In their ongoing efforts to pursue digital transformation, companies worldwide will spend more than $2.1 trillion on digital transformation technology in 2019. Despite the massive investments, nearly half of C-level executives believe they are at least five years away from achieving true digital transformation. There is little doubt competitors will continue to gain ground on them as “connected customers” look for unified, responsive and personalized experiences. The solution lies in the newest breed of digital transformation frameworks, platforms and methods that deliver on speed to value. Therein is the best chance companies have to keep pace with what is expected of them in the digital-first era.
Incomprehensive digital strategy
Poor context of customer behavior
Lack of ROI model
Cultural resistance
Skills constraints
Outdated IT infrastructure

Have a clear vision and strategy
Map the customer journey
Prioritize Improvements
Institute a digital culture
Invest in digital skills
Modernize your core and ‘platform out’
The need for digital transformation has developed at an exponential rate. Today, 97% of companies are chasing a digital transformation of some kind. Nearly 20 years after Google made information available worldwide and 10 years after Apple launched its iconic app store enabling everyone to reach audiences at scale, 6 out of 10 business leaders agree that having a digital transformation strategy, and the means to effectively and efficiently implement it, is a business imperative.

Investments in digital transformation are expected to increase through 2020,

But what exactly is digital transformation? Contrary to popular perception, digital transformation is the outcome of digitalization, not a process in and of itself. In business, digitalization is the process of adopting and utilizing digital technologies to improve performance such as increased sales and productivity, innovations in value creation, and novel ways to engage and serve customers.
Google makes information accessible

Amazon launches cloud and lowers barriers to innovation

Apple launches App Store platform

Consumer market disruption

Consumer market disruption

Google introduces driverless cars

Strategy for a digital world

Facebook enables power of people

Apple launches iPhones; Mobile computing & connections ubiquitous

Uber innovates with business and work model

Watson makes artificial intelligence mainstream

Internet of Things Explosion

Two Decades of Digital Disruption (SmartDotWorks)
A digital transformation strategy is the blueprint that guides companies through digitalization. In recent history, when the first rounds of digitalization initiatives took place, companies went in with differing ideas about the impact and role of digital, resulting in transformations that widely varied in objectives and underlying strategies.

The common denominator among most digital transformation approaches is customer centricity. 55% of digital transformation leaders cite "evolving customer behaviors and preferences" as the key driver, followed by growth opportunities in new markets, increased competitive pressure and regulatory changes.

Transforming customer experiences holistically across all channels continues to be the dominant digital transformation approach.

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5 Marketing technologist study (SapientNitro, MarTech)
6 The 2016 State of Digital Transformation (Altimeter)
Companies’ emphasis on customer centricity is fully justified. In today’s business environment, companies need to attract, engage, sell to, and retain the most digitally-connected consumer base to date. In the U.S. alone, there are currently more than 213 million online adult users utilizing an average of 4.3 connected devices each to communicate, educate, make purchases, share their experiences and influence others.
"Connected customers" evaluate companies based on the overall digital experience they deliver. In simple terms, customers will sum up their impressions during all digitally-enabled interactions they have with a company, including its brand, people, and technology, and then decide whether or not to continue to do business with it or switch to competitors.

Nine out of ten customers will stop doing business with a company after having a bad experience with them. And by 2020, customer experience is expected to have more impact as a brand differentiator than product and price combined.

**Visual: Importance of Experience vs. Product and Price**

<table>
<thead>
<tr>
<th>Criterion</th>
<th>What does it mean?</th>
<th>Why is it important?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unification</td>
<td>Delivering seamless transitions across channels while uninterruptedly meeting customer expectations</td>
<td>91% of customers expect to receive a consistent experience over multiple channels.</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>Responding to, and processing, prospect or customer inquiries within acceptable times</td>
<td>71% of online customers expect live-chat assistance within five minutes.</td>
</tr>
<tr>
<td>Personalization</td>
<td>Delivering differentiated experiences to prospects or customers with different needs, attitudes and behaviors</td>
<td>69% of customers are willing to exchange personal information for personalized service.</td>
</tr>
</tbody>
</table>


12 Customer experience impact report (RightNow research)
14 Synthetix Research
15 A global in-depth study of the online customer experience (LivePerson)
16 Customer Experience Report (Cisco)
By delivering digital experiences that meet or exceed customer expectations, businesses in any industry can significantly improve Key Performance Indicators (KPIs) including, among others, inbound traffic, conversion rates, order size/volume and word-of-mouth influence, driving customer loyalty. Consequently, the financial rewards can be substantial. Digital leaders have been able to generate more revenue and serve their customers at a lower cost than digital laggards, making customer-oriented digital transformation the most attractive and potentially rewarding approach.

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**Visual: Impact of Digital on Key Performance Indicators (KPIs)**

- **84%** of consumers use digital devices for shopping-related activities
- **40%** higher conversion rate for consumers using digital devices
- **25%** higher spend by consumers as a result of using digital
- **75%** of consumers are influenced by information found on social channels

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**Visual: Performance Advantage of Digital Leaders**

- **Revenue Growth +20%**
- **Cost to Serve -15%**

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17 The New Digital Divine (Deloitte)

18 Digital capabilities boost sales conversion: Six building blocks for creating a high-performing digital enterprise (McKinsey & Co.)
The complexity of today's business operations in combination with the specialized business and technical resources needed to plan for, design and execute digitalization projects make it challenging for organizations to transform themselves as fast as their customers would like.

Almost half of C-level decision makers predict it will take their companies more than 5 years to transform. Based on a holistic assessment of companies’ digital experience delivery system, the vast majority of companies fall in the middle stage of digital maturity where they are starting to adopt digital and reengineer the business to meet evolving customer needs.

**Visual: Digital Transformation Index (DTI)**

For a business, going digital resembles a car accelerating. Acceleration at lower speeds is much easier to attain than at higher speeds. A company at a low maturity stage (Digital Aware) can swiftly make incremental improvements in processes or tactical upgrades in customer-facing digital capabilities, but the higher the business climbs up the digital maturity ladder, the more difficult it is to reach the next step.

Ultimately, for any business to confidently claim the title of a “digital-centric” organization (highest maturity stage), the end-to-end digital experience delivery system must not only be optimized for customer value but designed to adjust and meet the evolving needs of the connected customer.

**Visual: A true digital-centric business**
The next logical question is whether or not companies have transformed themselves to the extent that enables them to deliver digital experiences that, at the very least, meet customer expectations. In 2005, 80% of business leaders across 362 firms believed their companies delivered a "superior experience" to their customers.

Unfortunately, when the same question was asked of the very customers the same companies were catering to, only 8% agreed.

Visual: Meeting Customer Expectations in 2005

More than 10 years later, with the vast majority of companies having already embarked on digital transformation journeys, most would expect that the gap between customer expectations and business performance would have closed.

Fresh research data shows that what we might expect is not in fact the case.

The statistics are resounding and show a tremendous gap that most businesses need to close. The reality on the ground is customer needs, preferences, attitudes, and, ultimately, behaviors constantly evolve. A customer can be unsatisfied today with a digital experience that fully met their expectations just a year ago.

Therefore, true digital transformation cannot take place if companies think of it as a fixed goal. Instead they must realize it's a continuous journey that takes new developments and new information into account along the way. They must also intensify their digitalization efforts and improve the effectiveness of their transformation initiatives moving forward.

Success in any of these areas, of course, overwhelmingly depends on knowing best practices, identifying and understanding the roadblocks of past transformation approaches, and taking measures to not only avoid them in the future, but also turn them into a competitive advantage.

Visual: Meeting Customer Expectations in 2015

80% of companies claim they deliver "superior" customer experiences

8% of customers think the same companies meet their expectations

1% of customers feel that companies consistently meet their expectations

22 Closing the Delivery Gap: How to achieve true customer-led growth (Bain & Co)

23 Customer Experience Index (CEI) Survey (Oracle, Forbes)
# Roadblocks

As most companies will find, there are many roadblocks and they vary in scope and nature.

Compunnel Digital has synthesized proprietary and third-party research to identify, analyze, classify and prioritize the most impactful roadblocks that businesses face on the journey to digital transformation. In short, they are:

<table>
<thead>
<tr>
<th></th>
<th>Roadblock</th>
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<tbody>
<tr>
<td>01</td>
<td>Incomprehensive Digital Strategy</td>
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<tr>
<td>02</td>
<td>Poor context of Customer Behavior</td>
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<tr>
<td>03</td>
<td>No ROI model to justify value</td>
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<tr>
<td>04</td>
<td>Cultural Resistance</td>
</tr>
<tr>
<td>05</td>
<td>Talent Constraints</td>
</tr>
<tr>
<td>06</td>
<td>Outdated IT infrastructure</td>
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</tbody>
</table>
Incomprehensive Digital Strategy

Although nearly 8 out of 10 business leaders realize that not having a digital strategy would eventually have a detrimental effect on the success of their digital transformation, more than 70% of the digital transformation projects are currently executed as standalone initiatives without being tied to a larger strategic roadmap.

**Visual: Approaches of Digital Transformation Implementation**

On the following five-point scale, which option best describes the highest level your company has reached in driving new digital capabilities?

- 61% of business leaders said their companies have a strategy in place.
- 39% of their IT counterparts agreed.

This statistic reveals a significant disconnect right from the get-go; organizations develop digital transformation plans in silos and, consequently, fail to identify all internal and external dependencies. In the end, there is no digital strategy to tie everything together.

More than 70% of the digital transformation projects are currently executed as standalone initiatives without being tied to a larger strategic roadmap.

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24 Marketing technologist study (SapecNitro, MarTech)
25 Digital transformation and strategy: Getting it right (Amdocs research)
Poor context of Customer Behavior

It should come as no surprise that understanding and contextualizing the behaviors of connected customers can be a formidable roadblock to digital transformation. It’s viewed as one of the most common challenges faced by businesses engaged in digital transformation initiatives.

More than 7 out of 10 businesses see it as such, and that figure is up 30% from the year before. Linear and single-channel interactions between customer and business have evolved into a multi-channel and omni-channel customer engagement model that requires much more thorough analysis to understand and even more so to monetize.

As of 2016, only 52% of companies had instituted a customer research program to better understand digital customer behaviors. Perhaps more concerning, only about 54% of companies have even begun to map out their customers journey, and only about 20% of digital transformation leaders say they are analyzing the mobile customer journeys.

A company attempting to digitalize customer-facing or back-office components of its infrastructure without having mapped and internalized the customer journey is the equivalent of an interior designer attempting to remodel the interior of a house without having any context of how the owner will use the space.

In the end, businesses that don’t contextualize improvements will be largely unable to realize the full return on transformation-related investments.

**Visual:** Initiatives to better understand customer behaviors

Only about 20% of digital transformation leaders say they are analyzing the mobile customer journeys.

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27 The 2016 State of Digital Transformation (Altimeter)
Lack of ROI model

As companies move up the digital maturity ladder, funding and resourcing needs to intensify, prompting decision makers to request ROI models. Nearly 70% of digital transformation leaders are challenged with justifying the value of digitalization, mostly due to lack of required data²⁸.

Just the year prior, the same statistic stood at 34%, which reflects the increasing pressure digital transformation teams find themselves under. A deeper look sheds light onto what could be the root cause of the ROI shortfall: immature Customer Experience measurement programs.

Visual: Adoption of Customer Experience Metrics Best Practices²⁹

- **Continuous**
  Customer Experience metrics need to become an ongoing tool used to run—not just to measure the business.

- **Consistent**
  Using a Consistent set of Customer Experience metrics helps to build a clear vocabulary, which allows an organization to have more productive discussions about CX.

- **Impactful**
  Companies need to identify metrics that are meaningful enough to drive decisions and then actually act on them.

- **Integrated**
  Companies must integrate Customer Experience metrics into their discussion making processes.

Nearly 70% of digital transformation leaders are challenged with justifying the value of digitalization, mostly due to lack of required data²⁸.

Research shows that less than half of organizations have deployed what we consider to be the cornerstone of successful digital transformations; continuous, consistent, impactful and integrated customer experience measurement programs. Unfortunately, adoption of the two measurement best practices that matter most, impactfulness and integration, is drastically low, at less than 20%.

In an era where Big Data is proclaimed the protagonist of business performance improvement, companies still struggle to define, track and take action upon foundational quantitative insights, slowing down the pace of digitalization.

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²⁸ The 2016 State of Digital Transformation (Altimeter)
²⁹ State of CX Metrics, 2015 (Temkin Group)
Cultural Resistance

People are one of the six core business enablers. Companies cannot attain digital maturity without building and retaining a digitally-enabled, data-driven, collaborative, innovative and customer-centric workforce.

This encapsulates one of the top challenges that undermines digitalization initiatives according to 6 out of 10 business leaders\(^3\): a company culture that resists digitally-induced change. Further analysis points to the main shortfall that could explain why digital transformation initiatives meet cultural resistance. Companies in early transformation stages do not have culture-enhancement programs in place, which aim at bolstering risk-taking, agility, collaboration and digital acumen.

**Visual: Adoption of Culture Enhancement Initiatives**

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Digital Transformation Leaders</th>
<th>Digital Transformation Laggards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolster risk-taking, agility, and collaboration</td>
<td>80%</td>
<td>23%</td>
</tr>
<tr>
<td>Develop digital acumen</td>
<td>75%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Building and maintaining a digital culture depends on systematic planning and execution of culture enhancement programs, an area where the gaps between digital transformation leaders and laggards are evident.

Only 23\% of early-stage transformation companies have initiatives in place to bolster risk-taking, agility and collaboration, which are three foundational attributes of a digital culture (along with customer centricity and data-driven decision making). When it comes to initiatives to develop digital acumen, the number drops to 14\%. The competitive advantage of companies providing strong educational development is significant. A study by the National Center on the Educational Quality of the Workforce (EQW) found that a 10\% increase in educational development produced an 8.6\% gain in productivity.
Skills Constraints

The labor market is currently facing a significant shortage of digital skills, which directly impacts the advancement of digitalization efforts according to 6 out of 10 business leaders. The skills shortage has become evident in both the strategic and the executional capacities of digital transformations.

In the strategic capacity, 58% of business leaders claim that their IT executives actually possess the business-related knowledge and skills required to plan for and oversee digitalization initiatives. Unfortunately, only 27% of IT executives agree that their business executives actually possess the technology knowledge and skills required to lead digital transformations.

In the executional capacity, companies face a significant gap in specialized skill domains. Only 17% of business leaders are confident their workforce is equipped with the required skills to successfully carry out digital transformations.

*Visual: Digital Transformation Skills Gap (Business and IT Perspectives)*

58% of business leaders claim that... "IT executives possess the required business knowledge to enable the successful digital transformation of our company"

27% of IT leaders claim that... "Business executives possess the technology knowledge to develop a successful digital transformation strategy for our company"

In high-demand digital domains such as big data analytics, mobile technologies and Internet of Things (IoT), the shortages approach 60%.

*Skills for Digital Transformation Research Report 2015 (SAP, IDT, TUM)*
Outdated IT Infrastructure

Research indicates that outdated legacy systems and processes are the most significant barrier to digital progress within a company. Although 9 out of 10 senior members of IT Ops and DevOps teams believe that IT infrastructure is critical to achieving digital transformation, nearly 60% of companies have not yet completely modernized their IT core in order to make the transition and stay competitive.

18% of companies are currently operating on outdated systems and applications, while another 18% are trapped under hybrid infrastructures and the risks they generate for the entire business. Although legacy systems and business applications may be robust, reliable and efficient, they are inflexible, hard to scale and, above all, expensive to maintain, which in turn leaves little room for forward-looking technology investments.

The truth is, over the past two decades, companies have been building technology systems and applications with longevity being the primary goal. But the approach of collecting an exhaustive list of business and functional requirements in order to architect and code only once is over. In fact, this 20-year old habit has now made a complete circle and come back to haunt those who underestimated the pace of innovation.

In today’s flourishing, platform-based digital economy, legacy architecture’s inability to ‘platform out’ can perpetually trap companies in a struggle against themselves. When business functions cannot dynamically connect and utilize third-party platform services in order to rapidly add value as required by their customers, they are, in essence, handicapped and unable to compete against more technologically agile competitors.

Visual: IT Modernization Maturity

Modernized (Digital / Cloud-distributed) 43%
Traditional / On-premise 18%
Hybrid (traditional and modern) 18%
Currently Modernizing 21%

32 Organization structures and resourcing best practice guide (eConsultancy)
33 2016 Digital Transformation Readiness Study (SignalFx)
Whether companies have already embarked on their digital transformation journey or not, the leading practices are clear and this presents a unique opportunity for organizations across all maturity levels.

By focusing their energy on 6 key areas, organizations can make digital transformation work for them.
Have a clear vision and strategy

Digital transformation begins with the ability to digitally reimagine a business. Doing so requires leaders to recognize digital as a strategic driver of business performance, align the rest of the stakeholders under a common digital vision and foster a culture that can deliver on the promise.

Ultimately, the digital experience vision must align with the unique brand promise and be supported by cultural attributes responsible for guiding the day-to-day business conduct.

**Visual: Alignment of Brand, Vision and Day-to-Day Culture**

- **Brand Promise**
  A distinctive position promising Prospects and customer a unique value

- **Digital Vision**
  A statement describing the type of experience you aspire to digitally deliver to your customers

- **Cultural Attributes**
  Foundational concepts that guide your everyday business conduct
  - Commercial
  - Customer-Centric
  - Transparent
  - Collaborative
  - Growth-Oriented
  - Empowered
  - Data-Driven
  - Passionate
  - Innovative
  - Agile
  - Trustworthy
  - Consistent

Compunnel Digital delivers 2-day accelerated workshops designed to help business leaders explore all strategic options and align on a clear strategic roadmap.

Learn more
Once a clear digital vision has been established, companies must develop a digital transformation strategy to support it. It is recommended that business leaders and digital strategists:

1. Differentiate traditional IT strategies from digital transformation strategies:
   The first usually focuses on the management of IT within a company and is limited to presenting system-centric roadmaps with a narrow impact on driving transformation. Digital transformation strategies have a broader scope that drives transformation across the holistic customer experience delivery system, encompassing people, processes, information, technology, governance, and channels.

2. Integrate digital transformation strategies with their operational and functional counterparts:
   Digitalization can potentially impact many aspects of a business including products and services, operational processes and customer engagement channels, ultimately reshaping or even replacing entire business models. By implication, digital transformation strategies cut across other business strategies and must be in perfect alignment with them to avoid downstream conflicts.

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Digital Transformation Strategies (Article in Business & Information Systems Engineering • September 2015)
Map the customer journey

An architect remodeling the interior of a house without access to the original blueprints faces a high risk of failure, and digital transformation leaders similarly undermine their own success when they commission siloed initiatives, platform changes and application development projects without having context of how the various business and functional units work collaboratively to deliver end-to-end digital customer experiences.

Visual: Conceptual Depiction of a Customer Experience Delivery System

Compunnel Digital has developed the most advanced toolkit, enabling us to map the end-to-end customer journey from both outside-in and inside-out views.

Learn more
For the nearly 50% of companies that haven’t even started to map the customer journey along with the infrastructure that supports it, the following leading practices should be applied:

1. **Combine outside-in and inside-out views:**
   Designers tend to focus entirely on the customer experience, but the way the business responds and performs at critical customer touchpoints is equally important to digital transformation leaders, as it allows for associating gaps in the customer experience with gaps in the experience delivery infrastructure.

2. **Deep dive at select touchpoints:**
   Most blueprints are limited to high-level narratives of the customer journey that, despite shedding light into customer goals, needs and motivations, fail to lead to actionable improvements. It is recommended that analysts conduct deep dives at critical customer touchpoints in order to get to the root cause of potential gaps or shortfalls in the customer experience or the business infrastructure.

3. **Overlay quantitative measures:**
   In addition to qualitative inputs, experience blueprints must ultimately incorporate quantitative measures pulled from all sources and channels available, and along the entire customer lifecycle, in order to support the case for change. Further down the digital transformation road, these measures will form the foundation for projecting Return On Investment (ROI) and justifying the value of funding digitalization initiatives.

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15 The 2016 State of Digital Transformation (Altimeter)
Prioritize Improvements

The key challenge businesses face when it comes to developing digital transformation roadmaps is fragmentation. Simply put, too many disconnected initiatives are running parallel with but not necessarily tied to any particular strategy. With 4 out of 10 companies citing that conflicting priorities undermine the success of digital transformation, identifying, evaluating and prioritizing the various digitalization initiatives, under an overarching roadmap, can make or break digital transformations.

4/10 Companies cite that conflicting priorities undermine the success of digital transformation

Compunnel Digital can design digital transformation roadmaps with interconnected tracks for each of the 6 core business enablers to align your entire leadership team.

Learn more

36 Marketing technologist study (SapientNitro, MarTech)
Effective digital transformation roadmaps must:

1. **Include dedicated and interconnecting tracks for each business enabler:**
   Our 6 core business enablers include: people, processes, technology (front-end and back-end), information, channels and governance. Effective roadmaps have dedicated tracks for each enabler since true digital transformations require incremental or radical changes across all of them. In addition, the tracks must be interconnected so that internal dependencies are identified and potential conflicts are eliminated.

2. **Incorporate comprehensive evaluation of all digitalization initiatives:**
   Digitalization initiatives must be thoroughly assessed based on a combination of projected impact to strategic business objectives (e.g. growth, customer satisfaction, cost reduction) and complexity of implementation, which is usually a factor of monetary (e.g. cost) and non-monetary attributes (e.g. risk, duration and regulatory constraints).

3. **Couple digital transformation roadmaps with tactical action plans:**
   The transformation roadmap serves as the foundational blueprint for managing change. Tactical action plans define who owns specific actions, what these actions are and by when they need to be completed. In other words, tactical action plans serve as the vehicles for actioning the digital transformation roadmap.
Institute a Digital Culture

Effectively competing in today’s fast-paced and digital-centric business environment requires more than just investing in emerging technologies. Organizations must cultivate a culture that promotes innovation, embraces collaboration, utilizes data to inform decisions, assesses the potential impact of every action to prospects and customers, and is able to constantly adjust to meet their needs. Successful change heavily relies on systematic and progressive improvements across the five key attributes that constitute a truly digital culture.

**Visual: Digital Culture Attributes**

- **Customer-centric**: 58%
- **Data-driven**: 40%
- **Innovative**: 28%
- **Collaborative**: 28%
- **Agile**: 26%

*Econsultancy Research (% represent answers to the question: "Which characteristics do you think are most important in establishing a truly "digital-native" culture?")

Our sister company, InfoPro Learning specializes in culture enhancement programs focusing on customer centricity, digital literacy, innovativeness and agility.

Learn more
Customer-centric Thinking:
Customer-centric organizations function around what their customers need. Their operating models, Go-To-Market strategies, and employee Learning and Development programs all aim at delivering relevant, sustainable and highly competitive customer experiences. Customer centricity begins at the top, in the form of a leadership team that is committed to delivering value to customers. The same concept is institutionalized and operationalized throughout the organization via customer metrics that are attended as much as their operational counterparts.

Data-driven Decisions:
Data-driven businesses harness insights pulled from various internal and external sources across all digitally-enabled customer touchpoints to plan and execute digitalization initiatives with more accuracy and lower risk. Getting there requires organizations to strengthen and streamline their data collection and management capabilities, and promote and reward employees and teams that incorporate advanced analytics in their decision-making processes.

Innovative Solutions:
In innovative corporate cultures, employees are encouraged to approach challenges with an open mind, take calculated risks and challenge the status quo. True digital leaders are open to new ideas even when these appear, at first thought, to threaten established operating models and customer engagement strategies. More importantly though, digital businesses not only invest in innovation programs aiming to generate new ideas, but provide their employees methods and tools to help them take steps toward commercialization. Innovation enhancement efforts should include workshops focusing on wrapping ideas with smart messaging, identifying employees equipped with suitable skills to develop proofs of concept, and targeting leaders within the corporate community who are interested in realization and commercialization.

Collaborative Attitude:
Organizations with a desire to lead in digital must accept the "power of we" and enable their workforce to collaborate. Investments in digital collaboration capabilities such as online employee communities, internal messaging applications and content sharing platforms alone will not suffice. Employees must get to a state where they feel free to voice their opinions and openly share their experiences and leading practices within the corporate community. Above all, employees must feel comfortable asking for and accepting others’ input as a means to both individual and team performance improvement.

Agile Approaches:
Agile corporate cultures adopt leading practices from software development in order to keep up with intensifying competition and constantly advance customer needs. Attaining the highest levels of business agility requires major shift in mindset, followed by disruption in traditional organizational structures and roles, communications, processes and ultimately, values. Agile organizations prioritize continuous improvements over static and predictable outcomes, customer feedback over top-down directives, and horizontal instead of vertical communications. As a result, agile businesses are able to drive faster digitalization and eventually tap new markets and emerging customer segments more effectively than competitors.
Invest in Digital Skills

Organizations often perceive digital skill enhancement as a single-track effort. As a result, they end up investing in either educating leaders, training end-users (employees) or just hiring new team members with deep specialization in a particular digital domain (e.g. cyber security). The truth is carrying out successful digital transformations requires systematic and parallel investments across all three organizational layers.

Visual: The Three Digital Literacy Tracks

<table>
<thead>
<tr>
<th>Organizational</th>
<th>Business Leaders</th>
<th>End Users</th>
<th>Digitalization Teams</th>
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<tbody>
<tr>
<td></td>
<td>Digital Skills</td>
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<td>Enhancement</td>
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<td>Programs</td>
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<td>Digital Leadership Training</td>
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<td>Function-Specific Training</td>
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<td>Performance Support Programs</td>
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<td>Digitized Recruitment</td>
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<td></td>
<td>Process Partnerships with Bench Support Platforms</td>
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Our sister company, InfoPro Learning specializes in designing and delivering learning and performance support programs that equip your workforce with necessary digital skills to accelerate your digital transformation.

Learn more
The benefits of systematic and parallel investments in digital skill enhancement programs are different for each organizational layer:

1. **Business Leaders:**
   Leaders with digital literacy directly relate to the attitudes and behaviors of “connected customers” and adjust their strategies to meet their needs. In order to bring executives up to speed with digital, organizations should design and implement “reverse mentoring” programs that enable digital-savvy employees to transfer knowledge to senior business leaders. In addition, targeted digital leadership programs delivered remotely or in-class can provide overviews of digital trends and emerging digital technologies, furthering leaders’ grasp of digital fundamentals. Reverse mentoring was pioneered by General Electric and has been adopted by companies such as L’Oreal and Cisco.

2. **End Users:**
   Front-line and back-office employees proficient in using digital technologies can effectively and efficiently respond to and serve customers. Organizations cannot expect to sufficiently serve their digital-savvy customers if their workforce are not at least equally familiar with the latest digital technologies. To address this gap that can hinder performance along the entire customer lifecycle and decelerate the pace of digitalization, organizations must design and systematically deliver performance support programs that inject function-specific knowledge to employees.

3. **Digitization Teams:**
   Teams tasked with planning and executing digitalization initiatives can achieve results faster if they are equipped with the right digital skillsets. Organizations have quite a few options when it comes to attracting, hiring and retaining digital specialists. For one, digitalizing the recruitment process signals digital-savvy candidates that your organization can “walk the talk.” Secondly, employee exchange initiatives can accelerate the pace of digitalization by directly tapping in on the knowledge of tenured digital experts. Last but not least, businesses should partner with third-party platforms providing on-demand bench support. For instance, Spartoi Group (www.spartoigroup.com) manages a very diverse pool of digital talent including data analysts, mobile designers and cyber security experts.

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The Digital Talent Gap (Capgemini Consulting)
Modernize your core and ‘platform out’

Whether motivated by increasing maintenance costs or more aggressive functionality, speed or agility requirements, the core IT infrastructure must undergo its own transformation in order to enable the rest of your business to transform. In addition to assessing the current state across the pillars of the digital stack (currently pursued by 67% of IT teams), technology leaders should start shifting towards distributed architectures that utilize Virtual Machines (VMs), open source middleware and automated deployments, in order to achieve efficiencies and shorten the release cycles to meet aggressive business and customer requirements.

**Visual: Priority Areas of IT Modernization (% of IT teams currently focusing on each area)**

- Virtualization and containerization: 60%
- Hosted infrastructure in public or private cloud: 53%
- Deployment automation: 47%
- Integrated open source middleware: 36%

Compunnel Digital delivers speed-to-value by modernizing existing technologies and augmenting them with next-generation enabling capabilities.

Learn more

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39 2016 Digital Transformation Readiness Study (SignalFx)
Companies with a modernized IT core have limitless flexibility, which allows them to 'platform out' or dynamically connect and utilize third-party platform services in order to rapidly add value as required by their customers. Distributed, platform-oriented digital architectures deliver speed-to-value while drastically cutting operational and maintenance costs. We call them Software-As-An-Experience (SAAE) architectures due to their ability to deliver personalized, unified and responsive customer and employee experiences.

**Visual: SOFTWARE-AS-AN-EXPERIENCE (SAAE™) Architecture**

**SAAE architectures feature:**
- Modernized core stack to support customer-driven processes
- Technology optimized to support the business via Business Process Management (BPM) and Service Oriented Architecture (SOA)
- 360-degree cyber defense system to protect unauthorized entry or usage
- Real-time data synchronization via Enterprise Service Bus (ESB)
- Integrations with cloud-based platforms for on-demand access to business services
- Delivery of unified customer and employee experiences across channels
- Real-time analysis of big data volumes via cloud-based analytical platforms

Furthermore, as you embark on your digital transformation journey, a set of technologies are key to helping you move forward and make the transition.

The latest research shows that Cloud is the leading technology impacting digital transformation, followed by monitoring/alerting, and continuous integration. This validates our conviction that end-to-end visibility into how applications are performing in production is critical for IT in order to deliver the expected results at the required transformation pace.

**Visual: Top 3 Technologies Enabling Digital Transformation**

**GOING DIGITAL**
ALL IN ALL

Digital Transformation and digital customer experience remain relatively new domains filled with complexity, opportunities and risks. Few companies have achieved a seamless transformation or attained the ideal state of digital centricity. To us, the leading principles and required frameworks are evident, as are the methods and tools that accelerate strategy, drive execution, and reduce risk.

For the last 25 years Compunnel Digital has helped hundreds of mid-market companies reimagine themselves as digital-centric and achieve exponential growth as a result. We are a proven partner that can work with you to establish a clear, implementable strategy that can deliver on the customer experience and empower your employees, measurably improving your top and bottom line performance.
ABOUT COMPUNNEL DIGITAL

For more than 25 years, Compunnel Digital has made it simple for companies to navigate complex digital worlds. We optimize your digital customer experience, unlock the potential within your organization, and strategically leverage technology to accelerate the pace of your digital transformation, and measurably deliver on your business goals.

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