

# THE ULTIMATE CHEAT SHEET FOR DIGITAL TRANSFORMATION

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# *A Six-Step Guide to Get Your Business Ready for the Digital Era*

*Are you looking to accelerate the growth of your business with digital transformation? But, are you clueless where to start and how to proceed? Digital transformation is a vast, vast topic, and Googling it will give you pages of content. There are plenty of approaches to handle digital transformation and finding the right approach is like searching for a needle in a haystack.*

*“ Here, at Webfries, we have come up with this cheat sheet to tackle digital transformation. This guide answers all your questions about digital transformation – what is it, why do you need it, how to do it, when to do it and more.*

*Let's dive right in.*

*”*

## *What the heck is Digital Transformation?*

It's difficult to explain the definition of digital transformation, as it means different things to different companies. Let's try to explain it in layman terms sans jargon.

Broadly speaking, it is the use of new-age technologies, making them a part of a company's strategy, thereby replacing traditional business processes with modern, scalable processes that meet changing customer demands.



# *What will the Transformation Change, aka what will be its Impact?*

*To phrase it in a line – digital transformation, when implemented successfully, will change your whole company – the way of working, the way of thinking, and the entire culture of your company.*

## *Transforming Your Business*

It's not just about introducing new technologies or launching a new app for your customers. It's about transforming your business so that the customer and his/her experience are at the center of all that you do.

The focus of your business is on creating value to your customers.

A digitally empowered company takes decisions based on big data and analytics. The hierarchy of the company will move from tiers to a flatter one, thereby providing higher autonomy and more responsibilities to teams. It fosters a creative and friendly environment, where employees enjoy room for learning and improving. It's all about agility – responding fast to a changing environment.

It will change the way you plan your budget. It will change the way you hire and retain talent. It will change your company's work culture and hierarchy. Digital transformation generally changes the following major aspects of your business.



# 01

## Customers

Digital transformation leverages customer relations and enhances their overall experience with the brand.

# 02

## Competition

With digital transformation, you gain an advantage over your competitors, as you provide customers with an added value proposition and unique experiences.

# 03

## Data

Digital transformation makes you focus more on data and rely less on assumptions, helping you make accurate data-driven decisions.

# 04

## Innovation

Digital transformation helps your organization stay on top of innovations by making use of the latest technologies.

# 05

## Value

It adds value to your business, opening up new opportunities.

## *Digital Transformation Case Study*



A good example of digital transformation is Starbucks. Digital transformation is the magic that helped the world's largest café chain grow to become the world's dominant player in the retail coffee stores industry.



Today, Starbucks is one of the top companies in the world with massive revenues every year. However, very few people remember that the company experienced a major financial crisis in 2008, that led to the closure of several stores and massive drops in revenues. Digital transformation is what brought back the company into its current growth orbit.

If you follow interviews given by top management leaders of Starbucks, you can notice them referring to the company as a “technology company that sells coffee.” Wonder what the link between selling coffee and data and technology is?

Starbucks is more than your neighbourhood coffee shop. It’s an overall experience. Right from the moment you enter the store, to the time you finish your cuppa, everything is seamless. While it may appear effortless, plenty is happening behind the scenes – Starbucks accumulates and analyzes large amounts of data, which is then incorporated into their marketing and sales campaigns.

In the words of the CTO of Starbucks, “It’s not just about using a shiny technology. It’s building technology to create a customer experience that is uniquely Starbucks.”

The most important part of the customer experience is the Starbucks Rewards program. It not only allows for quick and easy payments via the app but also provides customers other value-added services like loyalty program rewards, music recommendations, store locator, and more.

The “Digital Flywheel” the loyalty program of Starbucks takes a four-pronged tech approach – rewards, payment, personalization, and order. The app addresses two basic needs of the typical Starbucks customer with technology – convenience and line avoidance.

The company has tons and tons of data about their customers, which they use to their advantage. The company uses this data to tailor their offerings based on customer preferences, providing personalised offers, and more. This helps to boost sales, turnover, brand loyalty, and brand awareness.



# *6 Steps to Successful Digital Transformation*

The steps to digital transformation vary from one business to another based on the goals and needs of each organisation. So, here we provide you with a framework that you can customize and implement digital transformation in your business.

## **Step – 1** *Identify Your Goals*

Before you start anything else, you have to identify your objectives. Start by listing out the existing business processes that you would like to redefine. This could be something big as re-hauling your entire operations or something micro as handling customer feedback.

As the CIO, CEO, or CTO of a business, it may feel difficult to change something that you have been doing for years. This is the crux challenge of digital transformation. You have to analyze internal data, study the market, and understand customer expectations to find out the processes that have scope for optimization.

Here are some common goals of digital transformation:

- To enhance customer end-experience, thereby boosting revenues, loyalty, and customer retention.
- To reduce operational costs of the business by improving productivity and enhancing overall efficiency.
- To simplify service management and to reduce operational complexity.
- To solve issues before they occur by gaining better visibility.



- To optimize infrastructure and to improve flexibility, agility, and cost-effectiveness.
- To gain better insights with the help of data analytics, thereby making better business decisions and winning a competitive advantage.

*Handy Tip: Remember that different organisations will have different objectives and varying priorities. So, start by taking a closer look at your various processes, get your team together, and work on identifying your list of goals and objectives.*

## Step – 2 *Identify Key Technologies*

Remember that technologies come and go. This doesn't mean you have to adopt all the technologies that are trending. The choice of technology is closely linked to the process you are trying to optimize.

Technology is a support tool for what you're trying to achieve. It shouldn't be the other way around. Don't implement a particular tool just because everyone else is doing it. A good example of this would be the implementation of AR (Augmented Reality). A couple of years ago, AR was the "in" technology, and a large number of businesses implemented it without any planning. The result – though AR is a great technology, it doesn't offer enhanced value to all businesses, causing several companies to lose a large chunk of money in it.

*Handy Tip: The focus of this step is to identify sustainable, cost-effective technologies that help you achieve your end goals.*

## Step – 3 *Redefine your Organisational Hierarchy*

This is key to the success of your digital transformation. When you are transforming your business digitally, it's difficult to perfect it in the first attempt. You will have to work on



redefining processes several times before you can make the entire operation seamless and efficient.

This requires your business to change from a traditional management hierarchy to a more flat structure that allows employees across levels to be engaged. This requires a change in the entire work culture – you should look to create a dynamic environment where employees of all levels can voice their opinions.

*Handy Tip: This one is difficult to achieve without getting your entire team on board. Start by letting all your employees know the objectives of digital transformation – why you are doing it and what you hope to achieve by it. Once you get everyone on the same page, it's easier to implement changes across the board.*

## Step – 4 *Work on Building a Talent Pool*

To implement the changes, you need a set of employees who are skilled and willing to shoulder responsibilities to transform your objectives into an actionable plan. Implementing all the technological changes is impossible without a team of dynamic employees skilled in IT.

There are two approaches to overcome this challenge:

1. You can recruit and build an internal IT team to oversee and handle the transformation.
2. Alternatively, you can outsource the process to an external partner. The benefit of this approach is that it saves you on recruitment and training expenses.

Remember that even though you may outsource the process, you need to build a team in your company to communicate with the vendor. You can train your existing workforce or hire new people for this role. It all depends on the abilities of your current team.



## Step – 5 *Create a Roadmap*



Now that you know what you want to achieve, who will be doing it, which technologies to use, it's time to start drafting a roadmap for execution. Digital transformation is a major task, and it cannot be done at one go. It should be carried out in several phases. For each milestone you want to achieve, work out a separate phase.

*Handy Tip: This is the step where you've got to get the top management and key personnel and get them all to work together to devise a roadmap.*

## Step – 6 *Identify your KPIs*



Any plan is incomplete without a goal. To measure the effectiveness of your digital transformation, you have to identify a set of KPIs (Key Performance Indicators). These metrics will help you evaluate the efficiency of your implementation and provide the right guidance for future decisions.

Set smart and simple goals for each phase. For instance, if you are working on overhauling customer support, then the KPI measure for it could be reduced customer service call times. The goals (KPIs) will help your entire team stay focussed on the process and not lose sight of the end results.



# A Brief Afterword

*Digital transformation is not a one-time process. You have to update your strategies and processes continuously, to ensure that your business is evolved for the digital age. In today's highly competitive business space, digital transformation is the magic pill that boosts your business.*

*Use these 6-steps to help you devise a cost-effective and efficient digital transformation process for your business. Digital transformation helps your business find new opportunities, explore new sales channels, build brand image and customer loyalty, all of which drive revenues.*



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