Mindtree

Welcome to possible

WHITE PAPER

Dynamics of Digital Transformation

Introduction

Today, digital interactions dominate every communication, transaction and customer experience - either on a face-to-face level or behind the scenes. We are experiencing the third stage of the evolution in embracing digital technologies: from digital competence to digital literacy to digital transformation.

Digital transformation is the use of digital technologies to enable innovation and creativity. Digital transformation is today's path to improving business processes, and a means of radically improve the way you operate or a combination of both.

There are high expectations for digital technologies providing value to businesses and customers. The way digital works and interacts is changing and requires every person to adapt. The Internet has brought unprecedented change across the consumer and business landscapes

and relatively new skill sets (social media, mobility, analytics, collaboration, and smart devices) are required by organizations to take full advantage for this transformation.

Recognizing the need of digital technology adoption is absolutely fundamental to business success. Customers are using different channels to access information signalling an evolving behavioral shift - and these customers want information to be easily accessible and truly user-friendly.

Many companies still have a long way to go in undertaking their digital transformation journeys and the challenges here lie more with management and people than technology. Digital transformation is as much, about leadership and organizational change as it is about implementing new technologies.

Key factors

Key factors to consider during the digital transformation journey:

- Role of governance
- Strategic priorities
- New technologies
- New digital channels
- Adoption approach
- Two way communication (external as well as internal)

Role of governance: The foundation of digital transformation should be based on strong leadership, governance, collaboration, innovation and efficiency. Governance is a central component and key factor for successful digital transformation. Defining the overall goal and taking a top down approach for buy-in from stakeholders is crucial. Consider the whole life cycle (or supply chain) as a key resource and how one can

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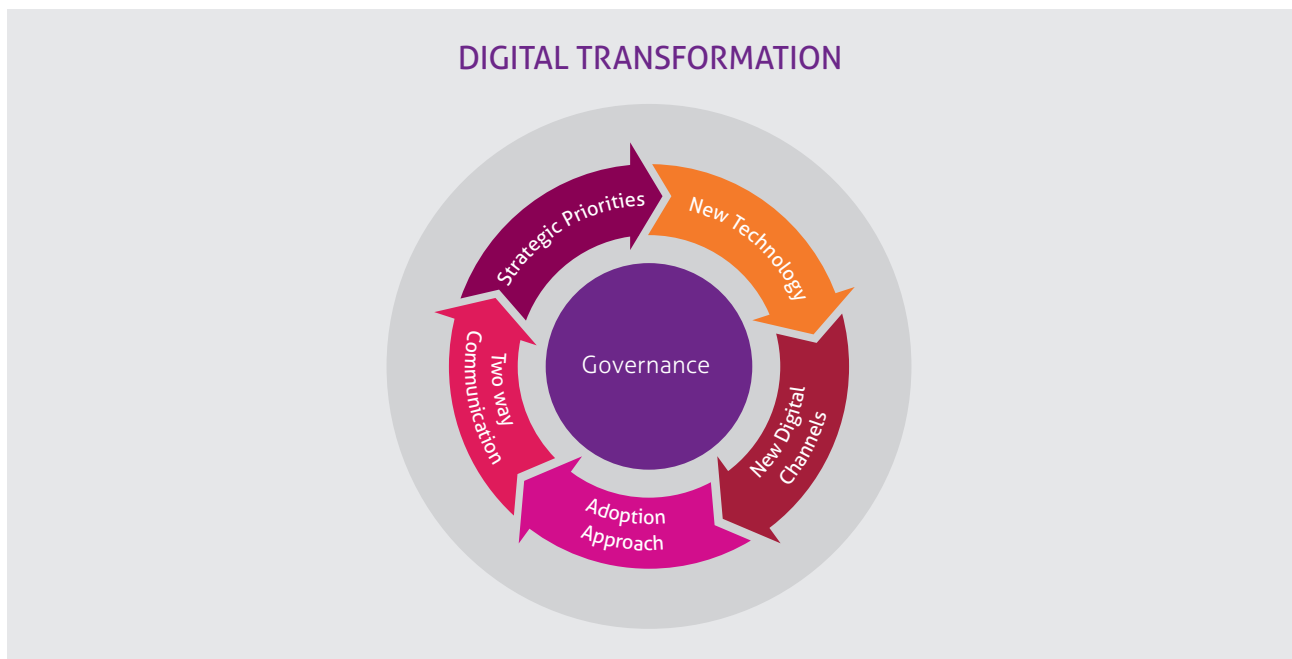
effectively extract business benefit from each stage is important. Governance also defines internal processes, business models and the way companies interact with their customers and associates.

However, there can be challenges. Business cycles can speed up and become more integrated, new risks can appear and organizations increasingly need cross-silo capabilities to achieve their digital objectives.

It is also very important to define the responsibility and accountability of business units (business & IT), brand teams and technology teams in the digital transformation journey.

Strategic priorities: Recognizing that there is no "one size fits all" solution is important as is defining strategic priorities with good governance. Defining goals based on your organization's needs is very crucial. Companies need to take advantage of the opportunity to innovate, differentiate and grow and should focus on cost efficiencies, as well as leveraging and optimizing cutting-edge information technology as part of their overall strategy.

New technologies: With the explosion of data emerging from different sources and the amount of information that companies must absorb, analyze and respond to, the challenge for business is how fast and how far it can go. How can businesses best respond this shift of social networking, analytics or explosion of new digital channels like mobile devices? Some of the shifts to consider while adopting new technologies include:
- Involvement of customer/employee while defining your strategy for adoption of new technology.

- Fast and accurate access of information (external and internal)
- Demographics consideration, information based on age groups of customer and employee.
- Cultural change
- Proliferation of digital channels
- Single integrated digital platform

New digital channels: There is a need to identify additional channels to transform go-to-market strategy / model. Today, the customer wants information on their terms rather than the information the channel organization decides. Digital channels (mobile, tablets etc.) need to reflect insights from the customers. What they want and their preferences become very important. With the advent of digital consumption, the industry has moved from being distribution centric to customer centric.

Adoption approach: While seeking buy-in from all stakeholders, it is important to find common insight across all stakeholders to be able to deliver the greatest value to them. Stakeholders need to understand that customers must have access to information in a simple and coherent way no matter how the enterprise is organized internally. It is also important to accelerate the internal learning process and create an environment of understanding.

Two way communication: Information needs to be created in a way that can be accessed digitally in a user-friendly manner. It is important to find the easiest way to engage with one's target customers. Collaboration is required for customer engagement and the priority should be to build a rich and deep collaboration with external parties, through a focus on customer's needs.

Benefits

Digital transformation is among the most significant factors driving business growth and social change across all enterprises. Digital innovations have led to the creation and transformation of businesses not only expanding access so they may gain, reach and manage more customers but also manage the internal stakeholders in a more effective way. There are many, but the core benefits of digital transformation are:
- Product and service improvements
  - By leveraging social feedback and analytics
  - By lowering research and development costs
  - By leveraging open collaborations

- Company operations and effectiveness (acceleration through better governance)
  - Higher productivity through collaborations (internal stakeholders)
  - Better operational analytics (find process bottlenecks and correct them)
- Customer engagements
  - Better customer service (including self-service capabilities)
  - Better customer understanding (via analytics)
  - Greater customer engagement (effective communication)

How companies should go about exploring digital transformation

Most industries are going through tremendous technological changes. To realize the required innovation in digital space requires that these industries not only generate forward-thinking strategies but also possess an understanding of the current state of an organization's functions. It is important to think from these three dimensions:

- Operational transformation: As highlighted above, governance is a key factor for digital transformation. It is important to understand the current state of functions and define practical and effective process changes where needed.
- Technology transformation: Realizing the actual need about newer technology and response / adoption from internal stakeholders is critical. Define priorities and focus.
- Business transformation: This is about understanding customers, their needs, preferences and defining strategies to attract and retain them.
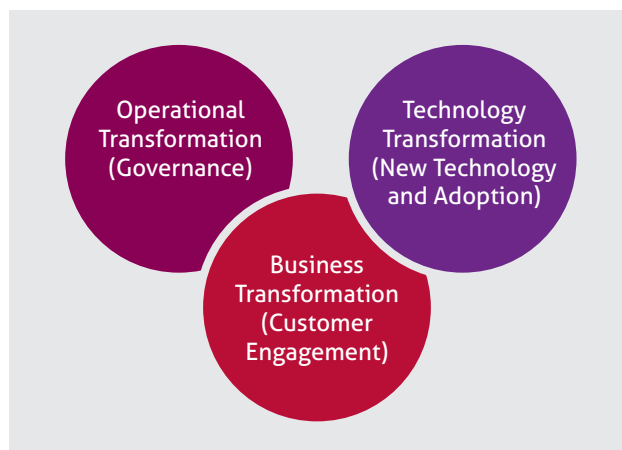
Driving excellence in all three dimensions is important for successful digital transformation. It's about doing practical business, planning & executing, and decision-making. To remain sustainable in today's competitive environment, companies must recognize customer expectations and optimize and manage business processes efficiently.

About the author

Chandra Shekhar heads the Digital Portals, Content & Collaboration practice wherein he is accountable for revenue growth, business development & people management. He is also responsible for developing thought leadership & domain solutions. He engages with global customers in identifying the right digital solution/program and helps them to execute with right set of minds & process. He is a technologist and executive leader aligning business and IT needs through business-technology alignment with strategic planning expertise. He has over sixteen years of experience in consulting, strategy formulation, architecting and building solution in Digital space.

About Mindtree

Mindtree (NSE: MINDTREE) delivers technology services and accelerates growth for Global 1000 companies by solving complex business challenges with breakthrough technical innovations. Mindtree specializes in e-commerce, mobility, cloud enablement, digital transformation, business intelligence, data analytics, testing, infrastrucure, EAI and ERP solutions. We are among the fastest growing technology firms globally with more than 200 clients and offices in 14 countries.