How Digital Transformation Drives Business Value

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Digital transformation is rightly touted as the 'next big thing'. Technology is what the economic concept of 'total factor productivity' refers to, and this sole factor compounds the effects of labour, productivity, and capital in a business. Therefore, businesses are now moving towards a digital way of operation, and compounding the spends on technology. Technological integration and digitization, impacts businesses in dual aspects – the organization facet and the customer facet.

The Organization Facet Training Cost Efficiencies

A recent market analysis by IDC highlights a 1 billion dollar increase in US application training software costs in companies this year. While this might look like a humungous investment, the overall cost effectiveness, thanks to digitisation, is unparalleled. The total cost of inception and operating of an eLearning platform gets divided by the number of times it's used, and hence the total cost of training and learning for an enterprise plummets. This has a compounding effect over the obvious cost savings thanks to reduced costs of travel, in person training, and physical material costs.

Standardized Operations

Though a trained and experienced workforce and training staff can ensure a strategy aligned operation across the company, there will be inevitable disparities in the working styles. This is where digital working brings in the standardisation of procedures, and consistency in the delivery of content. This consistency paves way for consistent information being available across departments, and hence reduces any delays or erroneous data processing.

24X7 Availability

These days the 9-6 business working hours are being fast replaced by more balanced, convenient working hours. Therefore, the availability of business data and processes around the clock has become crucial. By going digital, an organisation can practically host both its data and processes over the web or a shared server, making real-time access easy and swift. This way, employees can get access at their whim and can contribute towards a more productive performance.

A Conducive Growth Environment

A recent report into the HRD development by Capgemini points out how digitisation and use of technology is transforming not just the way organizations work, but also the environment and attitude of the working resources. Digitisation helps create an environment where failure isn't seen as a taboo but rather as a feedback step in the entire process. Most ERPs and business process workflow software have a feedback mechanism through which errors and inputs can be recorded. It also creates an environment where exploration of new ideas cannot just be encouraged, but also put to test.

Effective Knowledge Management and Decision Making

It is important for any enterprise to capture and maintain project outputs, emails and new discoveries which are made during the day to day operations of the business. These will not just be available for everyone to access, but also provide for a base for decision making for the present and the future. The use of online tools and technologies to talk and record conversations amongst the employees and the business stakeholders also brings in an exchange of ideas and best practices. This can in turn help in making business operations more agile, by removing any deadlocks or repetitive process steps. Business Intelligence and data analytical platforms can help businesses tap the daily generated data sets to be used as churn outs of business trends to support decisions.

The Customer Facet

This is the Age of Customer. Technology and economic forces let customers dictate the way they interact with businesses. Let's understand how digital transformation will play a part in the evolving customer expectations and behaviour.

Improved Customer Experience

Technology may be at the heart of digital transformation but it will make businesses more customer-oriented. Most decision makers rank improved customer experience as their number one digital transformation priority. Customer experience and strategic thinking also top the list of skillsets considered key for a senior executive responsible for all aspects of digital business.

Real- Time Access

With organizations going digital, customers will expect dramatically reduced response times and real-time access to products and services. International Data Corp. recently predicted that over the next three to five years, most business-to-business and four fifths of business-to-consumer enterprises must overhaul their "digital front doors" to support 1,000 to 10,000 times as many customers and customer touchpoints than they do today. With digital processes replacing manual labour, businesses will be able to accelerate their turnaround time and deliver customer expectation in real-time.

Omnichannel Experience

Customers interact with businesses via multiple channels and expect seamless experience throughout. Thus, providing for a personalized omnichannel experience and engage customers across channels should top businesses list of digital transformation priorities. According to a survey conducted by Deloitte and Informatica, 72 percent indicated that they believe achieving a 360-degree customer view requires insights into products purchased, preferences, behaviours and customer relationships. And almost three-quarters said that this is either critical or very important to differentiating the organisation and their customers' digital expectations. With access to behavioural data and real-time insights, organizations will get a 360-degree view of the customers, helping the, deliver personalized experiences across all channels.

Digital transformation begins with restructuring and refinement of business processes but isn't complete without customer value proposition. While the best path to transformation for any business depends on its strategic objectives, every organization must use digital content, insight, and engagement to change internal operations and customer value proposition in tandem.