

# The Ultimate Digital Transformation Roadmap:

## A Tactical Guide for Corporate Innovation

Circle back.

Out of pocket.

Synergize.

Ninja.

The business world is fraught with hollow buzzwords and jargon. It's easy to overlook powerful ideas once they become reduced to popular catchphrases.

So before we go any further, let's talk about the core of this tactical guide: Transformation. And we don't mean "transformation" in that over-the-top, jargon-y way. We mean a thorough or dramatic change.

When you think about transformation, does it stop at a few surface level updates?

No.

Transformation isn't one new hire; it's shaking up entire departmental structures to better achieve business goals.

Transformation isn't translating a 10-page paper process into a 10-page computer program; it's turning the entire workflow on its head to make it more efficient and then applying what you've learned to other processes in your company.

Transformation accelerates the speed at which you do business, improves your time to market, brings costs down, and instills productive changes in every process, employee, and business model.

It's all right there in the name. It's transformative.

And now, it's also digital.

## Why Does Digital Transformation Matter?

The internet, networks, mobile devices, software, artificial intelligence, and other digital advances have created opportunities most of us could only dream of a few decades ago. As such, it only makes sense that the modern enterprise environment calls for transformation at a digital level.

Digital transformation (DX) is your [key to innovation](#).

When pursued with conviction, our tactical 10-step digital transformation roadmap will empower your business to take control of its future and instill digital-first strategies in customer experience, internal operational processes, business models, and the capabilities that make delivering these innovations possible.

## How do I Get Started with Digital Transformation?

Decision fatigue. Analysis paralysis. Overwhelm. We have a lot of phrases to describe a phenomenon that started well before the digital age.

Steve Jobs and Johnny Cash, different in profession but united in creativity, both [famously stuck to similar outfits](#) day in and day out. The reason? Saving their mental energy for the important decisions that lie beyond their closets.

You may have already made the most important decision of all—to pursue digital transformation.

But with the overwhelming amount of directions you could go and places you could start, how do you focus your mental energy on the decisions that matter?

### Rank Your Business Objectives Based on Available Resources vs. Perceived Reward

If you're lucky enough to already see tons of opportunities for digitalization, narrow them down by focusing on the objectives and goals your business is already working toward.

The easiest place to start might be to prioritize [based on resources](#).

Say that building a complete contractor onboarding experience is one of your core business objectives. Another might be cutting down the lead time between purchase and delivery.

Will one require less resources and time to make a positive impact than the other?

If you already have a robust HR department but know you'll need to hire several programmers and spend

months developing an entirely new ordering and fulfillment system, save yourself some energy and set yourself up for success by starting where the most resources are.

When you're able to recognize and effectively optimize your resources, the immediate returns can be reinvested right back into other crucial goals on your roadmap.

### Stress Test Your Objectives Against Revenue and Timeline Goals

Per the previous example, improved onboarding and decreased lead time are both excellent goals.

Especially in organizations that depend on contractors, [a smooth onboarding experience](#) that boosts productivity and keeps the contractor pipeline full can have a powerful impact on the speed and volume of revenue.

[Just ask Instacart](#), an on-demand grocery marketplace that saw contract completion for their workers increase by 270 percent compared to their manual process.

By the same token, reducing lead time is another great way to cause an immediate bump in profit.

You wouldn't be wrong to pursue either, which makes choosing between the two that much harder. That why the next step in choosing which DX opportunities to pursue asks you to realistically compare the projected ROI of each objective to your overarching revenue and timeline goals.

It's a tough decision to make. But hopefully, it will inspire a strong internal guideline upon which you can make more tough DX decisions and avoid overwhelm as you go deeper into digitizing every aspect of your business.

## The Building Blocks of Digital Transformation

According to a [study](#) conducted by the MIT Center for Digital Business and Capgemini Consulting, leaders in successful enterprise-level digital transformation focus on these three key areas: customer experience, operational processes, and their overall business model.

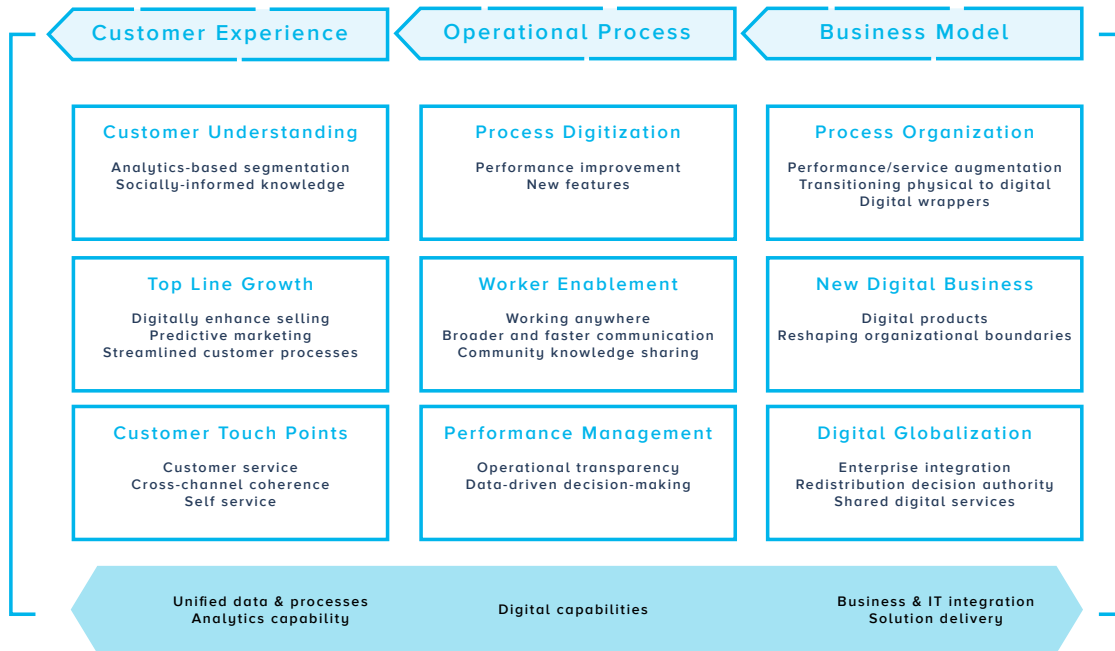
### Customer Experience

DX allows us to learn, and subsequently deliver, what our customers like and want via analytics-based segmentation and interactions on digital campaigns.

Digitally-enhanced sales processes, self-service tools, and digital touchpoints give companies more platforms on which they can serve customers.

Consumers are now empowered to choose when, how, and how often they interact with a brand. Businesses must stay on their toes to ensure they're offering seamless experiences and messaging across a variety of digital platforms.

## BUILDING BLOCKS OF DIGITAL TRANSFORMATION



### Operational Processes

Automation gives individuals more time to innovate and compete in a space that's getting smarter, and more crowded, every day.

Take for example Gun.io, an international marketplace for technical freelancers. They're able to onboard more clients and qualified members at a faster rate with less overhead time all thanks to [HelloSign's workflow content automation \(WCA\) software](#) that simplifies onboarding.

Digital transformation of operational processes doesn't just empower HR organizations to focus on bigger DX strategies, it changes the way entire businesses collaborate and communicate.

Internet-enabled devices in the workplace allow for video conferencing and messaging apps to replace time-consuming and resource-draining meetings and memos. The ease of communication between departments that may have never collaborated in the past inspires transparency and creativity.

The data visibility that DX achieves has benefits that go all the way up. Leadership teams are able to manage resources more effectively. Decisions that used to take weeks happen in hours thanks to the live data sharing and communication that technology makes possible.

## Business Model

Businesses are finding creative ways to modify their existing offerings and develop digital products and services to keep the interest of 21st century consumers.

For example, large grocery retailers are fully embracing the spirit of digital transformation with personal shopping services that allow customers to make selections right from and schedule deliveries right to the comfort of their own homes.

Virtual information means virtually any business model can go global. Digitized operations expand your talent pool way beyond the reasonable daily commute. Unified data empowers local managers to make more autonomous decisions. Executives enjoy transparency into day-to-day operations and can make educated strategic decisions without needing to be in the same building—or country—as the rest of their team.

To cap off these building blocks; the development of digital capabilities including unified data, analytics, IT integration, and solution delivery are the final step in enabling companies to complete their digital transformation.

## Your Tactical 10-step Digital Transformation Roadmap

### 10-STEP DIGITAL TRANSFORMATION ROADMAP



Though DX is gaining momentum around the world and across industries, there are still a few traffic jams on the road to digital transformation.

Almost 60 percent of companies find themselves stuck at a [“digital impasse”](#) in their DX maturity.

Which make it rather unfortunate that as soon as 2020 investors will start heavily weighing DX-enabled metrics like data value and customer engagement in enterprise valuations.

The time is nigh to embark upon the [10 tactical steps to corporate innovation](#) as outlined by McKinsey & Company.

#### Defining the value of digital transformation

Just as vital as the actual digital transformation of a business is the perception of that transformation across the company.

By defining the importance of this change through cultural and financial signals, you’re more likely to get your entire team on board when it comes time to launch and scale your efforts.

### Step 1: Secure Full Support from Senior Management

A CEO and their leadership team set the tone at a company. When they commit to taking on digital transformation, it should signal that this is a priority and that they will hold leaders and employees across each department accountable for chipping in. Every single employee should know and feel how important their role is in your success.

Digital transformation shouldn't be a key initiative rotting away in a strategy deck somewhere but a personal vision they embody on a daily basis.

"It's not enough just to have CEO sponsorship," [says](#) Andrew Brem, chief digital officer of Aviva. "It needs to be provocative, disruptive, ambitious, and often uncomfortable sponsorship to be successful."

### Step 2: Set Ambitious Goals

With a passionate leadership team and opportunities for DX already identified at your organization, it's time to set crystal-clear goals that aim to take you above and beyond your competition.

Ambitious targets should address each value point you aim to increase.

For example, if you choose to pursue shortening the lead time between purchase and delivery, find the points in that process where DX will provide value.

If it's digitizing your product catalogue to make sure you're never surprised by out-of-stock alerts, set a goal for how many items will be in this new catalogue in six months. If it's developing an in-house digital tool that your fulfillment team uses to track their daily tasks, define when you're rolling that out and which data points it needs to collect in order to be effective.

The benefits of aggressive targets are threefold. They prevent the inevitable urge to backslide when it comes to tackling the more difficult transformations and keep you focused on initiatives with maximum potential instead of straying toward lower hanging fruit.

But perhaps most important is the way in which your targets signal your commitment to this digital transformation roadmap.

If you've observed via projections or competitors that it's possible to improve your lead time by at least 50 percent, that is your benchmark. Anything less, even though it's technically an improvement, would be a failure to hit your target.

### Step 3: Allocate Funding

Eventually you'll have to put a price tag on your digital transformation. It's not going to be cheap, but things of lasting value rarely are.

Take for example [McKinsey's](#) estimation that IT companies with outdated systems will have to double their spending for the five years to keep up with digital transformation.

Whatever your investment ends up being, it's vital that it includes future proofing as well. In addition to digitizing today's processes; investing in the right hires, partnerships, and departments will keep you competitive as your entire industry continues to transform in the years to come.

## Defining the value of digital transformation

So your initially change initiatives are defined and bankrolled. Now what?

According to McKinsey & Company, the strategy covered in these next few steps will help you build the momentum you need to keep energy up and your DX efforts progressing at full tilt.

### Step 4: Start with Lighthouse Projects

Remember that thing we said earlier about low hanging fruit? Well, it's not all sour grapes.

When you're ready to launch your first few digital transformation projects, it can't hurt to win early support with by knocking low-risk, high-reward lighthouse projects out of the park.

Using our earlier example about improving your onboarding process, implementing [workflow and content automation software](#) is an inexpensive way to gather internal sentiment and speed up time to revenue with faster and more accurate data collection.

### Step 5: Appoint a Launch Team

One way to ensure your DX efforts flop is by piling a whole slew of new responsibilities and roles onto your existing staff.

While talent is a key ingredient in a successful digital transformation, that's not what your current team was hired to do. Instead, you'll want to look to digital design, customer data analytics, and digital marketing consultants to help transform your company over the next 18+ months.

"It is no longer enough just to have the best applications and devices." [says Duncan Tait](#), Head of Americas and EMEA at Fujitsu. "Without talented and capable people to use them, they are meaningless."

But how are you supposed to know who's who in the world of digital when you yourself are just now engaging in DX? You're not alone in that predicament.

Many organizations choose to bring in an anchor role, such as a chief digital officer (CDO), who is responsible for building the digital transformation team and coordinating with existing departments as they adopt digital workflows.

Whoever you appoint to take on facilitating your digital transformation, they should ensure the best tech and personnel are in place, monitor progress on key targets, ensure the appropriate sequence of priorities is kept, and manage all day-to-day tactical items in your digital transformation roadmap.



## Step 6: Introduce New Workflows

The digital team your CDO builds will have to strike a delicate balance. They'll promote agile workflows without alienating the existing staff who has grown the company to what it is today.

Keeping this new, digital team separate from the rest of the incumbent organization means they will be able to work in an agile and autonomous environment and enact digital change quickly.

On the flip side, this increased focus on “the new kid” may put existing employees on edge and make them feel threatened in their job security. Many incumbent teams also become validly concerned that innovation spending will cannibalize existing revenue streams.

This is why it's vital that the digital team is not always seen as an “outsider” but that they, their methodologies, and the speed at which they're able to enact impactful changes are eventually adopted by the entire organization.

If they aren't, DX quickly becomes little more than a costly experiment that never quite took as targets were missed and revenue shrunk.

Navigating internal politics to integrate lasting digital workflows is just one area in which a CDO will have their job cut out for them.

## Step 7: Grow Your Culture

Culture is changing in modern enterprise.

Workers with a digital mindset value speed, collaboration, and autonomy.

Where there was once a focus on process there is now a passion for testing, learning, and even failing on the fast-paced road to growth.

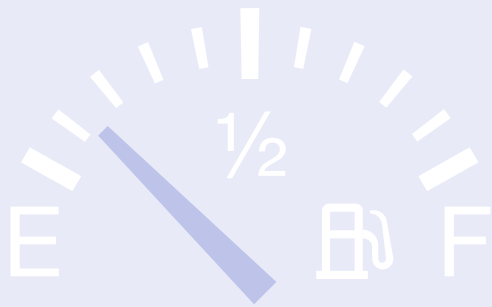
Instead of every conversation beginning with a business case, there is talk of collecting feedback to ensure that what you're doing is something your customers actually want.

A drive to copy competitors has been all but overrun with the desire to create value for the end user.

While your new DX team will join your organization with an inherent understanding of this way of thinking, making sure the digital mindset permeates all the way up to your leadership team is a must if you want to

## Defining the value of digital transformation

So your initially change initiatives are defined and bankrolled. Now what?



**You may have the brightest and most progressive people, but they will flounder in a culture that stifles innovation.**

Duncan Tait, CEO, SEVP  
and head of Americas and EMEA at Fujitsu.

[Source](#)

## Scaling Digitalization

Once you're about 18 months into your digital transformation, McKinsey & Company estimates you should be seeing progress on all of the initiatives you've tackled as well as signs that a digital mindset has taken hold at your organization.

But now is not the time to sit back and relax. You're in a powerful position to ramp things up.

If the nebulous frontier of commerce isn't an intriguing reason to scale, we don't know what is.

### Step 8: Snowball

It was important at the beginning of your DX to identify priorities and put an expert in place to make sure you advanced through them in the best order.

It's time for those efforts to gain momentum.

The sequence of your initiatives gets even more important as your success picks up steam. By now, the digitalized parts of your business should be generating enough revenue to fund further DX efforts. Each initiative moving forward should build upon the success of the last to avoid wiping out your cash flow and with it your forward momentum.

Don't be a generalist. Instead of spreading yourself thin, focus on specific areas of DX; especially those that keep your core business running smoothly. Financial and functional opportunities that could boost future growth should take precedence over those whose impact aren't as clear.

Once your efforts begin snowballing, it's time to push past the targets you set earlier to compound on their success and bankroll future initiatives.

### Step 9: Build Your Capabilities

Modernizing your core platforms, and perhaps even building upon them to introduce new business capabilities, will bring DX to a new level of scale in your organization.

[Business capabilities](#) are the sum of people, processes, and technology needed to achieve a certain goal. They can uncover costly redundancies and help build high-level strategies for implementing digitization that propels you past competitors.

For example, you may find that focusing on business model agility allows your employees to naturally coalesce into quick, cross-functional teams. Or, using the new digital data you have access to, maybe you'll learn that pursuing customer experience management means building real-time social tools that empower your customer success agents to improve wait time.

Enacting the previous steps in the digital transformation roadmap will put you on solid footing to develop capabilities that will establish you as an example in enterprise digital transformation.

### Step 10: Adopt Agile Methodology

If there's one constant when it comes to enterprise in the digital age, it is [change](#).

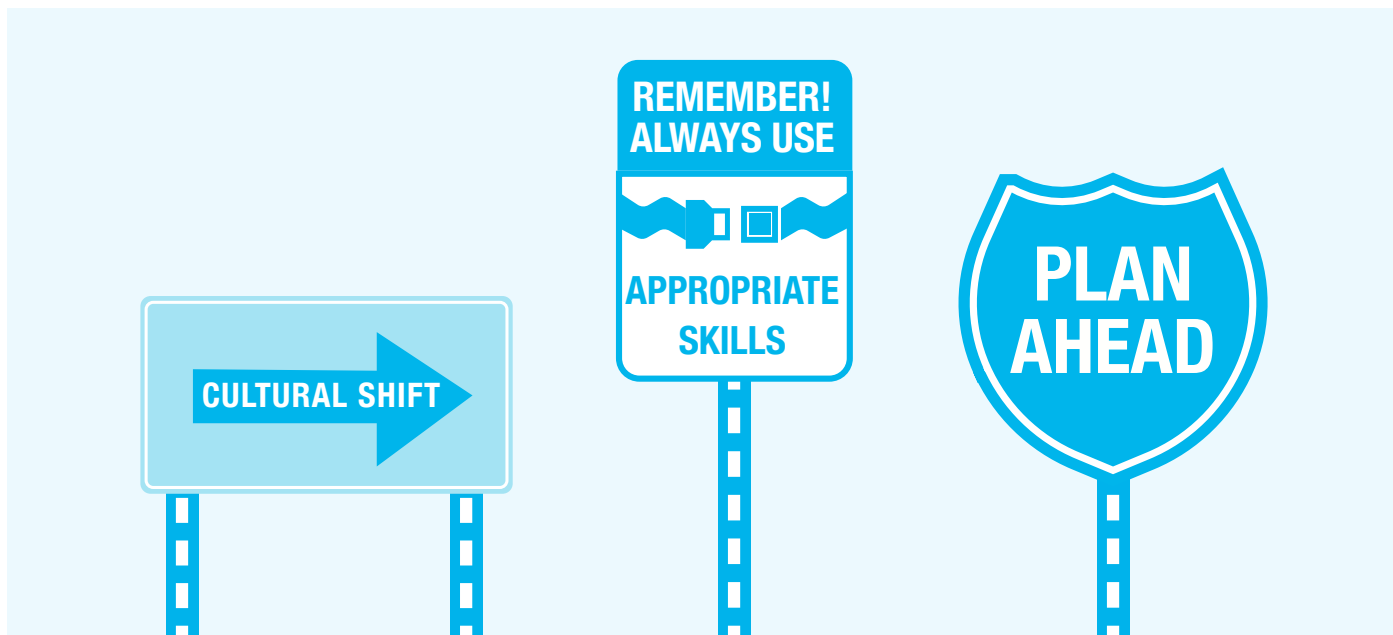
Embracing a concept that has struck fear in the hearts of corporations for centuries is probably one of the hardest, and most important, steps in your DX.

Cubicles may have to give way to collaboration and communication. Silos and other boundaries that cut short the sharing of data should be abolished. Teams must be flexible and cross functional; morphing to fit wherever a new revenue stream needs developed or a cost reduced.

In short, organizations will need to adopt the agile principles that have become the standard operating procedure for modern software and startup companies.

"Agile principles are now standard operating procedure for software design," [says Marcus Ryu](#), co-founder and CEO at Guidewire Software, "but they're also applicable any time you need to orchestrate a large number of people to get something complex and multifaceted done over an extended time frame."

## Common failure points on the road to digital transformation



Of course, every single team, department, and organizations will hit their own snags in this digital transformation roadmap. But here are some of common reasons DX projects fail and what you can do to steel yourself against them.

### Forgoing The Cultural Shift

Transformation can't just stop at implementing new business objectives or installing fancy technology. Transformation has to sink deep in the culture of a company and its personnel.

Culture guides behavior. And behavior, which is infamously hard to change, won't suddenly align with new business objectives overnight. A commitment to DX and an acceptance of change must be reflected company policies, mission statements, and the daily actions that leaders take.

[According to said Bruce H. Rogers](#), co-author of *Profitable Brilliance: How Professional Service Firms Become Thought Leaders*, "...if you don't spend time changing people's behaviors, you don't spend time changing culture and how people make decisions, all of this falls flat."

Every department and person in your organization must embrace agile philosophy and a digital mindset. The CEO and the part-time fulfillment staff alike should default to thinking about opportunities to automate, analyzing results and feedback on the fly, and optimizing live processes—learning from failures when they inevitably happen.

## Failing to Plan Ahead

We've done our best to combat this common failure point by creating this tactical digital transformation roadmap. Now it's up to you to plot your own targets, timelines, and budgets to these guidelines.

An effective plan should deftly outline how long digital transformation will remain your core business objective and the success benchmarks you're aiming for. The agile organization won't stop there, but will continue to set new goals as its digital transformation deepens.

You can't plan for every possible outcome, but you should plan for change.

## Lacking the Appropriate Skills

In 2017, [Censuswide interviewed over 1,600 decision](#) makers in mid- to large-sized businesses in a variety of industries.

They found that 70 percent of leaders believed there was a lack of digital skills in their organization. The vast majority thought upskilling was the key to success and that the necessary skills would continue to transform over the next several years as artificial intelligence and other digital innovations developed.

How can your organization build the appropriate skills when everything is changing so rapidly?

Again, all signs point to adopting a digital-first mindset when it comes to preparing your operating model for the digital transformation of today as well as the innovations of tomorrow.

You won't have to live in fear of turning over entire departments to adapt to AI when it rocks your industry if you make DX a priority right now.

The digital natives that you bring onboard during your digital transformation should already have the hard skills and the forward-thinking, innovative, and curious mindsets that will keep your business ahead of the curve—and the competition—when AI and other future technologies continue to change the business landscape.

## What is the cost of ignoring digital transformation?

Just look at the annals of “big names” in business and you'll quickly realize that digitalization calls for you to either disrupt or be disrupted.

Sun Microsystems, once a standard in the computing industry, failed to adapt to personal computing trends. The high-end server company that [once considered buying Apple](#) for \$4 billion was acquired for not much more than that amount just a decade later.



1 in 4

organizations have experienced a failed digital project in the last two years - at an average cost of \$650,000



7 in 10

admit a digital skills shortage, with 80 percent saying this skills gap is the biggest hinderance to their cyber security

source: Fujitsu America Inc.

General Motors filed one of the [largest bankruptcies in history](#), including a \$49.5 billion taxpayer-funded bailout. What was the failure point? Neglecting customer needs and refusing to keep up with advancements in automobile technology—instead focusing on building profit through financing.

Borders famously [chose to expand internationally](#) instead of focusing on the rise of digital books and music in the mid 90s. After shares went up to nearly \$42 in 1998, the company [stopped profiting in 2006](#) and finally filed for bankruptcy in 2011.

In fact, [one in four organizations](#) have experienced a failed digital project in the last two years at an average cost of \$655,000 per project.

Perhaps that's because of the misconception that DX is business as usual—conducted by siloed departments in hushed tones with incumbent staff who have no specialized digital knowledge.

The status quo isn't going to cut it any longer. Your industry and your competitors are digitizing, whether you're ready for it or not.

Failure to innovate will relegate you to a bygone era. To be a leader in modern enterprise, there's no question that the best time to implement the ten tactical steps in this digital transformation roadmap is right now.