



TRANSFORM OR **GET LEFT** BEHIND

Digital is happening

Twenty years ago, we were still using floppy disks and rewinding VHS tapes—and that was 1998...feel old yet? By 2003, we were fighting pop-ups and spam, playing snake on Nokia phones, and using digital cameras. The first iPhone was released in 2007, and since then, the consumer market for technology has expanded at unprecedented levels. Unlike the tapes, discs, cameras, computers, and phones of the past, it's not the hardware that's advancing most in 2018. It's the network of digital interactions that make up the way we live, work, play, and interact.

This digital transformation has become known by many as Industry 4.0 or the 4th industrial revolution. Mobility and social media is powering our always-on relationships and interactions. Big data and analytics deliver dynamic insights and intelligence that allow businesses to respond to fast-changing market shifts and demands with greater speed and agility. The Internet of Things (IoT) with its sensor-driven human-to-machine

and machine-to-machine interactions promises endless new levels of convenience, efficiency, innovation, and opportunity.

When it comes to digital opportunities, modern executives don't have the luxury of continuing with "business as usual." The question isn't whether digitization will impact your business; the digital revolution is already here, and as more millennials enter the workplace, it will happen whether organizations like it or not. Failure to address the coming changes with a clear, cohesive plan could easily cause even the strongest of enterprises to be left behind, and everyone is catching on.²

But the question of how to leverage the disruptive nature of digital is not just a concern for top executives and boards of directors. Digital has impacts on how people work, interact, and do business in their realm of responsibility. How do workers embrace digital to make sure they not only stay relevant, but also rise above the competition?

“By digitizing information-intensive processes, costs can be cut by up to 90 percent and turnaround times improved by several orders of magnitude.”

– Shahar Markovitch,

How digital transformation impacts your job

Accelerated speed of work

We live in a 24x7 world of instant gratification. Customers know what they want, and they want it now. Manual processes and workflows that rely on slow, tedious, and manual inputs are the nemesis of today’s instantaneous digital workplace, creating operational inefficiencies, slow down work, human errors, and increased costs. They block an organization’s ability to drive growth and take advantage of digital opportunities.

Organizations need to prioritize automating workflows, facilitating collaboration, and centralizing content as part of their digital transformation. Big data isn’t just for gleaning customer insights. Digital knowledge repositories used in conjunction with IoT, cloud, mobile, automation, real-time collaboration, and other digital technologies, can

give teams near-instant intelligence and visibility into problems, market shifts, customer attitudes, and opportunities, as well as the agility to adapt, collaborate, and act on them faster than ever.

Domino's digital turnaround

The mention of Domino's Pizza probably doesn't evoke thoughts of a high-tech digital enterprise. But back in 2010 when the pizza delivery giant found itself struggling with low customer satisfaction and stagnating growth, it underwent a digital transformation in an effort to turn its business around. Using customer data and analytics, Domino's quickly figured out one of its biggest problems: customers didn't like the taste of its pizza. After fixing that problem with better ingredients and a revamped menu, it launched a major social media campaign to improve its image.

They then launched initiatives to improve customer relationships, like the Domino's pizza tracker, a 3D pizza builder app, a Pizza Hero video game, and Domino's Anyware, which lets customers order a pizza using their favorite digital touch points like text

messages, tweets, Google Home, Alexa, Messenger, smart TVs, and more. In addition, the pizza giant uses these different digital tools to continually gather data that gauges how Domino's is doing as a company and what it needs to do to improve.

These digital transformations made customers happier, but they also provided valuable data to help Domino's reduce order errors and increase employee productivity.

So, what's the bottom line? Within the first quarter after what it calls its "Pizza Turnaround," sales were up 14.3% and it generated \$2 billion in annual global digital sales.¹⁰ Three years later, they're now the second-largest pizza chain in the world with over 12,500 locations in more than 80 countries.¹¹

Smarter growth and planning

As an organization grows, its operational complexity increases. Silos of information spread and become more disconnected. Interdependencies between teams multiply.

Decision making processes gain more steps and stakeholder sign-offs. All of these can cause process and information disconnects, disrupt collaboration, and create major bottlenecks that significantly slow down work.

Digital transformation strategy helps enterprises eliminate silos through connection. It can keep all team members and stakeholders connected with real-time visibility and actionable insights that help them make better, faster decisions no matter how large their organization grows.

Creating committees for each department in an organization is a best practice. These teams, preferably cross-functional, make it easier for departments to work together to create a strategy that delivers benefits to multiple teams. A key centerpiece of that strategy is creating an operational system of record that each team's best-loved solutions can integrate with.

Lowes' digital innovation

When home-improvement projects rear their head, people often venture to their local Lowe's Home Improvement store for help.

To make those DIY jobs easier, Lowe's has kicked off a number of digital initiatives, like the Holoroom. The Holoroom gives customers an immersive virtual reality experience that makes it easier for them to visualize home improvement designs and plans. Lowe's built on that experience with Holoroom How-To, where customers use VR to get basic DIY skills-training.

In addition to these virtual reality offerings, Lowe's has initiatives involving robotics, assistive exosuits, and on-demand manufacturing projects. These initiatives are all products of Lowe's Innovation Labs, which uses narrative-driven innovation to explore how technology can change the lives of its customers and employees.

Better talent attraction

All segments of the business world, from manufacturing to health care, have experienced major digital disruptions with the rise of Industry 4.0. That has also led to major workforce shifts, chief among them being the rise of both the knowledge worker and the digital worker.

“The most innovative solutions today are being developed by people around the world who come together in online communities, internet platforms, and digital ecosystems that disrupt the traditional models.”

– Vikram Bhalla

Knowledge workers are simply any workers in an organization that use or develop knowledge as part of their job. Digital workers are those who feel at home in today’s hyper-connected world. They thrive on instant access to resources, information, and colleagues, and are skilled at real-time analysis, prognosis, and decision making. used to convert information into revenue.⁷ As such, they have become critical resources for organizations in a world where the speed of information and data drives an organization’s success.

To succeed in this 4th industrial revolution, organizations need to be able to attract digital savvy talent. They need to create work environments that give today’s digital generation the tools and workspaces where they can thrive.⁸

Transforming Liberty Mutual

As part of the Blockchain Insurance Industry Initiative (B3i), which is a collaboration of insurers and reinsurers that are exploring the potential of using Distributed Ledger Technologies (like the Blockchain systems underlying cryptocurrencies like Bitcoin) as a way to benefit all stakeholders in the insurance industry value chain, Liberty Mutual wants to change the insurance industry.

As a self-auditing digital ecosystem that gives users the ability to create digital value and authenticate digital information, Blockchain has many potential uses.

If Liberty Mutual's efforts with the Blockchain initiative prove successful, not only will it give the company a shared, transparent record of contract-related information, but it will streamline its communications, transactions, and processes. Ultimately, that will allow Liberty Mutual to significantly lower costs and improve overall service.

Dramatic competitive advantage

The disruptive nature of digital transformations can give organizations a dramatic competitive edge. For example, manufacturers that digitize can maximize supply chain operations and efficiencies, get true real-time visibility to work in progress, produce products faster with reduced cycle times and reduced lead times, respond to changes in demand, and eliminate bottlenecks.⁹

***“Those that are more
[digitally] mature outperform
those that are not.”***

– George Westerman, et al

Ulta's beautiful transformation

Before 2013, Ulta Beauty would have been considered a struggling budget beauty retailer with a limited digital presence. That changed when Ulta underwent a makeover of its own, leveraging digital transformation. It began with implementing Oracle's ATG web commerce and Endeca Customer Experience platforms to deliver personalized customer buying experiences across digital channels.

Then Ulta launched live interactive chats with entrepreneurs and beauty experts, introduced the Glamlab app to let mobile shoppers use selfies to digitally try out products, engaged a beauty vlogger to promote flash sales on Instagram and created beauty-related content for potential customers with integrated buying links to their products.

In the four years since Ulta started its digital transformation it has become a successful, media-savvy brand. It's now the biggest beauty retailer in the U.S. with nearly 1,000 stores, boasts a customer loyalty program with 24.5 million members, a stock value that has increased 150%, and an annual revenue of \$4.9 billion in 2016.¹³

Keys to digital transformation success

It's clear that managers and executives of all kinds need to be thinking about what a digital transformation can do for their business. How can it help them evolve more engaging and profitable customer experiences? How can it enhance operations to create innovative opportunities to increase efficiency? How can it deliver intelligent insights into customer attitudes, market dynamics, and the organization's performance?

There are many opportunities, but organizations also need to consider the challenges that can plague a digital transformation if not approached

properly. For example, simply digitizing people's work isn't enough if it ends up creating disconnected data and information silos. Such problems are often the result of trying to go digital in a piecemeal fashion.

To avoid key failure points, organizations need to be aware that 70 percent of digital transformations fail due to four major problems; inadequate management support, poor or non-existent cross functional collaboration, lack of accountability, and lack of employee engagement. The best way to avoid these failure points are:

- Getting executive buy-in
- Making a holistic strategy
- Evaluating technology for the best fit

Get executive buy-in

Transformational change can't succeed without executive buy-in and total alignment. Organizations have to make sure all their teams understand the vision and are on board with what the organization is trying to accomplish. A cost/benefit analysis can help get the buy-in and

management support you need for success. It can also help others see the potential larger risk of not making a change.

Make a holistic strategy

A digital transformation shouldn't be viewed as a discrete series of changes. It needs to be part of a larger vision that can help organizations achieve substantial and sustainable improvements to customer experiences, operational processes, or their business model.

Whatever the case, organizations need a holistic strategy that takes into account their people, industry reputation, stakeholders, and culture. It also needs to hold the different stakeholders and participants accountable for their portions of that strategy.

The strategy should answer questions like:

- Will the organization need to hire new people? Train existing employees?
- Will they lay-off teams whose jobs have been automated?

- How will the organization communicate changes and establish new processes in a way that minimizes negative impacts and maximizes cultural and business success?
- How will it affect the way teams work with each other and cross-functionally?

Remember: If your strategy simply seeks to implement a variety of different point solutions to solve individual problems sprinkled throughout the organization, it won't be enough. For the best chance of success, your strategy should have an enterprise application platform or operational system of record at its center, which acts as a single source of truth for the entire organization—one that plays nicely with the other tools in the organization's technology stack.

Evaluate technology for the best fit

With their plan in place, organizations need to become familiar with the ecosystem of existing and emerging solutions that can help them best implement their transformation. They need to evaluate different technologies to see which ones best align with what they want to

accomplish and determine how practical they are for their workforce to actually use.

Consider strongly that once a technology is in place, your employees must see the benefit of using them. If the technology doesn't fit the way their employees work or want to work, the employees won't engage and the transformation will fail.

In trying to identify the solutions and technologies that have the best fit for their organization and transformation goals, it's helpful to consider the following questions:

- Does it really address the problems they're trying to solve, and how?
- How does it align with and address their most important use cases?
- How much value do they gain by using this solution to address their problems?
- Is it mature enough to handle their demands?
- Is it user-friendly?

- What integrations will be required and how configurable or customizable is the solution?
- What gaps exist in the offering and how does it compare to the competition?
- How do its implementation dependencies and time requirements impact their planned roadmap and strategy?

When making considerations, in addition to addressing post-implementation impacts, organizations need to also look at the impacts that will occur during the implementation and transition stages.

“Successful companies are reinventing processes, challenging everything related to an existing process and rebuilding it using cutting-edge digital technology.”

– Shahar Markovitch and Paul Willmott

The High Value of Operational DX

User experience enhancements tend to capture the limelight, but organizations can't ignore the tremendous impact that operational transformations can have on their work.

Digitizing paper and manual processes allows organizations to automate workflows, as well as create data streams that can be mined for real-time intelligence. That intelligence can feed real-time reports and dashboards that let organizations address issues before they become critical problems.

A modern work management platform can help organizations break up internal work silos and facilitate cross-team collaboration. It can become a powerful enabler for knowledge sharing, as well as giving their frontline and mobile workforces instant access to experts or answers to questions. And with a single, unified view of all their work in progress and the communications related to that work, they keep all stakeholders engaged and informed, eliminate surprises, speed up the pace of work, and gain the real-time insights needed to be more agile and proactive.

Transform Your Work with Workfront



- **From traditional to modern:** Get a true Operational System of Record to manage all work, not just project work
- **From siloed to connected:** Integrate your tools and get a comprehensive view of all work operations in one place
- **From rigid to agile:** Improve team morale, accountability, and productivity while allowing everyone to work how they want

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