DIGITAL BUSINESS

Digital Transformation & Change Management

By **Meryem SLALI**

COURSE PLAN

Part 1 : Digital Transformation

Introduction to Digital Transformation:
- Definition
- Types of Digital Transformation
- Benefits of Digital Transformation

Digital Transformation Strategy & Planning
- Challenges of Digital Transformation
- Digital Transformation Strategy
- Importance of Digital Transformation

Customer Experience & Digital Transformation
- Customer Experience vs Digital Customer Experience
- Design thinking
- Examples of how digital transformation is shaping Customer Experience

Part 2 : Disruption, Disruptive technologies & Change Management

Disruption & Disruptive technologies Definition
- Disruptive technologies
- Business case analysis

Change Management & Leadership

We will have few sessions together:

- Some are remote
- Some are in the Campus

We will have short breaks to rest during each session.

A LITTTE BIT ABOUT MYSELF ...

My name is **Meryem SLALI**

- 6+ years of experience in IT, Product Management and User experience

- Masters of Science In Digital Transformation from Montpellier Business School

- Currently based in France but I have worked in Morocco, and the Middle East.

- Currently working as a Product Manager in the sports industry which allowed me to work on major sports events such as the FWC22, Roland Garros, UEFA EURO24

TELL ME ABOUT YOURSELVES ...

- Introduce yourself (Your name, and tell us a bit about your background)

- What brought you to Digital Business MBA?

- Tell me a fun fact about you

1 . Introduction to Digital Transformation

"Adapt or die"

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There are plenty of misconceptions about digital transformation

Is digital transformation just technology ?

You need only one year to do digital transformation. Right?

I'll just hire some DX expert and they can figure it out!

What is Digital Transformation

Digital transformation refers to incorporating digital technologies like **artificial intelligence, machine learning, the Internet of Things (IoT), cloud computing,** and **data analytics among others,** in a company's business operations to bring efficiency and drive growth. However, it goes beyond merely integrating new tools and technologies; instead, it involves redefining **business processes** and **adopting new models** to leverage the full potential of digital technologies.

Digital transformation is a continuous j**ourney of adopting technological advancements to stay relevant in an increasingly competitive business world while fostering growth, and customer-centricity.**

Examples:

Transitioning into a remote working culture

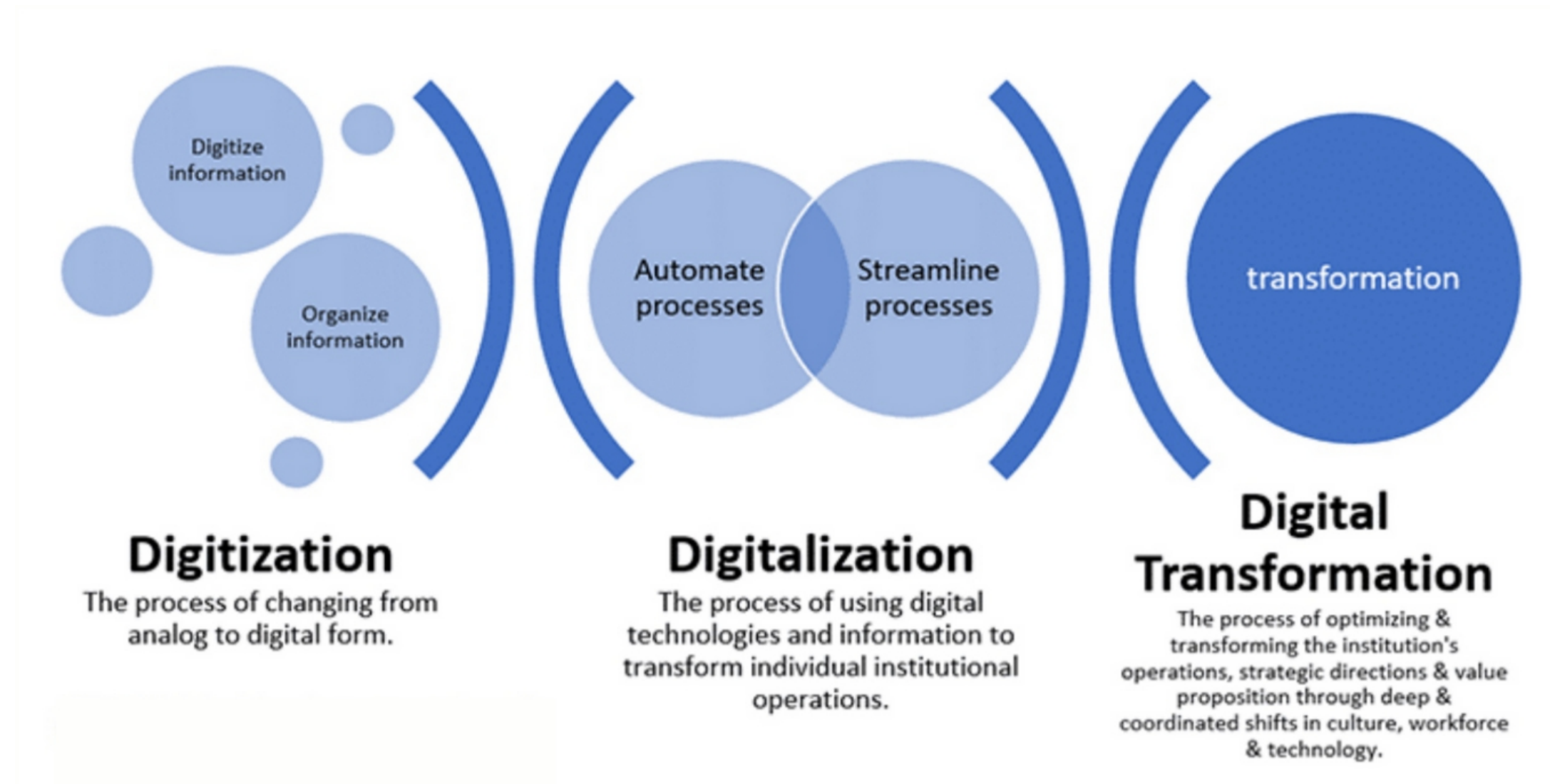Using design thinking to analyze and optimize the customer journey

Implementing automated customer service

Automating employee performance management

Digitization vs Digitalization vs Digital Transformation:

It's essential to discern the nuances between these three related yet distinct concepts ...

Digitization
The process of changing from analog to digital form.

Digitalization
The process of using digital technologies and information to transform individual institutional operations.

Digital Transformation
The process of optimizing & transforming the institution's operations, strategic directions & value proposition through deep & coordinated shifts in culture, workforce & technology.

Examples

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Transportation - <u>Ticketing and Boarding Passes</u>

<u>Digitization</u> -

Offering e-tickets and digital boarding passes instread of paper tickets.

<u>Digitalization</u> -

Implementing mobile apps for ride-sharing and real-time transportation

updates.

<u>Digital Transformation</u> -

Developing autonomous vehicles and smart city transportation systems

supported by IoT sensors and real-time traffic analysis.

Banking - <u>Account statements</u>

-

Digitization

Providing customers with digital account statements instead of paper copies.

Digitalisation

Offering online financial management tools that analyse transaction data.

Digital Transformation

Implementing blockchain technology for secure and transparent financial transactions and smart contracts.

Examples

Healthcare - Medical records

Digitization

Digitising patient medical charts and records for electronic storage.

Digitalisation

Implementing Electronic Health Records (EHR) for automated record retrieval and telemedicine capabilities.

Digital Transformation

Creating a unified health data platform connecting patients, healthcare providers, and researchers for data-driven medical advancements.

Class Activity:

Provide examples of Digitisation, Digitalisation and digital transformation.

<u>You have 15 mins to brainstorm</u>

Types of Digital Transformation

Digital transformation can be categorised into four types

Process Transformation

Is a practice that involves using digital technologies to streamline and optimise various business processes, including

supply chain management , **customer service** , and **HR operations** .

Business Process Transformation can help organisations save time and resources, allowing them to focus on core business objectives.

Business Model Transformation

Business Model Transformation is changing how a company creates, delivers, and captures value. It involves revising the company's core business strategies and operations to adapt to changing market conditions and new technologies.

The benefits of Business Model Transformation include increased efficiency, improved profitability, better customer experiences, and a competitive advantage in the marketplace.

Domain Transformation

Domain transformation occurs when a company moves or expands its business into a different domain. It is one of the most successful forms of digital transformation as it helps companies overcome constraints and take advantage of opportunities to shift from one business to another. Utilising cutting-edge technologies such as artificial intelligence, new mobile and wearable gadgets, and the Internet of Things fuels domain transformation.

Domain transformation is a type of digital transformation that companies use to modify their business and enter new industries, expanding their audience base.

Amazon shifted from being just an e-commerce platform to an online video streaming platform (Prime Video) and also provides cloud services to several organisations in the form of Amazon Web Services (AW2S

Cultural/Organisational Transformation:

Cultural/Organisational Transformation:

Cultural transformation involves changing an organisation's culture and structure to embrace digital technologies better. This might include implementing agile methodologies, encouraging experimentation, and fostering a more collaborative and innovative culture.

Cultural transformation changes an organisation's employees' values, beliefs, attitudes, and behaviours. It involves shifting the company culture towards more collaborative, innovative, customer-centric, and adaptive.

Benefits of Digital Transformation

These types of digital transformation all have common benefits for organisations:

Efficiency

More efficient use of resources and reduction of errors
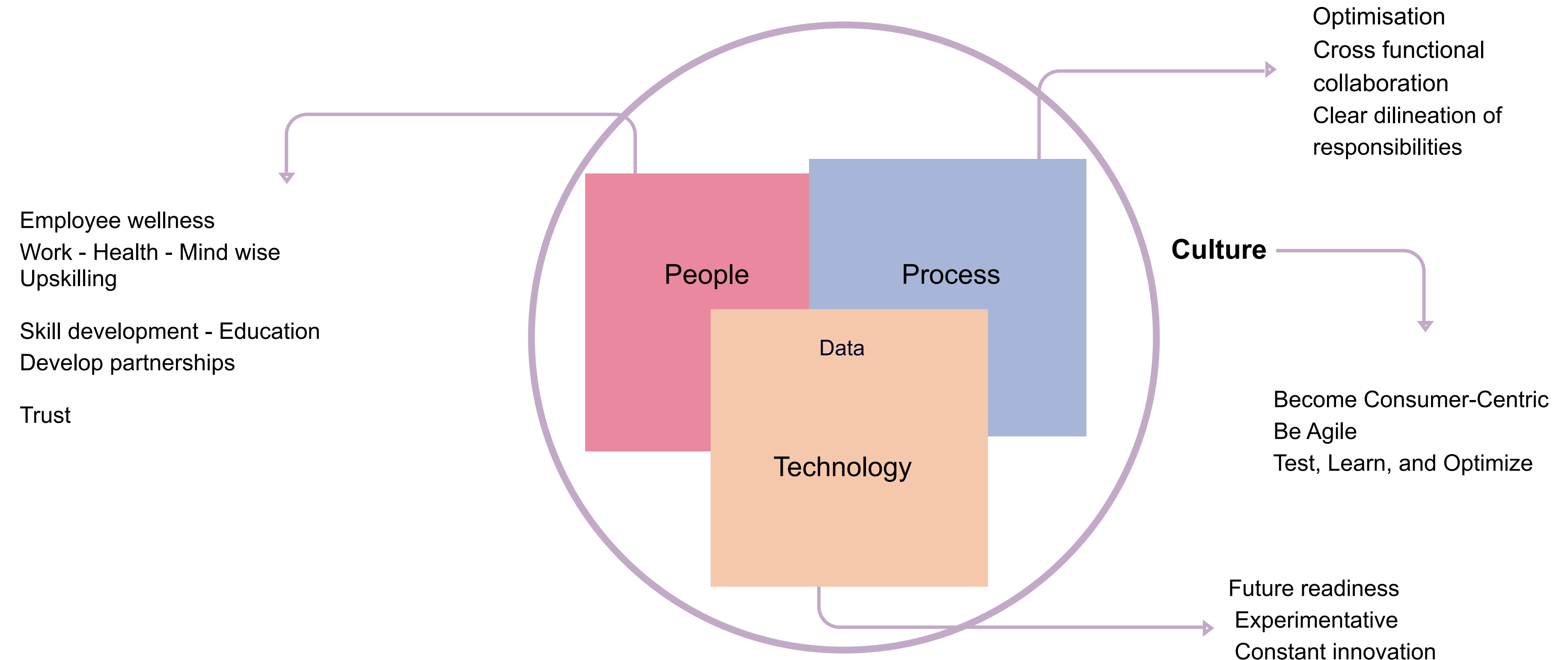
Innovation

Application of knowledge sharing for innovative new ideas

Agility

Agile responsiveness to competitive threats, market disruptions and new opportunities

No one 'best' type of digital transformation fits all organisations. The type of digital transformation most suitable for an organisation depends on its unique requirements, goals, resources, and capabilities.

Digital Transformation Enablers

Optimisation
Cross functional collaboration
Clear dilineation of responsibilities

People

Process

Data

Technology

Employee wellness
Work - Health - Mind wise
Upskilling

Skill development - Education
Develop partnerships

Trust

Culture

Become Consumer-Centric
Be Agile
Test, Learn, and Optimize

Future readiness
Experimentative
Constant innovation

1. Digital strategy and planning

Why digital transformation strategy is important

70% of digital transformation initiatives fail. Why?

Five barriers holding companies back in their digital transformation efforts:

- **No shared vision**
- **No priorities for growth**
- **No ingrained practice of experimentation**
- **No change in governance**
- **No change in capabilities and culture**

Challenges of digital transformation

Companies of all sizes are experiencing challenges with digital transformation. Some of these include **skills issues** , **financial challenges**, **and lack of a clear digital strategy** .

Less than 100 Employees	
1. Lack of expertise to lead digitization initiatives 2. Employee pushback 3. No overarching strategy for digitization 3. Business partners unable to support 4. Limited Budget	

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What is Digital Transformation Strategy

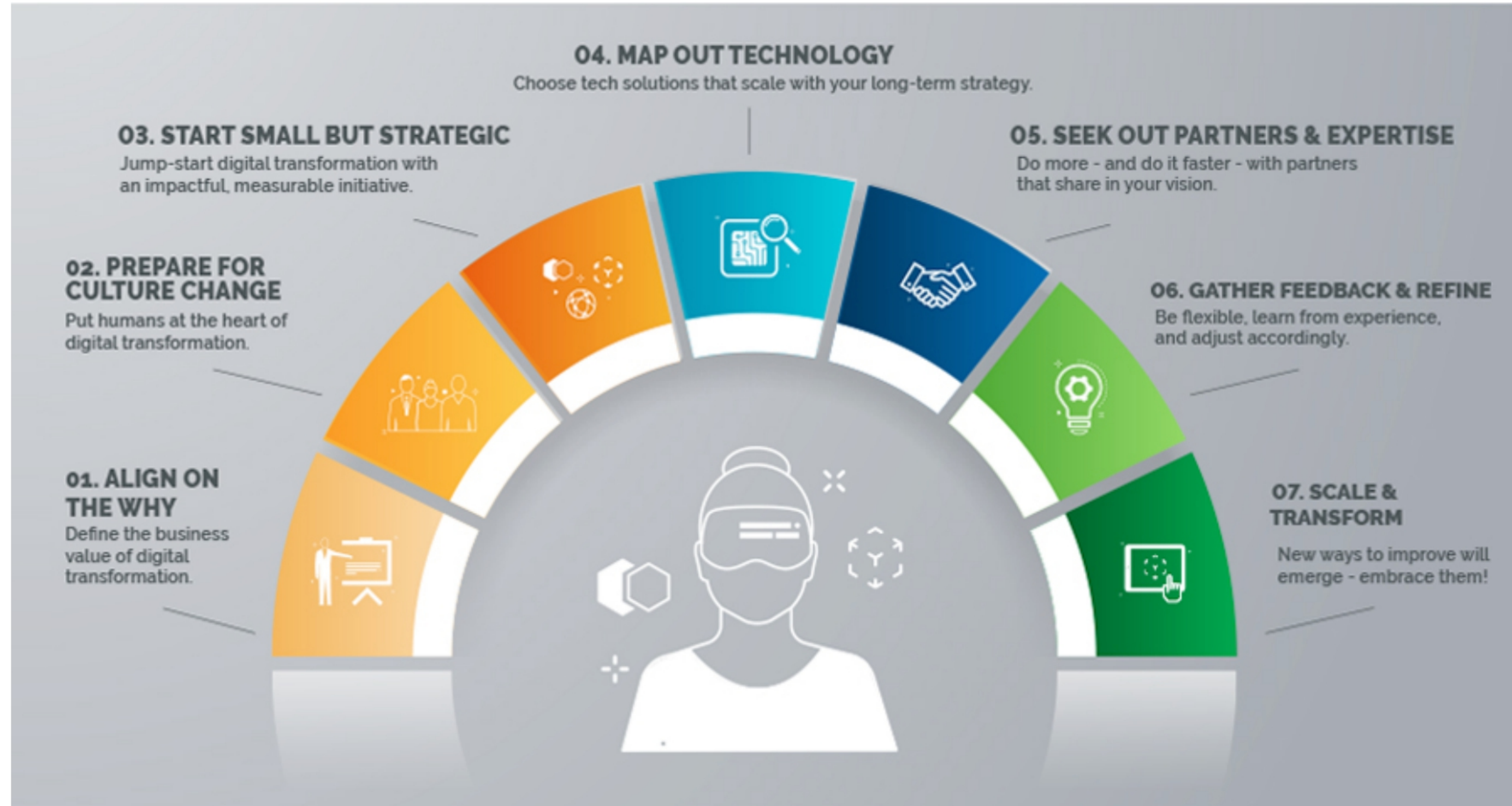Chatbot is not a strategy ...

AI is not a strategy ...

Cloud is not a strategy ...

" Technology is not a strategy "

A digital transformation strategy is a detailed roadmap of the methods you plan to adopt to digitally transform your business seamlessly and easily tackle any challenges you face on your path towards transformation.

Digital Transformation Strategy

The key steps to developing a successful Digital Transformation strategy

04. MAP OUT TECHNOLOGY
Choose tech solutions that scale with your long-term strategy.

03. START SMALL BUT STRATEGIC
Jump-start digital transformation with an impactful, measurable initiative.

05. SEEK OUT PARTNERS & EXPERTISE
Do more - and do it faster - with partners that share in your vision.

02. PREPARE FOR CULTURE CHANGE
Put humans at the heart of digital transformation.

06. GATHER FEEDBACK & REFINE
Be flexible, learn from experience, and adjust accordingly.

01. ALIGN ON THE WHY
Define the business value of digital transformation.

07. SCALE & TRANSFORM
New ways to improve will emerge - embrace them!

Nike's Major reforms to support their DX strategy

Top tech honcho and former eBay and ServiceNow CEO, John Donahoe is the new CEO

Appointed Ratnakar Lavu as the firm's first Global Chief Digital Information Officer

Focus shifting from snappy digital strategies like a mobile app to a more backend AI and data driven mindset

Acquired start-ups in AI, data analytics and computer vision tech to boost digital know-how

Nike's Digital Transformation Strategy

Focused resource allocation

Nike made focused efforts to allocate resources for digital initiatives

D2C

Established direct-to-consumer division to oversee in-store and online activities

Evolving leadership structure

Create dedicated e-commerce group amongst its leadership and established connect across the Nike organization to create market beating CX

Focus on the web

Drive greater commerce through the Nike web and mobile assets
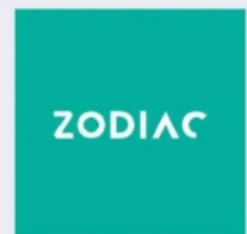
Successful digital transformation strategy : NIKE Case Study

Teaming up with the right partners and experts

Nike acquires Invertex for undisclosed sum
The acquisition allows Nike fit to give consumers confidence that they're getting the right size shoe in specific style

Acquisition of consumer data analytics start-up Zodiac
The deal allows Nike to assess how each offering impacts engagement and customer life time value

Successful digital transformation strategy : NIKE Case Study

Results :

Numbers tell the story

170mn
Members of Nike+ Fitness app

38%
Nike app + SNKRS outperform all other channels Q2 2019 digital growth

D2C now delivering a 3rd of Nike's overall Revenue and digital is the fastest growing segment

What's next for NIKE ?

Company expects to capture greater market demand

Have a stronger full price sell through

More efficient mark downs

Fewer inventory days

Greater member retention and repeat buying

Importance of Digital Transformation

- **Staying competitive** – Businesses that do not embrace digital transformation risk falling behind their competitors, who have upgraded their tools and processes to become more efficient and effective.

- **Improving efficiency and productivity** – Digital transformation streamlines processes, automates tasks, improves data management, frees time for employees to focus on other business areas, and improves productivity.

- **Enhancing customer experience** – Companies can offer online services, personalized interactions, quick responses to queries, and a more seamless experience, which means digital transformation is vital for customer experience.

- **Making data-driven decisions** – Organisations can collect and analyze digital transformation data at scale, using it to understand customer behavior and preferences. They can then make informed decisions to create products and services that better meet customer needs.

Importance of Digital Transformation

- **Increasing adaptability** – Digital transformation allows companies to keep up with changing market conditions and customer demands. They have enhanced capabilities for taking a consistently responsive and flexible approach.

- **Strengthening sustainability** – With digitized processes in place, companies can reduce their energy consumption and paper waste, allowing them to take an environmentally friendly and sustainable approach to their business.

- **Allowing for innovation** – By implementing digital transformation processes, companies can explore new business models, develop new products or services, or enter new markets.

- **Attracting and retaining talent** – Creating a technologically advanced company means that younger generations entering the workforce are more likely to apply. Companies with digital transformation strategies are likely to attract and retain top talent.

- **Saving money** – Digital processes reduce the need for physical resources, manual labor, and paperwork, significantly reducing costs in the long run.

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