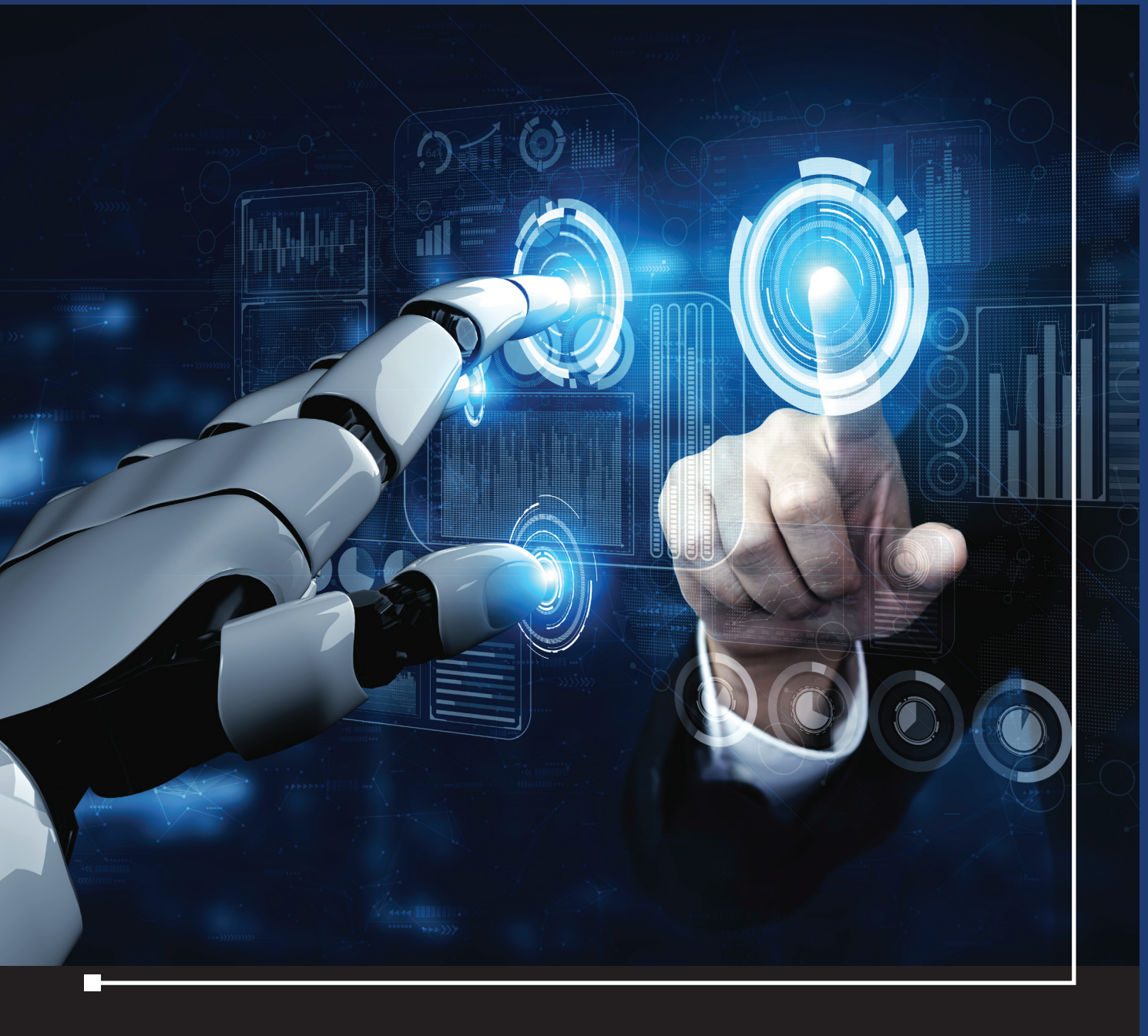


Digital Transformation



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INTRODUCTION

of Digital Transformation

As business and market requirements change, digital technology can be used to create new or modify existing business processes, cultures, and customer experiences. In the digital age, business is being reimagined in a new way.

A sales person's role transcends that of a marketer's, salesperson's role, and customer service representative's role. Your customer engagement and your digital transformation should begin and end with how you think about, and engage with, them. With digital technology in our hands, we can reimagine how we do business and how we engage our customers as we move away from paper to spreadsheets to smart applications.

In the early stages of your small business, you don't have to set up your business processes and then transform them later. It is possible to future-proof your organization right from the start. Handwritten ledgers and sticky notes aren't sustainable for 21st-century businesses. Being agile, flexible, and ready to grow comes from planning, planning, and building digitally. A lot of companies are stepping back to assess whether they are doing the right thing as they embark on digital transformation.

An organization can better serve its principal stakeholders through digital transformation, including its customers, employees, partners, and shareholders. Businesses can benefit from computer-based digital technology integration by doing the following:

- Increase employee productivity
- Increase responsiveness to customer requests
- Understand individual customers better so that products and services can be tailored to suit their needs.
- Enhance customer service, particularly by making it easier to interact with the customer and more engaging.

In addition to driving digital transformation, technology also facilitates an organization's digitization. Digital transformation requires several technologies:



Cloud Computing

Gives an organization quicker access to its software, new functionalities and updates, along with data storage, from anywhere at all times.

Commoditized information technology

Gives an organization the ability to focus investment dollars and people resources on the IT customizations that differentiate it in the marketplace.

Machine learning and AI

When fueled by comprehensive data programs, provide organizations with insights for faster, more accurate decisions around sales, marketing, product development and other strategic areas.

Automation (RPA)

Bots can be deployed to handle mundane, repetitive tasks faster and efficiently rather than humans, focusing on higher value tasks; further technologies that enable organizations to move faster, work more efficiently, and develop new products and services include:

- ▣ Blockchain
- ▣ Augmented reality (AR)
- ▣ Virtual reality (VR)
- ▣ Social Media
- ▣ IoT
- ▣ Edge Computing

Although 91% of organizations are undertaking some form of digital transformation, and 87% of senior business leaders say digitalization is a priority, only 40% of organizations have implemented digital initiatives at scale, according to a 2020 Gartner report.

Among the top reasons for failure of digital transformation initiatives, Everest Group cites unsustainable returns, limited user adoption, and abandoned projects.

Here is why digital transformation failures happen:

- ▣ Lack of employee engagement
- ▣ Inadequate management support
- ▣ Poor or nonexistent cross-functional collaboration
- ▣ Lack of accountability
- ▣ Data privacy and security concerns
- ▣ Budgetary constraints
- ▣ Limited in-house skills and expertise
- ▣ Regulatory and legislative changes
- ▣ Immature digital culture

Legacy systems and applications that don't support digital initiatives and can't easily be replaced are one of the biggest challenges of digital transformation for companies that weren't "born digital." Leadership groups will not be able to achieve digital transformation if they refuse to pay for new technologies or do not get the executive support they need.



Types of Digital TRANSFORMATIONS

1. Business Process Transformation

Companies are changing their internal processes as a result of business process innovation. Employees' access to and use of new technology is affected by this factor. By gathering new data and incorporating it into business decisions, this includes automating manual processes and maximizing marketing and research and development investments.

The goal of business process transformation is to reduce costs. Additionally, the company aims to reduce time to market, improve quality, enhance customer experience, and enhance brand image.

2. Business Model Transformation

Business models are adapted to the new digital environment through this type of transformation. Consideration must be given to how the industry's core business operates. Netflix disrupted the home video industry and Amazon disrupted the retail industry with successful changes.

The strategic part of a business often takes part in business model transformation by exploring the potential for new business models beyond what is currently established. To improve business outcomes, it emphasizes innovation and "thinking outside the box."

3. Domain Transformation

Taking a brand's market and opportunities beyond traditional boundaries is domain transformation. A leading cloud computing provider, Amazon Web Services, was launched by Amazon, a global online retailer. It created a whole new market by leveraging existing capabilities (its large, highly advanced data centers). Technology such as artificial intelligence, mobile and wearable technology, and the internet of things are driving this potential for domain transformation in many industries.

4. Cultural Transformation

Digital transformation initiatives are successful when culture plays a critical role. These transitions can be challenging for organizations. As part of a digital transformation, existing staff needs to be educated to understand the potential of new technology to improve the company, create internal collaboration, and engage customers in new ways.

Technology can only be leveraged by a workforce that is capable of adapting to changes and willing to learn and grow continuously. Integrating technology into a company's processes, business models, products, and communications requires these skills and capabilities.

5. Cloud Transformation

An organization's information systems can be migrated to cloud computing environments using the cloud transformation process. You can migrate only certain applications, data, or services to the cloud, while maintaining some legacy infrastructure, or you can migrate your entire infrastructure.

In addition to ownership, some organizations use the public cloud, which is operated by a third party. Alternatively, private clouds can be set up in-house. In order to manage infrastructure in a hybrid cloud, many combine the two models.

Many benefits can be gained from cloud innovation, including more efficient data sharing and storage, faster time-to-market, and more scalability and flexibility for organizations. Yet, it presents major organizational challenges, including costs, security, and governance.

THE BENEFITS OF DIGITAL TRANSFORMATION

One of the most important benefits of digital transformation is that it enables organizations to succeed in this digital age. The result of that success is higher revenue and profits for businesses. Nonprofit organizations, for instance, are able to better serve their stakeholders through digital metrics for success.

Digital transformation is ultimately beneficial to an organization's survival and strength in the future, but it offers many other benefits as well. Among them are:

- With the use of technologies like AI and RPA, worker productivity, error reduction, and speed to market are increased -- and with the implementation of digital technologies, business processes are further streamlined, increasing productivity and efficiency;
- By better processing data, organizations are able to make smarter, more accurate decisions and anticipate the needs of customers, employees, and business partners;
- Adapting an organization's culture and capabilities to support ongoing change will increase agility and responsiveness to changing markets; and

In addition to enabling employees to shift to more innovative and higher-value work, automation enables organizations to identify opportunities and tailor resources to take advantage of them more effectively.

Now, let's see some strict benefits that companies enjoy implementing digital transformation:

1. Transforms Customer Experience

People's obsession with technology, social media, and apps is all about making their lives easier. It is important for people to find valuable solutions to their problems. They want it fast, too.

In industries that deal directly with customers, such as government, healthcare, manufacturing, and retail, the customer experience is at the heart of digital. To improve the customer experience, digital transformation utilizes cutting-edge technology.

2. Encourages collaboration and improves employee experience

Many people fear change. From senior leadership to entry-level employees, the thought of a massive digital transformation can be daunting. From the core structure of the organization to the company culture, all processes and strategies must be addressed.

There is, however, an opportunity for unity among employees. Leadership communication and employee experience are key to maximizing the chances of a successful switch.

In order to engage in conversations and learn together, employees need the right tools and training. The digital intelligence of the workforce will be improved and collaboration will be encouraged with a solid leadership mindset and clear guidance.



3. Increases agility and innovation

An agile business is one that is capable of continually improving and developing rapidly, especially with regard to digital processes. In an agile organization, uncertainty can be navigated better, responsibility and accountability can be defined, risk can be mitigated, and specific objectives can be achieved. Having a sustainable business model will help you achieve success.

In addition to increasing employee engagement and customer satisfaction, becoming an agile enterprise boosts the bottom line and operational performance. With the rapid development and ever-evolving nature of the digital landscape, companies cannot afford to rest on their laurels. As companies are aware of the digital space, they can even spot gaps or opportunities in the market because they are agile.

4. Updates skillsets and knowledge

As new digital technologies still go level up, the demand for specialised skills to master them can grow. A report by the planet Economic Forum found that on the average, firms estimate that around forty p.c of employees would force reskilling of six months or less and ninety four p.c of business leaders expect staff to select up new skills on the task compared to merely sixty five p.c 2 years previous.

The future of digital business in 2025 is trying to be heavily engineered upon soft skills like crucial thinking, analysis problem-solving, and skills in self-management like active learning, resilience, stress tolerance and adaptability.

In relation to this, these job positions are in demand right now:

- ▣ Data Analysts and Scientists
- ▣ Artificial Intelligence and Machine Learning Specialists
- ▣ Big knowledge Specialists
- ▣ Digital selling and Strategy Specialists
- ▣ Process Automation Specialists
- ▣ Business Development Professionals
- ▣ Digital Transformation Specialists

Digital transformation demands new skillsets among staff in the slightest degree levels across all departments. The secret is to supply continuous coaching that helps employees develop skills for the long run moreover as equip their business with the in-house information to sustain growth and a competitive come on the digital age.



HOW COMPANIES USE DIGITAL TRANSFORMATION

Digital transformation will take totally different forms, however it usually falls into one or additional of many categories: digitizing the client expertise, gap up new market opportunities, facultative innovation and increasing operational successfulness.

Examples of digital transformation success in business square measure plentiful. Here square measure four real-life examples:

1. Nespresso

The maker of specialty low machines and operative unit of Switzerland-based Nestlé cluster, Nespresso deployed a cloud-based client relationship management (CRM) system that offered clients omnichannel access to searching and customer service. Customers will reach the corporate whether or not they use the web site, use a mobile device or visit a store. Having one read of every of its customers 360-degree read has enabled Nespresso to maneuver into additional markets and improve sales.

2. Netflix

Founded as a mail-based digital video disk (DVD) rental company in 1997, Netflix reinvented itself as a web video streaming service that delivers custom-built offerings supported every customer's preferences.

3. Capital One

Fueled by its digital innovations, Capital One became one amongst the highest money establishments within the us as hierarchical by assets. CTO martyr Brady on the company's web site offered his insights into the company's "four-year journey of riotous amendment," voice communication that they do not simply use the most recent technologies, however they produce them and infuse them into everything they are doing. they're a customer-centric technical school company that has innovative money services, not the opposite approach around.

4. Domino's pizza pie

The 60-year-old pizza pie company with success remodeled itself for the digital age, launching innovative tech-driven services, like its pizza pie hunter and mobile technologies that helped fuel vital growth within the past decade.



How these companies develop a digital transformation strategy

Successful transformation starts with a vision that articulates a way to harness computer-based digital technologies to realize strategic objectives supported the organization's own digital business model.

Implementing last technologies, despite however promising they're, while not understanding however they're going to deliver a come back on investment (ROI) to the organization and its customers won't cause transformation. What each company would like could be a solid business strategy designed around tomorrow's digital capabilities.

Each organization should have its own vision of success, however the subsequent area unit steps that each organization ought to be ready to require once developing a digital transformation strategic plan:

- Understand the market and also the organization's place in it, additionally as its existing and potential customers.
- Analyze wherever the market is heading therefore the organization will anticipate the potential for digital disruption and the way it are often the disruptor rather than being noncontinuous by others.
- Identify the prevailing and potential price proposition through internal analysis and external analysis.
- Develop a vision for what the organization ought to be within the future, as well as however its merchandise and services ought to evolve to fulfill client desires and expectations.
- Create a digital transformation roadmap that gives the way to maneuver from current to future state.

As a part of this strategic coming up with, executives ought to assess the organization's existing capabilities, from worker skills to its existing IT stack, articulating what further capabilities are required and fashioning a thought to get those capabilities. structure leaders can got to draw on variety of ancient disciplines, like project management, additionally as new techniques, like Agile methodologies, so as to with success bring their organization, its culture, its folks and its technologies into the long run.

Digital transformation isn't a one-time exercise. consultants agree that organizations should value their digital transformation method associated strategy on an in progress basis and regulate it to maximise business price.



THE INFLUENCE OF DIGITAL TRANSFORMATION (THEN VS. NOW)

You may never like the term “digital transformation” and it’s totally okay. It’s continuously perceived to be the epitome of authority speak, a sweeping, grandiose statement designed to sell an attractive vision of the longer term. After all, it’s moderately obvious that the new digital era we’ve got entered, needs a distinct approach of doing business.

The problem with the word “transformation” is that it implies finish state, very like a caterpillar remodeling into a butterfly. There’s a final state and finish state at that purpose the business transformation is complete.

Perhaps within the past, once the rates of modification in technology and business were slower, it created sense to aim for the finishing line. Back then, businesses might lag, watch wherever the remainder of the business was going, so catch up. Not any longer. We are currently in an age where the speed of modification is fast that the finishing line is consistently shifting. We are currently in a period where, your business strategy can’t be engineered to last, it’s here to be engineered to evolve.

To rework, a business should bear an entire organization wide modification. This is often a huge endeavor, one that needs substantial time, cash and discipline. Additionally typically than not the method involves transformation consultants and specialists, the creation of careful methods and plenty of years of designing and execution. Within the best-case situation, these transformations eventually crop up, just for the business to search out that the planet has already moved on.

The great irony of those digital transformations is that they’re fully at odds with the tip state that the business is making an attempt to attain. If the goal is to emerge from the transformation as an agile, adjustable digital butterfly, why begin the method with a process-heavy body of business strategy?

In fact, the prospering businesses of the longer term don’t seem to be sprinting for the transformation finishing line as a result of apprehend that doesn’t exist.

Instead, they’re militarization themselves for the race. They’re developing the talents and mindsets that they’ll have to be compelled to learn and adapt perpetually. They’re not investing several bucks in transformation methods and governance structures. As a result of that, they apprehend they’ll be obsolete presently. Instead, they’re taking a gentle, unvaried approach, remodeling team by team, person by person. The absence of a finishing line suggests that the absence of the frenzied urgency that’s driving the “transformation boom.” For organizations that embrace evolution, the method is additionally measured, additionally organic and so additionally property. The method of adapting to the longer term becomes business as was common, rather than a task to be completed before obtaining back to the “real work.”

This paradigm shift underlies the evolution of the success in digital promoting. Your company’s future rests thereon. How evolved is your organization? Keep that in your mind as a businessperson in-tuned with the digital world.



BOTTOM LINE

Building a digital transformation culture is often cited because the single most vital task for organizations engaged in transformational modification. Leaders have to produce associate degree structure culture where continual enhancements happen and where stakeholders area unit receptive in progress modification. Everybody should be willing to spot and abandon dated and ineffective processes, and replace them with one thing higher.

Most organizations, however, struggle to make a company culture capable of supporting transformation. A recent tech report from prominent company found that, whereas digital transformation has become "an imperative for all organizations," 48 of enterprises were sharing information across business functions, and only 49 were investments in digital skills and digital talents. It additionally found that few have adopted Agile practices, hosting hackathons where 29 of them encouraging a failfast-then-succeed mental attitude.

Without attention to such essential cultural necessities, a corporation may find yourself with trendy technologies that modify additional economical or effective processes, like ordering raw materials, taking inventories or handling payments, while not actually remodeling how the organization operates, what stakeholders supply and what price it produces for all concerned.