Digital Transformation for Managers

Learn how to lead your organization through the digital age

Understanding Digital Disruption

01

Disruptive technologies can come in many forms, including mobile devices, social media platforms, cloud computing, and artificial intelligence.

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Digital disruption refers to changes caused by new digital technologies and business models.

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Digital disruption can impact all industries, forcing businesses to adapt or risk becoming irrelevant.

04

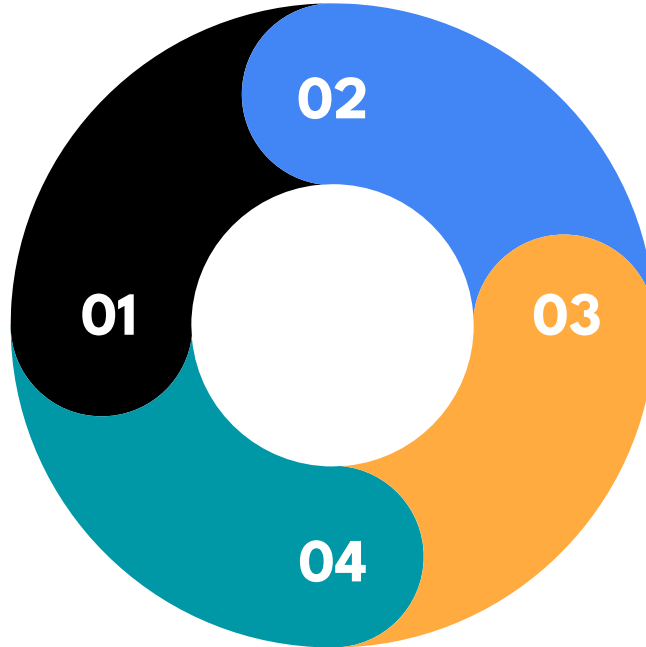Digital disruption is driven by advances in technology, changes in customer behavior, and shifts in market dynamics.

05

Managers must develop a deep understanding of the impact of technology on their industry and business.
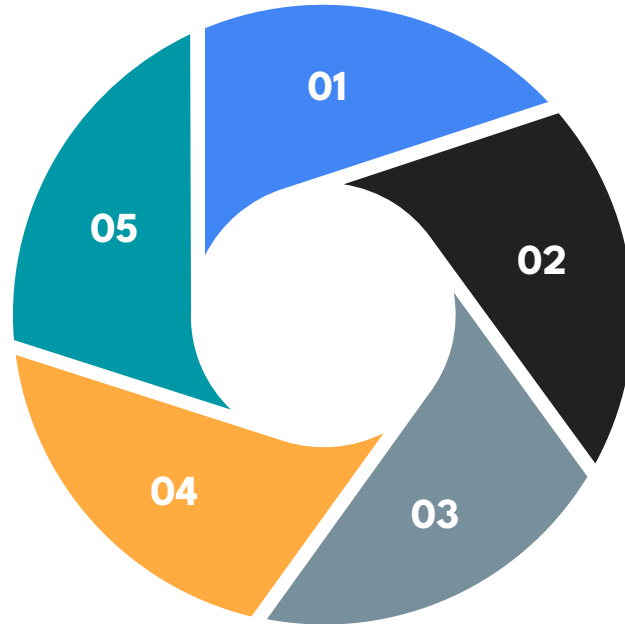
Developing Digital Capabilities

Businesses must develop and maintain a range of digital capabilities to remain competitive.

02

Managers must focus on building a strong digital talent pipeline to develop digital capabilities within their organization.

01

03

Key digital capabilities include data analytics, agile methodologies, digital marketing, and cybersecurity.

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Implementing effective digital strategies involves identifying key business objectives and creating a roadmap for digital transformation.
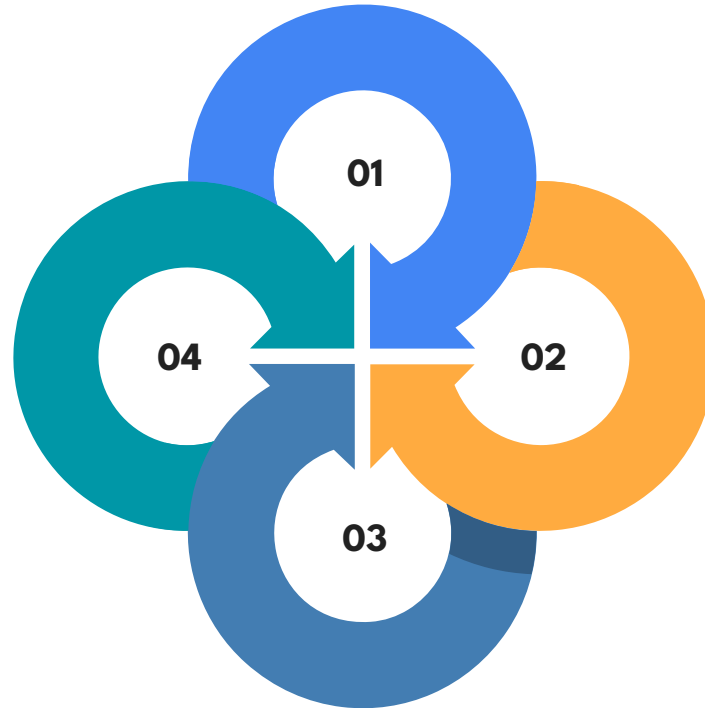
Leading Digital Change

- Leading digital change requires managers to navigate complex challenges and make difficult decisions.
- Developing a clear vision for digital change is critical for success.
- Building a culture of innovation is essential for driving digital change within an organization.
- Managers must be prepared to

The Causes and Effects of Digital Disruption

Shifts in market dynamics, such as the rise of the sharing economy, are also contributing to digital disruption.

01

Advances in technology make it easier and cheaper to develop new products and services.

04

02

The effects of digital disruption can be seen in product innovation, customer experience, and business models.

03

Changes in customer behavior, such as the shift towards online shopping, are driving digital disruption.

Leading Through Digital Disruption

01 Managers must also develop the skills needed to manage change and drive innovation within their organizations.

02 Managers must be able to anticipate and respond to changes in customer behavior and market dynamics.

03 This requires a willingness to experiment with new technologies and business models.

04 This includes the ability to communicate a clear vision for the future, build agile teams, and foster a culture of experimentation and continuous improvement.

Developing Digital Capabilities: Key Areas

Data analytics refers to the process of collecting, analyzing, and interpreting data to gain insights and make better decisions.

02

01

Agile methodologies prioritize collaboration, flexibility, and rapid iteration.

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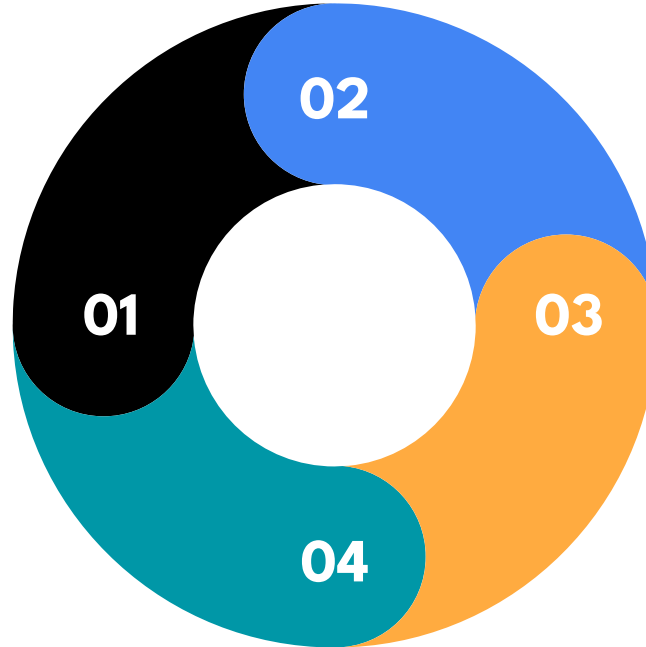
Digital marketing refers to the use of digital channels to promote products and services.

03

Cybersecurity refers to the protection of computer systems and networks from unauthorized access, theft, and damage.

Building a Digital Talent Pipeline

- Managers can build a digital talent pipeline by investing in training and development programs.
- Partnering with universities and industry associations to identify and recruit top talent can also be beneficial.
- Creating opportunities for employees to work on digital projects and gain handson

Implementing Digital Strategies

Managers can implement digital strategies by leveraging digital technologies to improve business processes.

Developing new products and services that leverage emerging technologies is another key strategy.
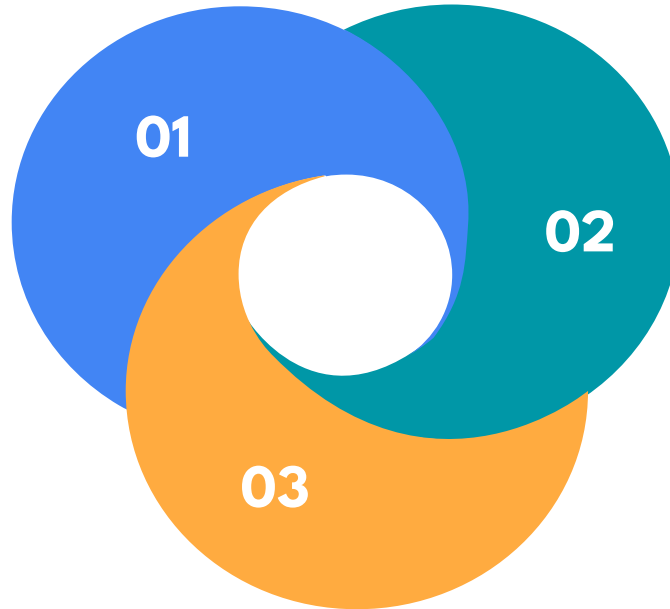
Creating new business models that take advantage of digital opportunities can also drive growth and innovation.
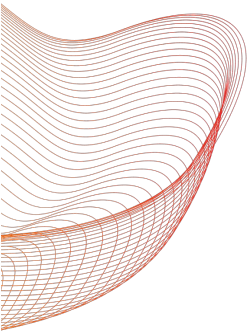
Developing a Vision for Digital Change

01

A vision for digital change should be grounded in a deep understanding of the organization's strengths, weaknesses, opportunities, and threats.

02

It should reflect the organization's strategic goals and priorities.

03

A vision provides direction and focus, aligns stakeholders around common goals, and helps to communicate the benefits of digital transformation.

The Emergence of Digital Transformation

Digital transformation has rapidly become one of the most important and misunderstood buzzwords on the internet today.

It is more than just adding technology to an already sophisticated and complex set of systems.
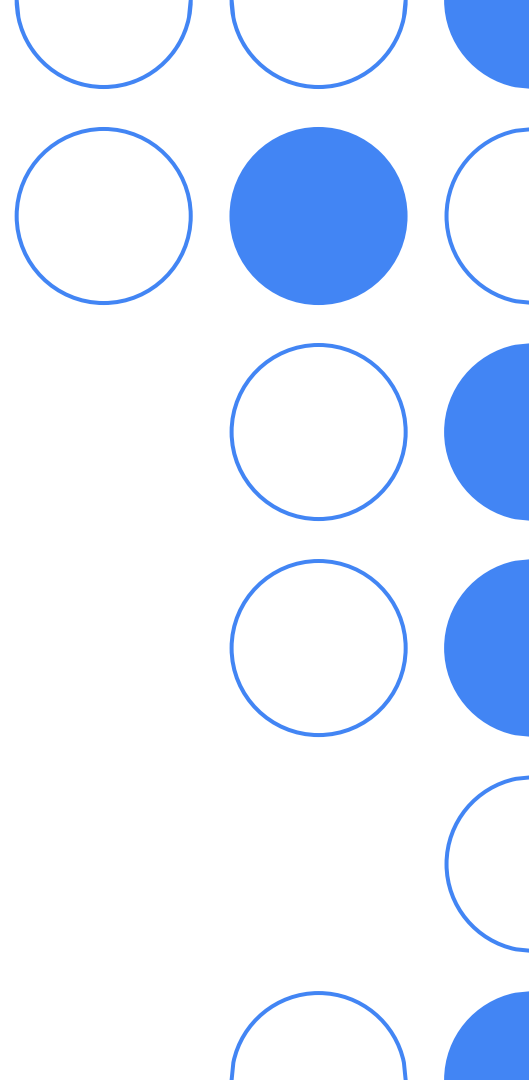
What is Digital Transformation?

In eWeek's view, digital transformation is "the adoption of digital technology that has the capability to transform the business."

Digital transformation is the process of replacing or enhancing traditional business processes with digital technologies.

The goal is to improve and streamline processes at all levels.
In a now common example, many medical offices are paper-free, or are moving that way. Patients fill out medical documents on a tablet and records are migrated through the system digitally, replacing the highly inefficient paper folders from yesteryear.

Even with a relatively modest example like shifting from paper to electronic records, digital transformation can dramatically improve how companies serve their customers.

However, as you'll see in the examples below, digital transformation can require a seismic shift in process, which means considerable investment of time and money in technology and staffing.
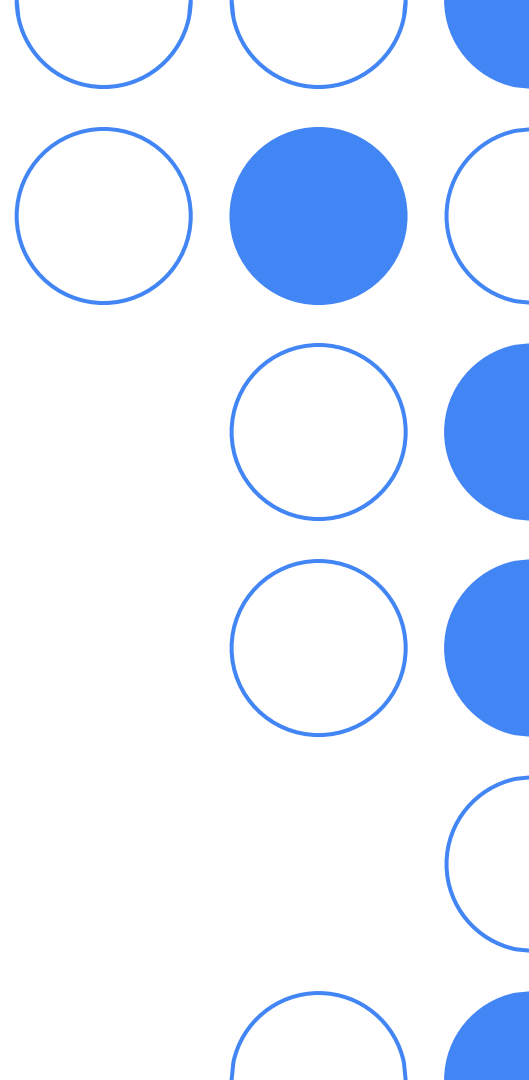
What is Digital Transformation?

Virtually every example of digital transformation requires some form of cloud computing, and often uses more than one cloud provider.

Certainly most examples require machine learning, a significant element of data analytics, and – increasingly – support from artificial intelligence software.

Needless to say, most businesses can't achieve this transformation on their own; they'll need to partner with digital transformation companies to enhance their odds of success.

But because the advantages are so great, even deep investment is typically justified. In the long run, many digital transformation deployments become examples of success.
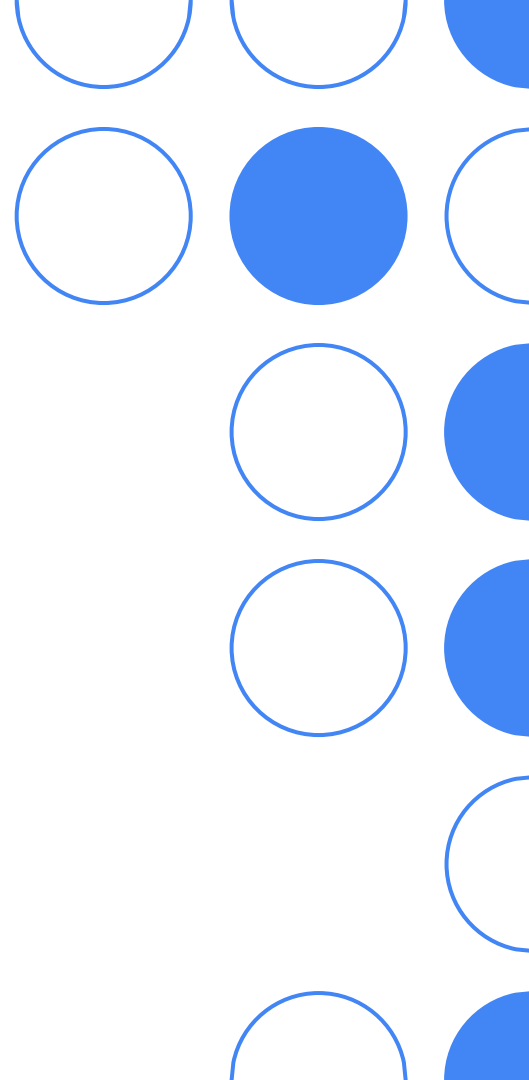
What is Digital Transformation?

Digital Transformation examples include IT Modernization such as switching to a cloud environment, being remote-ready, reskilling employees, implementing automation to accelerate customer support and service, and using AI-driven insights to enhance sales efficiency.

There are countless real-life examples of companies going through digital transformation in various industries like finance, healthcare, telecom, manufacturing, construction, logistics, and many more to reinvent specific business cases or reinvent their organization from top to bottom.

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Given the many successful examples, it's no surprise that the market for digital transformation services is forecast to top $800 billion by 2025.

Source: MarketResearchFuture.

USD 817.05 Billion

CAGR 18.87%

USD 250.65 Billion

2018 2019 2020 2021 2022 2023 2024 2025
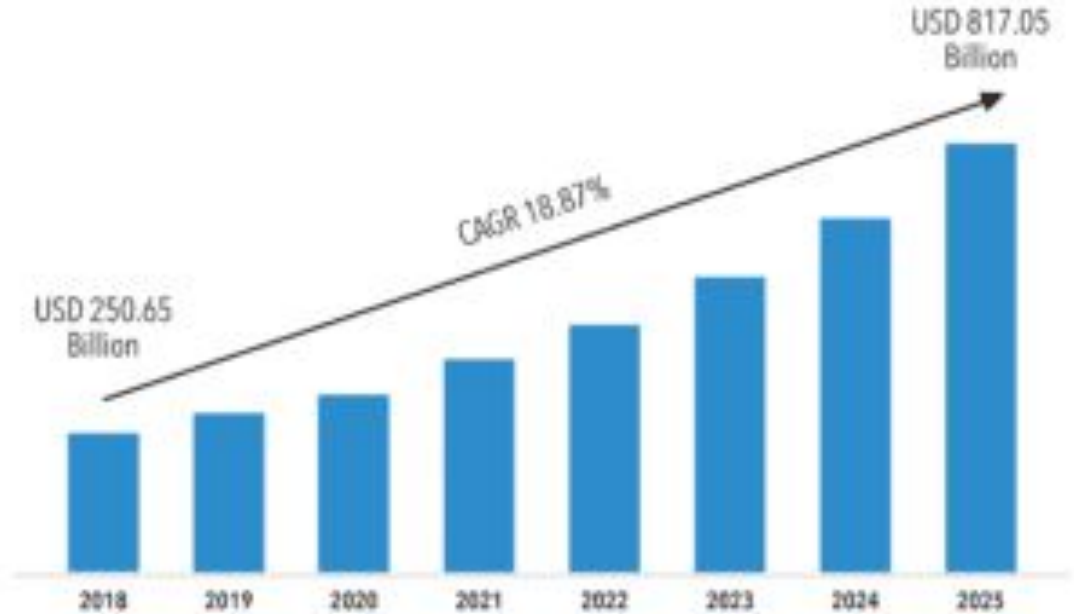
What Does Successful Digital Transformation Mean?

Since it often involves a large-scale transformation and reinvention of all facets of an organization, it is difficult to gauge the success of the digital transformation.

The examples of digital transformation initiatives taken by many organizations have the below four indicators as a journey towards success. Since it often involves a large-scale transformation and reinvention of all facets of an organization, it is difficult to gauge the success of the digital transformation.

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What Does Successful Digital Transformation Mean?

Operational efficiency
According to a PTC survey, 40% of management executives believe that operational efficiency is the biggest advantage DT brings. Technology is helping organizations find new and better ways to work.

Customer needs
Companies that have implemented digital transformation successfully are better positioned to respond to the needs of their customers not just in the present but also in the future as demand evolves.

What Does Successful Digital Transformation Mean?

Revenue growth
Digital transformation has a definitive impact on revenue growth. A Mckinsey report states that B2B companies spend 10% less while achieving a 10-15% growth by transforming their customer experience.

Competitive advantage
Digital transformation helps businesses take full advantage of fast-evolving technologies that could give them an edge over competitors, drive constant innovation, and build a more skilled workforce

Overcoming common digital transformation challenges

It's not called a *transformation* for no reason.
You're changing the way your business operates, which is no easy feat.

Here are the common challenges you'll face and how to overcome them.
Teams undergoing a digital transformation have to:
-Unlearn habits
-Get used to new structures and ways of collaborating
-Deal with changing roles
-Develop new skills

Overcoming common digital transformation challenges

All of this takes time and, as you integrate new systems with the old, there's a risk that teams will get siloed and chaos will ensue.

A key way of overcoming these challenges is planning.

Create a digital transformation strategy roadmap in advance.

Outline your integration strategy and detail how this will affect each team.

Once you've created your plan, share it with the entire company, so everyone can use it as a single reference point.

Overcoming common digital transformation challenges

Use a project management tool that allows team members to get a big-picture overview and see granular details like the tasks they're responsible for.

It takes time for teams to onboard and move away from what was successful under the previous system, for example, shifting from heavyweight to lightweight project planning.

Make sure you factor some breathing space into your roadmap—give everyone a chance to get used to the new way of operating.

Overcoming common digital transformation challenges

As part of a digital transformation, you'll want your team to develop new skills as well.

Upskill your team by incorporating digital skills into your employee development plans. Provide people with opportunities to learn and then track their progress.

More challenges arise if you believe there's an end-state to digital transformation.
New technology and new consumer behaviors are always emerging, which means digital transformation is an ongoing process. It's not something you'll complete in a week.
Rather, it's a continuous state of experimentation and improvement.

Examples of Digital Transformation

Digital Transformation in Retail

In 2017, Domino's Pizza adopted artificial intelligence and chatbot technology to create a conversational interface with Facebook Messenger.

Customers who have a Domino's Pizza account can use Facebook Messenger to quickly reorder a previously ordered pizza combination or a new series of toppings.

Ordering is streamlined and interactive, and since it's tied into social media (as opposed to requiring a separate web site or a phone call), the frequency of orders have increased.

The chatbot uses a data-based logic system to offer upsells like strategic discounts and related food items. Additionally, the AI-based system saves labor costs for the pizza chain.

Examples of Digital Transformation

Digital Transformation in Retail

This example of digital transformation reflects the strength of AI in driving sales. One of AI's main strengths is human-like chat, in which an algorithm responds to customers in real time using [NLP](#) (natural language processing), even if the customer is using idiosyncratic language.

Additionally, AI excels at performing tedious tasks that would stretch the limits of human performance. This includes sifting through vast amounts of data to search for useful patterns and other insights – in this case, patterns in how humans order food delivery, to ease friction in the ordering process.

Examples of Digital Transformation
Digital Transformation in Marketing

In 2012, toy and game manufacturer Hasbro saw its marketshare slipping and had an epiphany. Rather than market to children, it targeted their parents, who actually make the purchases.

They began a new digital and data strategy, which took a number of years to reach full implementation.

Examples of Digital Transformation
Digital Transformation in Marketing

The company began gathering and mining customer data to create more targeted marketing campaigns, promoting both nostalgic and newer brands. It made a major push into online media, targeting web sites with high cohorts of parents. This data-based online approach gave Hasbro better and more immediate feedback. In 2016 the company broke the $5 billion sales mark for the year and is on track for $6 billion in 2021.

Examples of Digital Transformation
Digital Transformation in Marketing

One of the main tools for digital transformation in marketing is data.
Mining electronic data gathered in massive quantities in data warehouses and data lakes greatly increases the ability of sales leaders to hone campaigns.

This usually involves business intelligence software – a core tool in digital transformation – which allows pinpoint targeting by demographics.

Examples of Digital Transformation
Digital Transformation in Banking

Institutions across the financial sector, such as Wells Fargo and Bank of America, have automated transactions, even as this has required handling major security and compliance issues.

The fascinating aspect of this example is that instead of one limited instance, retail banks have undergone a rolling adoption of digital transformation over the last three decades.

Examples of Digital Transformation
Digital Transformation in Banking

The major milestone in this process was the adoption of Automated Teller Machines (ATMs); by allowing customers to get cash without human assistance, the banking sector has been a leader in using automation to save on staff costs.

Examples of Digital Transformation
Digital Transformation in Banking

For a contrasting example, look at the grocery sector, which didn't move heavily to self-checkout (SCO) until the last few years; globally, less than 200,000 units existed in 2013, a figure forecast to rise to 1.2 million units in 2025.

Examples of Digital Transformation
Digital Transformation in Transportation

All of this logistics and data-centered strategy was built into the smartphone app, which facilitates convenient and rapid customer feedback.
Again, this is close listening to the customer.

Examples of Digital Transformation
Digital Transformation in Transportation

There is a good reason Uber grabbed so much marketshare from traditional taxi companies over the last decade.
Uber took an in-depth, data-driven look at the taxi industry and identified all the pain points of customers, from locating a nearby taxi to offering non-cash payments.
Using a key element of digital transformation strategy – active listening using data – the company catered to customers in ways they'd never been responded to before.

Examples of Digital Transformation
Digital Transformation in Transportation

This example of real time, interactive listening is echoed in a foundational practice in digital transformation: using social media to form a close bond with customers.

The interactive smartphone app is a click away from major social media platforms and, in the minds of many consumers, is the same world.

Clearly, social media has become the new customer service desk.

LinkedIn, Twitter, and Facebook have replaced 800 lines and email for instant communication between sellers and customers, handling sales, disputes, and measuring brand sentiment.

Examples of Digital Transformation
Digital Transformation in Healthcare

Telehealth services like Teladoc, MeMD, MDLive and a host of other providers enable users to receive care from healthcare professionals using a Webcam, lessening the need for physical infrastructure, including fewer staff hours spent supporting waiting rooms.

Examples of Digital Transformation
Digital Transformation in Healthcare

An advantage of digital transformation is better focus on the customer, and that's certainly true with telehealth, which allows better care for rural and other isolated patients.

Not to mention enabling an on-demand format that's more flexible for all patients.

The telehealth market is forecast to expand from $144 billion in 2020 to $636 billion by 2028.

Examples of Digital Transformation
Digital Transformation in Healthcare

Data management and data mining are rapidly growing trends in healthcare, easily rivaling telehealth as examples of digital transformation.

Using data analytics on large number of anonymized patient records enables lower rates of medication problems by flagging consistent problems across many patients.

Data is also used for preventative care, which involves analyzing patient data to find links between current and potential future medical problems, then informing the patient far in advance.

Carrefour-Belgium charge in food retail digital transformation

Carrefour Belgium runs SAP on Google Cloud to reduce enterprise risk and increase security and availability, while leveraging Google Cloud solutions to strengthen data analytics.

Carrefour Belgium, part of Carrefour Group and one of Belgium's largest grocers, has taken a leading position in digital transformation in retail.

"When you're in charge of such a critical transformation, you simply want to have the best partners with you and that's definitely the case with the Google Cloud team."

—Olivier Luxon, Chief Information Officer, Carrefour Belgium

Carrefour-Belgium charge in food retail digital transformation

"Technology is vital to carry Carrefour Belgium services now and in the future.

This has prompted us to rethink our industry position as a digital retail company rather than just a grocer," says Stijn Stabel, Chief Technology Officer at Carrefour Belgium.

"To achieve our IT goals, we knew we needed a stronger cloud footprint to enable our goals."

"When facing the IT legacy environment syndrome, you have two options: either never move to new technologies and ultimately disappear, or take the risk and make the magic happen.

As failing was not an option, we decided to go with the second option," says Olivier Luxon, Chief Information Officer at Carrefour Belgium.

Carrefour-Belgium charge in food retail digital transformation

Carrefour Belgium had been working closely with Google Cloud to run a number of its essential applications, including its pricing engine and employee collaboration tools.

After its success with these **Google** Cloud solutions, Carrefour Belgium decided to migrate mission-critical SAP applications to SAP on Google Cloud.

"We have removed a lot of risk and greatly increased our system availability and uptime by migrating many SAP applications to Google Cloud."

—Stijn Stabel, Chief Technology Officer, Carrefour Belgium

Carrefour-Belgium charge in food retail digital transformation

A leader in listening and responding to customers

Carrefour Belgium's focus on digitizing services highlights the company's commitment to providing customers with the best, most advanced shopping experiences.

"We are a customer-first business, and consumers are constantly demanding new digital services," says Stijn. "Our goal is to keep meeting and exceeding our customers' needs when it comes to digital. We chose to work with Google Cloud on a large scale because of their ability to understand and adapt to our needs, which in turn allows us to better address customer expectations."

Carrefour-Belgium charge in food retail digital transformation

Data-driven business transformation

In moving so many valuable SAP applications and data to Google Cloud, Carrefour Belgium is opening the doors to a more powerful and unified data analytics platform based on BigQuery.

"Data is key to Carrefour Belgium. We are pushing a lot more of it into BigQuery including SAP data because it's much more straightforward compared to other data migrations we did in the past," says Stijn. "We're making excellent progress and adding a lot of business value thanks to the increased data management agility supported by Google Cloud."

Carrefour-Belgium charge in food retail digital transformation

Data-driven business transformation

While much of the initial transformation efforts are focused on internal teams, such as improving access to SAP applications and data, the company also sees the value of these efforts on directly serving customers. The efficiency gains in the backend systems also translate to freeing up resources to continually refine shopper services.

"The adoption of Google Cloud tools and methodology has been a game changer for Carrefour Belgium," says Stijn. "With Google Cloud and Google Workspace, Google has reinvented ways of working. Their solutions have helped us navigate the COVID-19 pandemic while maintaining exceptional levels of shopper services."

https://www.youtube.com/watch?v=59qtOzUUPXU