

GUIDE

HOW TO KICK-START YOUR DIGITAL TRANSFORMATION JOURNEY

Over the last few decades, the internet has had a tremendous effect on our everyday lives. Hardly an hour goes by when we are not reaching for our phones, tablets or laptop computers to check our emails, plan a journey through an online map or verify a fact using the power of a search engine. Without doubt, the internet has digitalized many of our daily activities, making our personal lives easier, more convenient and more efficient than ever before.

The digitalization of our personal lives has unsurprisingly reached into the business world. Nowadays, companies benefit hugely from the efficiency gained by moving information, processes and human activities online, streamlining business operations and gaining and maintaining a competitive advantage. Those that resist digitalization not only miss out on the immense efficiency gains it offers, but also risk extinction in a progressively digital world.

Despite digital being omnipresent, many business leaders and business owners remain somewhat in the dark as to what exactly digitalization or 'going digital' means, how it will affect their own corporate situation and how they can go about harnessing its power for their organisation's ends. This guide should clear up some of the doubts around going digital, how to kick-start the journey towards digital transformation and how to exploit technology and new business models to digitally transform to gain an ultimate business advantage in an increasingly digital-centric world.

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WHAT IS DIGITAL TRANSFORMATION?

Digital transformation might be the current buzzword describing anything even mildly digital-related, but there remains a high degree of confusion around what exactly it means. In fact, if a group of business professionals from a range of sectors and backgrounds were asked to define digital transformation, it is likely they would come up with a wide array of explanations based upon their various experiences and standpoints.

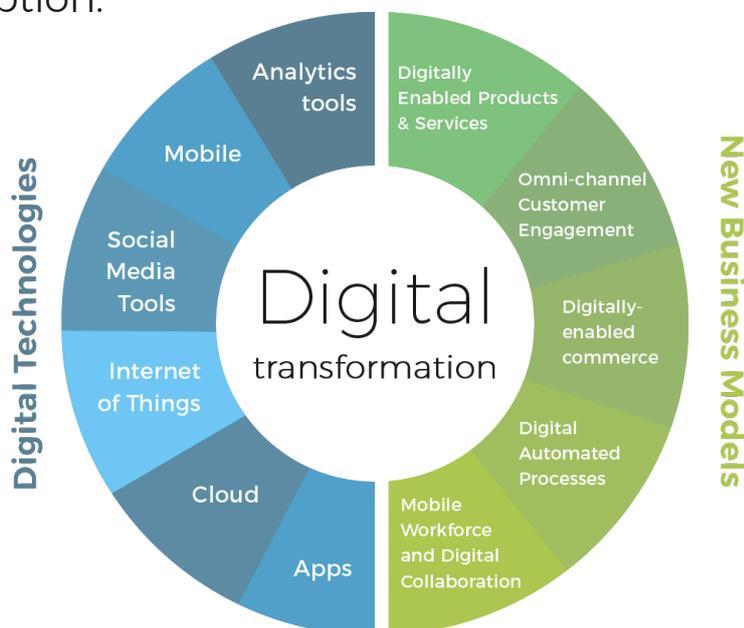
In order to remove the uncertainty, let us look at the definition of digital transformation by considering the definitions of digital and transformation separately.



DIGITAL refers to any existing or new technologies and tools used to go digital, including analytics tools, big data, mobile, social media tools, the Internet of Things (IoT) and a number of platforms on which to share digital capabilities like Cloud and online app marketplaces.

TRANSFORMATION, on the other hand, is the conversion from one state to another - from an 'as is' to a 'to be' state. In business terms, it represents the whole-scale change to every fundamental component of an organisation in order to increase its performance by leveraging new business models.

Digital transformation, therefore, can be defined as the **whole-scale change** we see in an organisation when applying **digital technologies** and **new business models** to increase its performance or shield it against disruption.



The result of digital transformation is the whole-scale transition from traditional business processes, activities or models, to a more digital-first approach, integrating new, innovative solutions to streamline operations and transform business operations.

WHY IS DIGITAL TRANSFORMATION IMPORTANT?

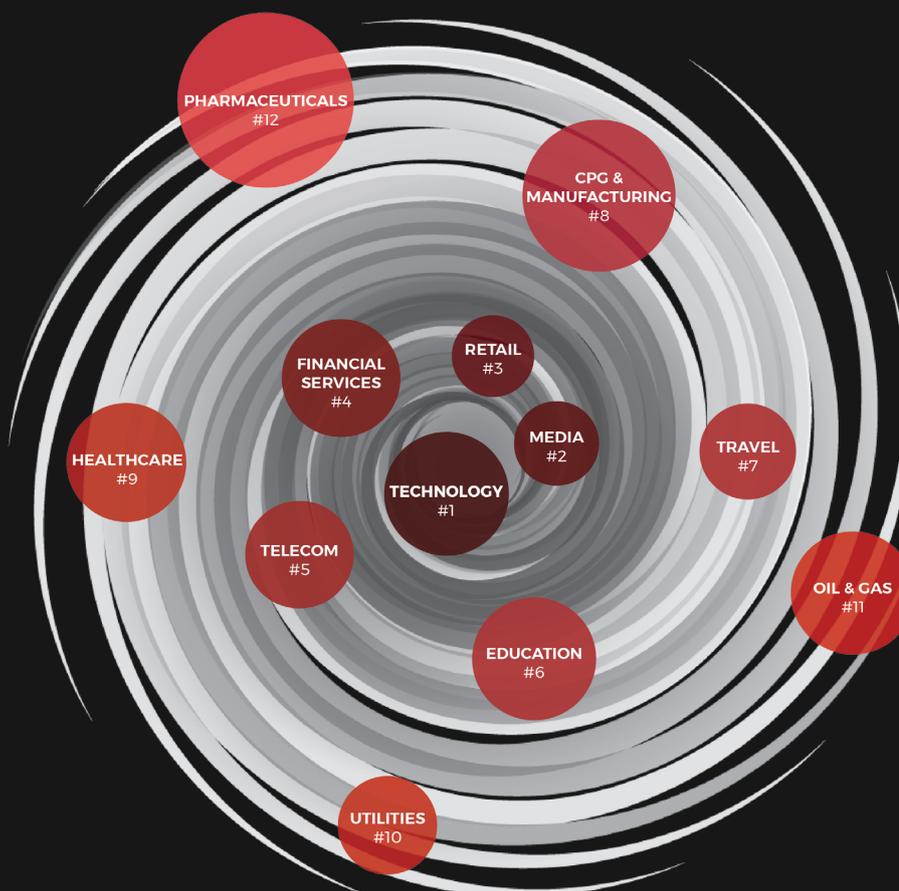
The reasons for undertaking digital transformation are twofold.

■ **First and foremost, adopting digital technologies drives the increase in business productivity and efficiency.** By fully automating all manual business processes and making all business information sources available in one centralised place, better communication and collaborations between departments, business units and individuals are facilitated, which consequently leads to better prioritisation of tasks and free up workforces for value-added activities.

■ **At the same time, it is equally important to avoid falling prey to disruption predators** – the Ubers and Airbnbs of the world. They use digital technologies combined with new business models to disrupt existing industries, claiming enormous rewards in the process. Yet, although digital transformation acts as a catalyst for industry disruption, it can also act as the antidote for it. So by embracing it sooner rather than later, organisations can avoid becoming the prey in this digital era where the stakes are clearly very high.

Naturally, certain industries are more vulnerable to disruption than others. The Digital Disruption Vortex illustrates the threat that different industries are subject to as a result of disruptive technologies and outlines the risk companies in the more susceptible industries face if they do not embrace digital transformation.

Digital transformation is inevitable to the point that it has become irreversible. You can say we are already engulfed in it and its adoption should be considered a priority for every progressive business leader and owner, regardless of their industry.

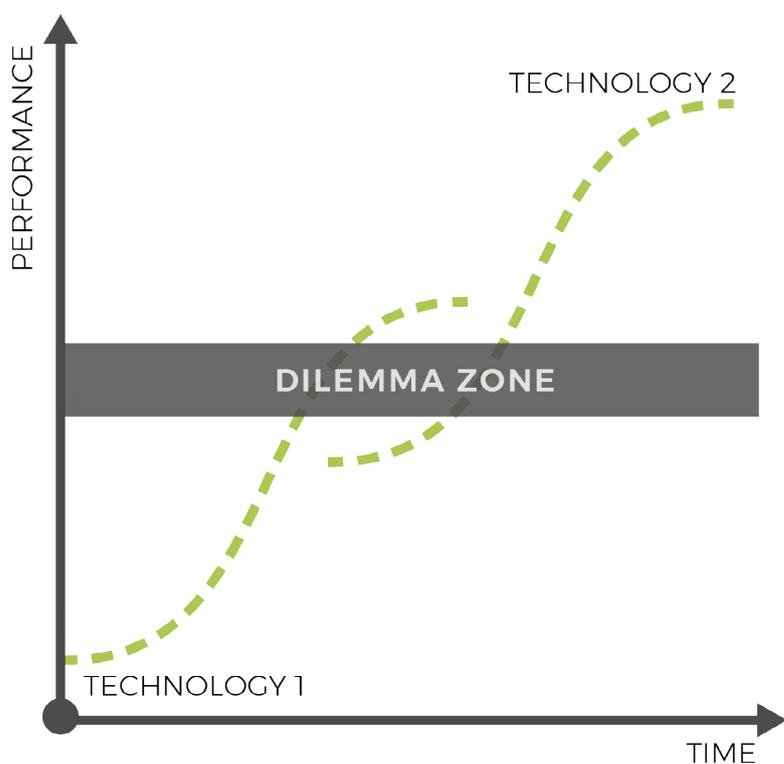


When and how to start Digital Transformation?

Most organisations have a natural change inertia – this is the natural resistance to changing the status-quo. This reluctance to adapt and evolve poses particular challenges when the transformation process is long and when the outcomes are not immediately visible.

Digital transformation programmes are a combination of **long and short running initiatives**, the effects of which only become visible as progress is made. This is particularly felt at the beginning of the digital transformation journey, when the traditional ‘as is’ technologies and methods of working are seemingly easier and the results are those expected. The new ‘to be’ technologies require a **learning-curve** and higher levels of **commitment**, with initial results that can seem frustratingly poor.

However, in time, the new ‘to be’ technologies become **less expensive** to implement and **easier to use**. This can be described as the Innovator’s Dilemma - the phase in the transition from old to new in which the ‘as is’ methods outperform the ‘to be’ technology. But, as we can see in the graph, the current methods and associated business models will inevitably become obsolete, whereas the new methods will imminently take **performance levels to new heights**.



INNOVATOR'S DILEMMA

Therefore, being conscious of this unavoidable phase in the digital transformation journey, and reducing expectations that the ‘as is’ and ‘to be’ technologies will be compatible - as this will not always be the case - gives business leaders the **awareness to push through the Innovator’s Dilemma zone and ensure the company does not admit defeat mid-process.**

Starting a digital transformation journey can be a challenge. Some may consider waiting for the 'thing' after digital transformation to be the most convenient solution to the problem. But digital industry 4.0 is built on the principles of digital transformation, reaching into all industries, departments and business units.

Recognising the importance of starting a digital transformation journey is essential for companies whose ambition it is not only to survive future developments and disruption, but to truly **thrive**.

Key ingredients for achieving this to the highest standard is to start by laying out a comprehensive digital transformation roadmap, with inputs from both strategic minds and technical expertise. This, combined with an attitude to embrace the inevitable challenges the journey will entail, can ensure your digital transformation journey will be a success.

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