6 Steps to pain-free digital migration

By Kevin South   11 Sep 2019

People are reluctant to try new things. At companies, particularly larger organisations, decision-makers are naturally risk-averse. If something is working, why change it and potentially damage the business, alienating customers and elevating employee stress in the process?

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Digital transformation is a modern business essential, and while uptake has been slow in South Africa, the concept is definitely being embraced. South Africa ranks in the top 10 of the most digitally mature countries in the world, according to the Dell Digital Transformation Index.

Meanwhile, 64% of South African enterprises are proactively working on their digital strategy, according to a recent snapshot survey.

These positive developments aside, on the ground-level, digital transformation is still largely a step into the unknown for local businesses, whether SMEs or established corporates. In the same survey already mentioned, 20% of respondents were interested in beginning their enterprise's migration but were uncertain how to do so.

Adding to concerns, of course, are many stories of digitisation initiatives that have fallen short in one way or another.

This said, there are six steps or, rather, six simultaneous considerations, that can help any organisation achieve a successful, largely seamless digital transformation – simultaneously futureproofing the company and setting it up for growth.

1. Understand and "own" your data

Data is the foundation of digital transformation. Gathered and analysed efficiently using cloud-based business tools, this information can produce powerful insights for companies and lead to an improved, increasingly personalised customer experience. As such, even if your company is dipping its toes into digital transformation, you should be cultivating a "culture of data" right now as this will be massively beneficial later.

Instead of filing away unused data in siloed departments, information must be accessible and shared. This applies to any data, right down to telephone numbers and address abbreviations, which should have a standardised format across the company to enable ease of use as you strive to deepen understanding – of the data you have, and what you can do with it. Staff should be encouraged to embrace the "ownership" of the data their team is responsible for. A further good idea is to appoint data stewards, who will facilitate this internal process.

2. Put your customers' journey first

It's a hotly debated topic, but many companies start their shift to digital by looking inwards first. However, one of the greatest benefits of digital transformation is how it enhances the customer experience, leading to greater satisfaction and competitive advantage. It makes sense, therefore, to start the digital transformation with the customer and customer journey prioritised.

This isn't to say that a relook of internal processes isn't important. However, to make the best decisions that establish your business as customer-centric, you need a comprehensive understanding of the customer life cycle, and the emotional progression inherent to it. New digitised processes must mesh seamlessly with every one of these stages, pleasing the customer. The alternative is a poor experience that sends the frustrated or disappointed user over to the competition.

3. Relook and redesign processes

As already noted, the evaluation of current processes is an important part of digital migration. If you've found yourself continually increasing manpower to deal with instances of increasing demand, then the processes you insist are fine, really aren't. This very act of inflating employee numbers goes against the streamlining inherent to digital transformation, so if you're contemplating greater digitisation, you will need to relook and redesign the processes holding your organisation back.

For example, straight-through processing (STP) is a contemporary technology-enabled process that streamlines processing of orders, and payments, by reducing the number of eyeballs the transaction must pass by. In this manner, with many basic checks completed automatically, processes that could take hours to days and weeks can be drastically sped up, enabling the operational agility and leanness that businesses today strive for.

4. Adapt or change your operating model

Again, this step is about avoiding the trap of applying more people to a business problem, when all that will do is inflate costs and slow processes. Moving forward, a far better strategy, if you haven't done so already, is to segment your customer base and adapt your operating model according to the different segments and channels – usually based on revenue.

Banks are an example of institutions that have done this exceptionally well, serving different clientele differently (think of a silver banking package as opposed to platinum services). At the same time, these financial institutions utilise digital self-service tools to equip and empower their high-volume low-value customers, bringing down the cost of sale in the process.

5. Have a single organisational point of ownership

Committing to digital transformation is an important first step at any business, but the process can easily stall without someone to take ownership and continually driving efforts. Top-level management must make transformation a stated company focus, but, more importantly, the concept needs to have a single point of ownership and leadership within the organisation.

Although this "owner" could be the company CEO, the reality is that he or she has multiple responsibilities and may not be able to give digital transformation the attention it deserves. A far better choice then is a Chief Information Officer (CIO), Chief Digital Officer (CDO) or similar senior decision-maker who can focus on driving the culture uptake intrinsic to successful digital transformation.

6. Build the new business parallel to your existing one

The final point about digital transformation is that it's advisable to build your new digital business parallel to your existing one. Keeping transformation separate instead of trying to morph or crowbar it into existing operations will minimise disruption while business continues as usual.

At the same time, you don't have to wait until completion to spring an entirely transformed system on users. Demos and modules showcasing the new business will keep people engaged and introduce them gradually to the new system components, increasing their receptiveness to the end result.

While every one of these six considerations is important, there are a few other requirements for digital business transformation.

Soft skills such as openness to change, flexibility and humility are major personal assets as you navigate multiple opinions around digitisation and how to best accomplish it.

Maintain your focus and refuse to be distracted by the noise, and you'll achieve the ultimate objective: evolving a streamlined, cost-effective business for the digital age.

ABOUT THE AUTHOR

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