



DIGITAL TRANSFORMATION: OVERUSED BUZZWORD OR SOLID BUSINESS STRATEGY?

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Synergy. Thought Leadership. Paradigm. Mission Critical.

Remember these? They're [buzzwords](#) you're probably sick of hearing in many meetings over the last decade or two.

Today, you can add digital transformation to the list. It might have popped up on a news program, in a trade journal or at a business conference. Still, you're not quite sure what it means, how it may affect your company or whether it's [simply another meaningless phrase](#) thrown about by high-dollar IT consultants looking to justify their fee.

All organizations want to become nimbler in their operations, more responsive to customers' needs and use technology more efficiently to solve problems. The trouble is, in an era overflowing with data, getting the right information is getting tougher. You need fewer buzzwords and more operational intelligence to make a knowledgeable, fact-based decision.

WHAT IS DIGITAL TRANSFORMATION?

This eBook will answer several basic questions about digital transformation, such as:

- What is it?
- Who's using it?
- How are they using it?
- Where can you learn more?
- What to do if you decide this cyber movement is right for you?



Did You Know?

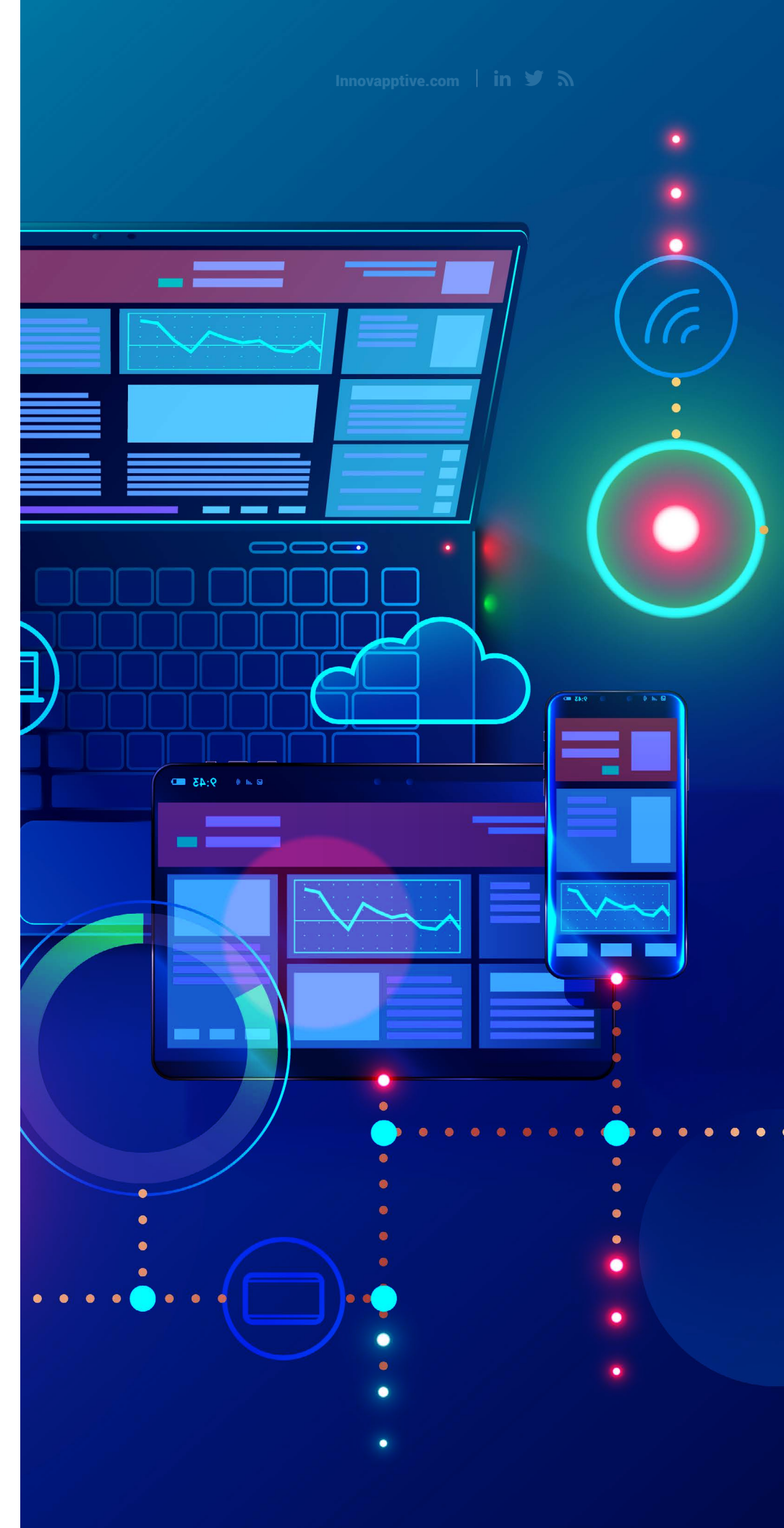
Digital transformation is the process of using digital technologies to create new – or modify existing – business processes, culture, and customer experiences to meet changing business and market requirements.

Salesforce

Digital transformation isn't just a buzzword. It includes:

- the integration of digital technology into all areas of a business, fundamentally changing how you solve problems and deliver value to customers.
- challenging the status quo, rethinking operating models and becoming more agile in your ability to respond to issues.
- a cultural change in terms of tech, people and processes, of how they're utilized and of how they interact with each other.

Digital transformation employs cloud computing, reducing reliance on user-owned, site-based hardware to store and access data, but increasing usage of subscription services, often called Software-as-a-Service (SaaS).



The Three 'Rs of Digital Transformation

Digital transformation's three primary phases are:



Reassessment of processes



Revision of operations



Revamp of customer relationships

Digital transformation's biggest impacts revolve around data, including how it's collected and used.

Digital transformation revolutionizes operational data collection and distribution. Paper-based data collection systems are obsolete. It's time to replace them with digital data collection systems that enable information to be shared in real time with other workers and decision makers.

This reduces information silos and encourages greater collaboration and interaction. It enables supervisors, managers, directors and executives to follow the data collection process as it happens and make knowledgeable decisions based on up-to-date operational information.

Successful Digital Transformations



CAT

Caterpillar

used predictive data to reduce heavy equipment breakdowns



PETROSEA

Petrosea

used smart sensors to determine when to perform mining vehicle maintenance



DHL

DHL

used smart glasses to improve warehouse operations and productivity



CEMEX

CEMEX

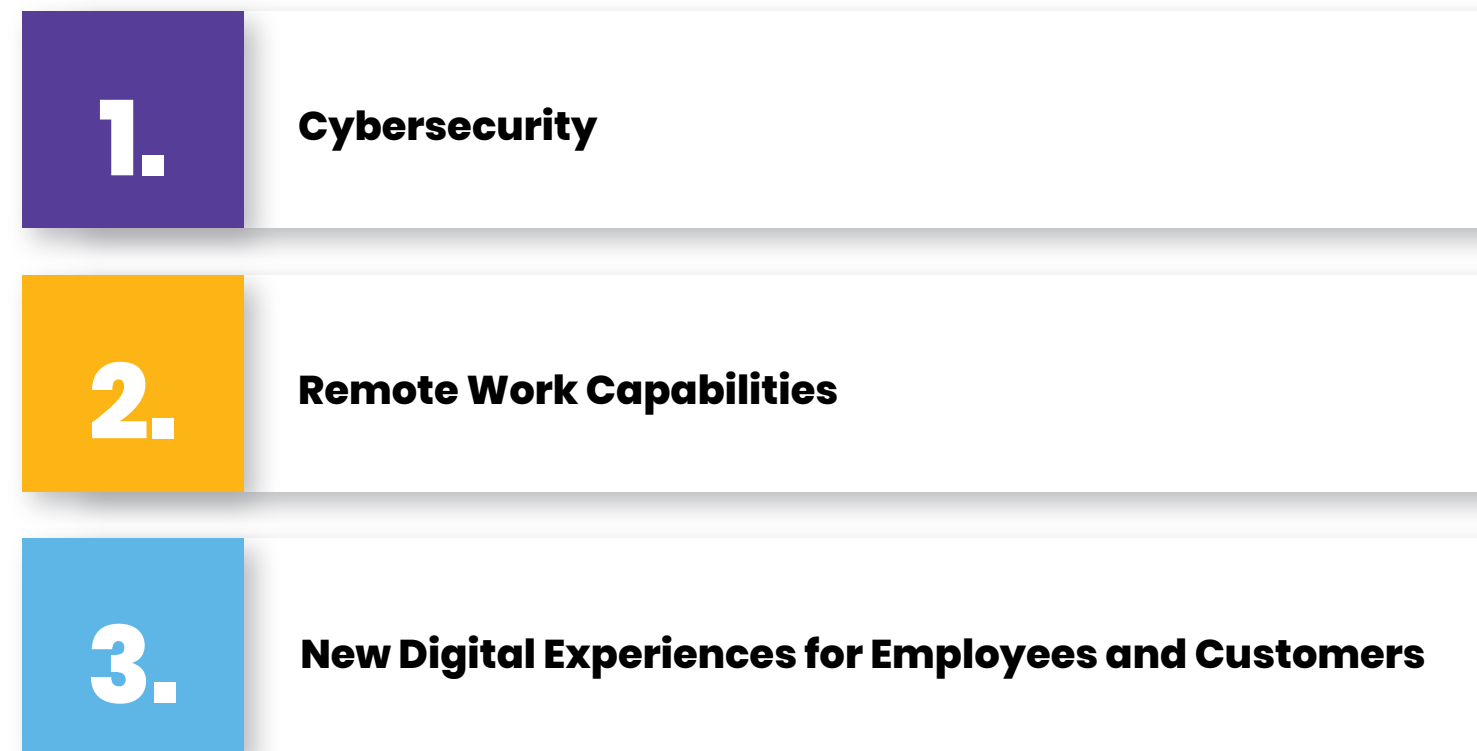
used digital transformation to make cement supply more efficient

PROGRESS IN SOME AREAS, BUT STILL AMPLE ROOM FOR GROWTH

The above examples are just a few of hundreds of companies diving into the digital arena. Dell Technologies surveys thousands of companies around the world every two years and found there has been a solid movement towards greater digital transformation in its [latest report](#) from October 2020.

Nearly 80 percent of those surveyed in the [third biennial Digital Transformation Index](#) said they had fast-tracked at least some portion of their digital transformation efforts in 2020. This was accelerated due to the global COVID-19 crisis, with companies indicating they believed digital transformation is a critical driver for global economic recovery.

Where Companies Focused Digital Transformation in 2020



Source: [Dell Technologies Digital Transformation Index](#)



Dell recorded strong growth in its Digital Adopters category, companies that have a mature digital plan with investments and innovations in place. This group nearly tripled from just 14% of respondents in 2016 to 39% in 2020.

Progress hasn't been nearly as rapid in Dell's highest digital transformation category, Digital Leaders, or organizations that have digital transformation ingrained in the DNA of the business. The number of Digital Leaders rose from 5% worldwide to 7%, indicating while progress is being made, there remains a lot of work to be done before digital transformation is the global norm.

However, Digital Laggards, or those with no digital plan and limited initiatives and investments in place, fell to 3% in 2020 from 15% four years earlier. So, while complete digital transformation has been slow, the number of organizations that have made little or no movement is rapidly dwindling.

Digital Transformation: Then vs. Now

	2016	2018	2020
Digital Laggards	15 %	9 %	3 %
Digital Followers	32 %	30 %	13 %
Digital Evaluators	34 %	33 %	39 %
Digital Adopters	14 %	23 %	39 %
Digital Leaders	5 %	5 %	6 %

Source: [Dell Technologies Digital Transformation Index](#)



[Numbers from Gartner](#) support Dell's findings. The company says COVID-19 has forced organizations to accelerate their digital transformation efforts by five years.

Gartner is forecasting a robust 6.2% increase in overall IT spending for 2021 followed by a 4.6 percent jump predicted for 2022. Enterprise software will be the biggest benefactor with a nearly 9% boost seen in 2021 and an even healthier 10.2% surge in 2022.

MAKING THE JUMP TO DIGITAL TRANSFORMATION

Digitally transforming an organization takes a lot more effort than simply signing up for a few cloud-based services. Successfully implementing a digital transformation and getting the most benefit from it requires a total commitment from all levels of a corporation, especially upper management.

Let's look at how to digitally transform a company. As with anything in business, it's always best to plan ahead:

Management must drive the process, not technology

Software and data analytics can't drive a company's digital transformation. They're enablers, sure, but a company's upper management, especially the CEO and CIO, must be the face of and the force behind any push. Upper management must have a clear set of goals and expectations from the onset to succeed.

Understanding and purpose

Decision makers must understand what digital transformation means to them and the organization. It can't just be a phrase they heard on TV or a trend they read about in a journal. They must know why they want to transform the company and its culture, what they want to achieve, what they expect to gain, and most of all, how it will benefit the company, its employees and its customers. If the answers are unclear, or worse, can't be answered, then any step toward digital transformation will inevitably result in failure.

All or nothing

Digital transformation can't be done in a piecemeal fashion. You can't transform marketing this year, manufacturing next year and logistics when you get around to it. Digital transformations stand a greater chance of success when the entire enterprise is engaged.

Consensus

Management and decision makers must all stand united and be striving for the same goals. Each must understand and follow the same course of action. If one department is pursuing a different set of objectives, it may be working against digital transformation success instead of for it.

Clarity and transparency

Without a clear standard to push for and measure against, how can anyone know what's been achieved and if it was worth the effort or cost? Decision makers must be upfront and forthright with employees and customers about what this transformation will involve, how it'll affect them and what benefit they'll see when it's completed.

Be flexible

There's no set roadmap to becoming a digitally transformed company. There are no hard and fast rules, no rigid set of guidelines to follow. Just as every company is unique, so must its path to digital transformation. The most effective plan is one that's nimble, flexible and adaptable at every step. Few, if any companies, get it right at every step. Experimentation and tweaks are an inevitable part of the process. Taking a step back or making a course adjustment aren't signs of failure and aren't something to fear.

Don't be timid

Embrace risk and be bold in your goals and execution. Playing it safe won't get you there. Remember, digital transformation is about challenging the status quo, finding new, better ways to solve problems, and changing the corporate culture. Leadership needs to set a lofty goal and empower staff to come up with innovative ways to push boundaries forward. You're building a new culture – it's a great time to, well, back to buzzwords, think outside the box.

Be proactive, not reactive

Don't wait for something to happen and simply react. Always be thinking several steps ahead. Anticipate the unexpected, deviate from the norm, welcome new directions, seek alternatives, and question everything. Digital transformation is about the future, not the past. You can't change culture through reaction, only by action.

TO SUM IT UP

What have we learned?

- Digital transformation isn't just a buzzword, but a sound strategy to use technology in new ways to drive business operations.
- Digital transformation challenges the status quo, rethinks operating models and delivers greater agility in responding to issues.
- It's a business cultural change for tech, people and processes; of how they're utilized and of how they interact.
- More companies are adopting digital transformation.
- Management, not technology, must drive a digital transformation effort.
- Be clear, bold, flexible and ready to embrace risk at every step of the process.
- Don't fear having to change direction, or even some failure, along the way.

The suggestions here should help guide you to a smoother, more productive digital transformation. Now it's up to you.

FOR MORE INFORMATION

You don't have to make the journey alone. Click [here](#) for a free demo about how [Innovapptive](#) can boost your company's digital transformation efforts. We're a mobile-first digital transformation pioneer that has the knowledge, solutions and experience you need for a successful digital transformation.

Visit our website at www.innovapptive.com or call our industry experts today at **844-464-6668**.



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