FACTSHEET: Session 1 - Introduction to Digital Transformation

Digital transformation:

The integration of digital technology into all areas of a business, fundamentally changing how you operate and deliver value to customers.
It's also a cultural change that requires organisations to continually challenge the status quo, experiment, and get comfortable with agile and responsive trial and error.

Digital Transformation is…

Using digital technologies to remake processes and services to become much more efficient or effective.

It **is not** replicating existing service in a digital form.

It **is** using technology to transform existing services and processes into something significantly better.

With 49% of employed Australians classified as digital workers it has never been more important to embrace that every business is a digital business.

There are 5 Domains of Digital Transformation. These domains are the pillars in which every business should look at migrating their work to a digital format. These drive market driven solutions which are more important in the disability sector than ever before.

- Customers
- Competition
- Data
- Innovation
- Value

Market Driven Solutions:

- We are buying smaller slices of products, services, and experiences
- We have evolved into an 'attention economy' - If you aren't getting my attention or saving me money, I don't care!
- We must find Critical Context through data: Location, time of day, weather, your brand's role and identity in your participants and employee's life

- By collecting *valuable* data you can increase mass personalisation and incorporate 'Design Thinking' which <u>*unlocks solutions to questions you never asked*</u>

There are 5 Key Factors or Enablers which allows your business to collect, engage and disseminate information and data:
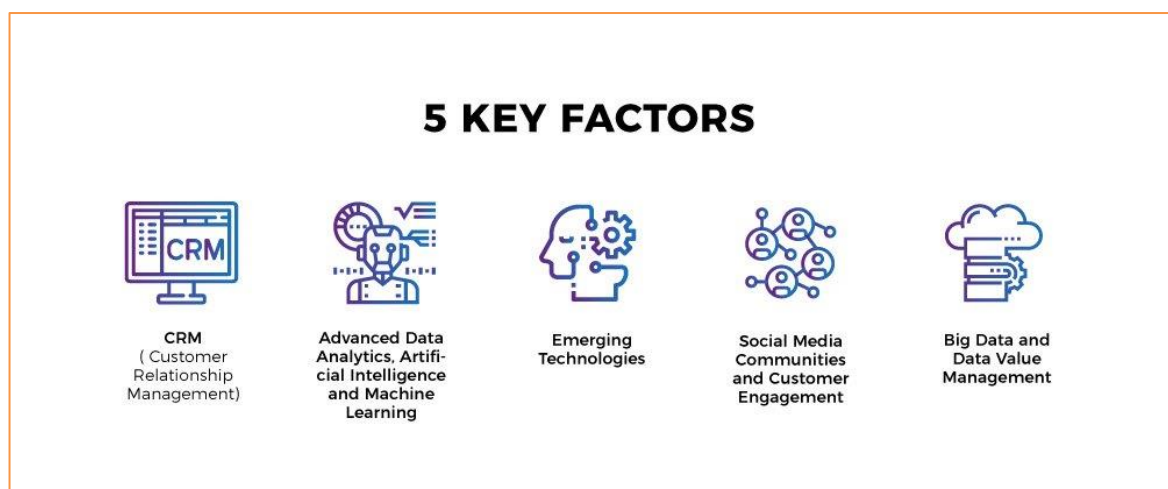
It is a common belief that Digital Transformation and Innovation Success are driven by the technology itself. But it is the human factors which are key to innovation successes. When over one thousands businesses were asked what are the most important factors that impacted successful innovation at your organisation? The results showed the true 'human' factors which lead impacts,

- 65% - Innovative behaviours and culture

- 63% - Fresh thinking

- 52% - Strong C-suite leadership (a cluster of a corporation's most important senior executives)

- 47% - Clear business model

- Only 32% said Increasing innovation budgets

The first step of any organisation to digitally transform is to create a detailed digital strategy. This takes a commitment from the senior management team who will ultimately drive this strategy. But all staff must be involved. The leading cause for unsuccessful digital strategies is failing to engage staff and failure to collect critical

information on the details of all processes and procedures. When a digital strategy is foisted on a workforce it will be criticised and undermined.

A successful Digital Strategy is split into the following key areas of development. Each other of these key areas must be detailed with clear definitions of your goals and a development plan of who is responsible, KPI's for delivery and what resources will be committed. Mapping out what is currently happening throughout the business and new ideas on how to use technology to improve these areas are also important. Don't worry about whether the technology to achieve these goals exists, focus on the ideas, the strategies and the end results required. A digital strategy should be split into the following areas.

- Business Goals – Transformation targets

- Outcomes – Desired results

- Personas – Users and Needs

- User Stories – Specific actions a user takes

- Vision – Prototype of solution

- Technology – Platform and tools

- Roadmap – Enabling features by phase

- Metrics – Metrics that measure usage

What happens when digital strategies aren't adopted?

By the year 2000, 52% of fortune 500 companies were acquired, merged or went bankrupt and that wasn't due to market crashes, it was what is known as Business Model Disruption across industries.

The future seemed uncertain and companies didn't know where their new income streams were going to be secured from… *sounds familiar?*

In most business sectors:

The top 3 players take 40%-70% of the profits and market share. Are you currently one of those top 3 players? If not, how can your business carve out a success niche in this changing market of services?

A proper digital transformation strategy is the first step in making your profits go farther.

Why incorporate digital transformation?

- 92% of Australians use the internet with 20.1 million accessing it daily.

- 12.7 million go online more than 5 times a day with 10.9 million shopping online (that includes shopping for disability services).

- 54% engage on blogs or online communities.

- Mobile Data Downloads increased by 97% last year and over 90% each year over the last 3 years.

So, what mobile apps does your business have to engage with your staff, your participants and their families?

What does your website look like across Safari and Android? Most of the sectors sights I looked at on my phone where unreadable and unusable.

The number of Australians who have Smartphones is 80% which has, for the first time, overtaken those who have Laptops (which is down to 70%) with little change to tablets (53%), desktops (54%) and even smart TV's are up to 29%.

70% check their smartphone within the first 15 minutes of their day with 72% preferring to access social media from their smartphone. Most prefer to access social media through an app over a website.

As you commence your Digital Strategy and Transformation focus on the following objectives:

- Improving Customer Experience

- Increasing Efficiency

- Improving Business Decision Making

- SEO – Where do you sit in Google?

- Cyber Security

- Improving Innovation across all areas of the business

- Transforming the business with a 5 and 10 year plan for change

The channels you will use to achieve these strategies can be broken down to:

- Web Applications

- Mobile Applications

- Content Management Systems

- Cyber Security Platforms

- Data Collection and Analytics Tools

But remember that it is STRATEGY *not* technology that drives Digital Transformations

The most underrated and underutilised components in digital transformations are:

- UX (User Experience)
- CX (Customer Experience)
- Data Analytics
- Cyber Security

Think of one task where you interact with your participant, customers or employees

Case Study of a Task: Buying a can of Coke. Coca-Cola wanted to digitally transform the process of buying a can of Coke.

They wanted to:

- Collect data to help them create new flavours

- Personalise the process of purchasing from them

- Gamify the customers experience with more engagement not seen before

- Establish the brand as innovative and fun

- Promote their customers identity into their brand

- Encourage future purchases by setting challenges and providing ongoing updates

- Create an opportunity to increase website visits by winning prizes

They created Freestyle Coke Machines which allowed users to create over 100 flavours which were personalised with their own choices. The user could combine the percentages of how much Coke and other flavours were included. The machines also collected the data and analysed trends of how many were choosing specific combinations. This allowed them to have valuable information to create new flavours in mass production. Plus the machines also personalised their purchase experience. Do you remember the cans of Coke which were released with people's names on them? This was created after these machines showed how valuable it was for customers feel that they were a part of this process. The machines also allowed people to check into the promotion and website without buying the product. Prizes were offered and the digital experience was one of the most successful promotions in Coke's history.

We may not sell Coke or even a product, but what singular tasks could you transform with equally successful results?

They Key to Digital Transformations

- Integrating systems and data together – respect legacy information/platforms which work
- Identifying the right kind of data
- Identifying the most effective way to collect that data

Strategize for:

- The analytics
- Maintenance
- Storage
- The regular update of the data collected
- Continual improvement on Cyber Security

Like most corporate transformations it must come from the top:

- Digitally Mature Organisations:

More than 75% say their leaders have sufficient skills to lead a digital transformation and 90% say they understand digital trends and technologies

- Early Stage Organisations:

Only 15% say their leaders have sufficient skills to lead a digital transformation and 27% say they understand digital trends and technologies

Resources:

Deloitte – MIT Sloan Management Review
Strategy, not Technology, Drives Digital Transformation - Becoming a digitally mature enterprise

Small Business Digital Champions online hub
www.ndp.org.au/learning-hub/small-business-digital-champions-project.
The hub will house all information related to the project, including fact sheets, webinars, online courses and more. Individuals can register to receive a monthly e-newsletter to keep undated on new resources.