an outsider's perspective and analysis. All too often, when their day-to-day focus is maximizing the value of existing, internal tools, it's hard for internal team members to see the forest through the trees.

02: Ensuring that the planned activities are ones that will truly add value, save costs, and/or improve the customer experience.

03: Keeping operations running and avoiding disruptions to current processes.

04: Helping you manage the time and complexity necessary to make this effort a success.

Not to worry – there are plenty of resources and partners out there who can help you get started. For instance, at Programmers, we work with businesses to help them modernize in a way that is most conducive to their needs, their preferences, and their vision for the future.
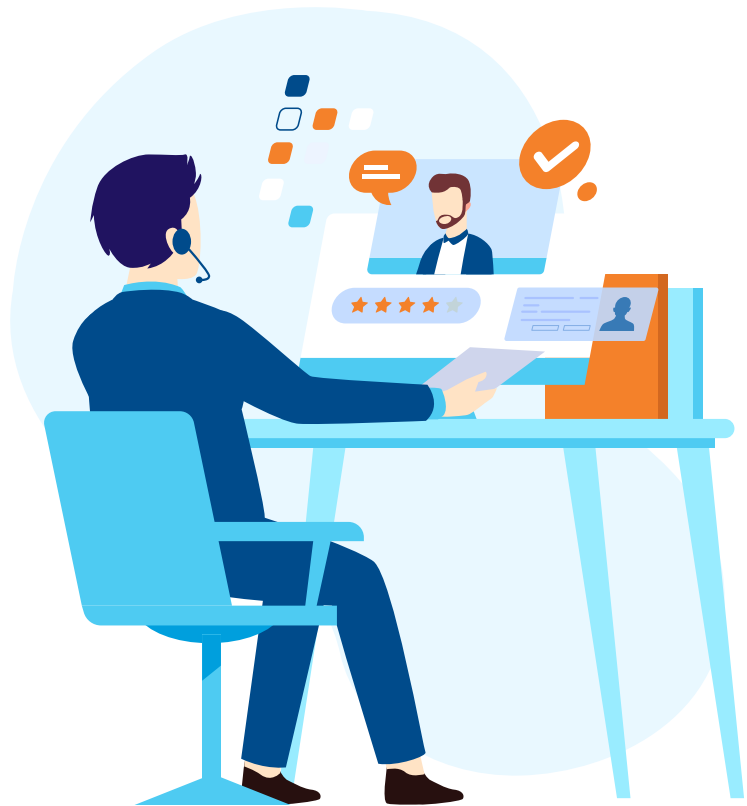
We work with them directly to define what digitalization means for their business, and then we design a comprehensive transformation strategy to provide our clients with clear steps and benchmarks to hit every step of the way. With a focus on driving efficiency and productivity, we aim to make the process of digital modernization simple and painless.

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❯ Stay The Course

Lastly, if you believe it's time to begin your digital modernization process, then don't walk back on it. In other words – follow through and stay the course. Recognizing the need for a business transformation is the first step. It gives you the perspective you need to analyze where your business is today, and where you want it to be tomorrow.

Remember, business in today's world is just as much about change and evolution as it is about profits. Change can be good when implemented the right way – and that is precisely how a digital transformation can be successful.

Do you want to digitalize your company, but don't know the right investments to help increase the operational efficiency of your business? Take our five-minute assessment and see how your stack, stacks up.

[Click here to take the assessment](#)

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Initiate projects and begin transformation

Share plans with the appropriate stakeholders

Outline processes with your partners

Identify partners who can help you evaluate your needs

Commit to innovation and continuous transformation

Assess your business model for digitalization opportunities that will have impact

Evaluate your customer experience

Identify ideas to improve employee productivity and corporate profitability

Assess how well data flows through your organization and how actionable it is

The Process

While the process will differ from **business to business,** there are a few **concrete steps** or ideas that you might want to **consider** as you plan out your **process** from **start to finish.** Let's **break down** some of these concepts down below.

❯ Where Is Your Business Currently?

You cannot plan ahead for the future if you aren't entirely sure where your business is at right now. Assessing your current customer relationships, your current finances, your current capabilities, and your current value proposition will be critical in moving forward with a digital transformation. Determine where you are and envision where you would like to go. Everything in between will serve as the space within which you will plan and tailor your digital transformation.

❯ How Will You Do It?

You need to have a clearly defined and planned strategy in order to successfully transform your business digitally. Again, this can begin with your own IT team, or you can choose to outsource your digital transformation strategy developement project to a firm like Programmers. From there, you will use this strategy to achieve your objectives in the short term and long term.

❯ The Right People Matter

Having the right people in place to help guide you through the transformation is critically important. You might want to consider bringing in new people, if your current personnel doesn't have the skills that they would need to successfully navigate such a sharp change. Having strong and unwavering leadership during your digital transformation is critical as well. Remember earlier when we mentioned that a majority of businesses fail to reach their profit expectations after digitalizing? One of the reasons why this might happen comes down to having the wrong people in the wrong places - they aren't able to drive efficiency or increase productivity.

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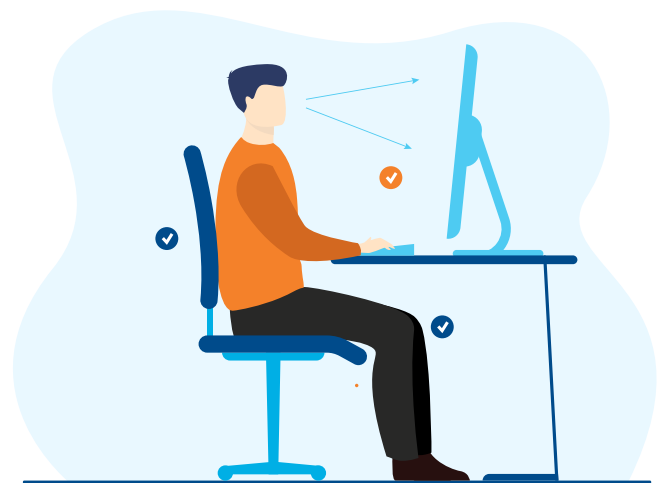
Get Your People On Board

Getting your entire team of employees to buy into the digitalization process is going to be the single most important thing you can do before beginning your transformation. If you have a handful of employees who reject the idea of modernizing, you might have trouble achieving peak efficiency and productivity – and that might hold your business back from achieving your objectives. Keep things clear, transparent, and open, so that employees who are on the fence can ask questions, learn more about your intentions, and get a feel for how things might look once your transformation is complete.

Get Started

You need to start somewhere. Beginning a digital transformation will always be a better decision than avoiding it. Remember, the world is not going to suddenly forget about digital technology and go back to the "old way" of doing things. In fact, digital technology is likely to become more and more ingrained in our daily lives, and with that, we will become more and more reliant on it. This means that business owners who choose to transform and modernize will automatically give themselves an advantage over the competition.

Process vs. Project

Business transformation is not a project. It is, as we've discussed above, a continual process. There is no clear end. Companies should look at their digital assets and capabilities as products, and work on perpetually evolving those.

Most importantly, the value of continual progress is, well, continual. You don't have to wait until the end of a full project to see its value. You can build value as you progress and improve the time to value ratio.

Evaluate the Core Technology Areas that Need Modernization

A good place to start might be the Programmers digital readiness assessment. Spend less than five minutes completing our short survey and we'll give you a cursory look at where your business stands on the digital-ready spectrum and suggest some next steps for you.

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Conclusion

You are now up-to-speed on digital transformation, but you still may not know what your business needs to do. We can help. Visit our site and spend less than five minutes completing our short assessment. We'll give you a cursory look as to where your business stands on the digital-ready spectrum and suggest some next steps.

If you are interested in working with a dedicated team of consultants, digital specialists, and transformation experts, contract Programmers today to learn more about what we have to offer. We would be more than happy to support your business in your efforts to modernize and begin a digital transformation.

Still not sure about your next steps in your journey? We can help. Consider the Digital Readiness Assessment discussed above or drop us a note at info@Programmers.com.

About Programmers

Over the past 30 years, we have helped major brands in their business innovation, accumulating expertise in agile development through advanced technologies, such as Big Data, Machine Learning, Artificial Intelligence, Analytics, Cloud Computing, and others. Download our ebooks and check out our case studies and blogs to learn more about we can help your organization thrive.

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