The 5 Core Tenets of Digital Transformation and What You Need for Success
#1 It’s Digital Transformation, Not Digital Reproduction

When approaching a digital transformation project, it is important to recognize that the second word, “transformation,” is far more important than the first. At its core, digital transformation is about revolutionizing your business operations. Using digital technology is a means to achieve this. This results of a truly successful digital transformation will look very different from its analog predecessor.

Best practices when approaching digital transformation suggest a core focus on what business outcomes you are trying to achieve. Measure the impact of your new transformed processes vs. your old manual ways to prove how far your organization has come.

#2 Be Bold

It’s time to take a stand. Technology is our friend – and a very useful one! There are leaders who, when faced with a potentially massive undertaking, take the view that the best strategy is to take “baby steps”, i.e. start small, taking a small bite out of something much larger. Others believe in taking big, bold steps that quickly impact an entire organization or industry.

In the case of President John F. Kennedy and the race to be the first country to land on the moon, his philosophy was to be bold. On September 12, 1962, he spoke at Rice University, “We choose to go to the Moon in this decade and do the other things, not because they are easy, but because they are hard; because that goal will serve to organize and measure the best of our energies and skills, because that challenge is one that we are willing to accept, one we are unwilling to postpone, and one we intend to win...”
Being bold is about focusing on things that are important rather than those that are easy, and these bold choices are decisions that leading companies make every day.

So, what is your moonshot? Digital transformation was born out of necessity, not because certain technologies were available. When you are looking at digital transformation project, consider not just the what, but also the why. Don’t be afraid to tackle the big challenges that create a higher impact as these will often yield the biggest rewards.

**#3 Build Momentum**

While it is important to retain focus on the overall goals of digital transformation, we must recognize that any such undertaking requires a significant investment of both capital and human resources. IDC states that “by 2020, 30% of G2000 companies will have allocated capital budget equal to at least 10% of revenue to fuel their digital strategies.”

Getting the necessary commitment and momentum necessary to move such an initiative forward requires that you start with projects that meet a number of important criteria.

**Discrete Timeframes**

If you are trying to build enthusiasm behind an initiative, you need to show some initial results in reasonably short timeframes.

**Quantifiable Benefits**

Nothing solidifies support better than delivering quantifiable benefits that support overall corporate objectives. It is not enough to use terms like “better customer service,” but rather quantify the improvement. For example, define terms of success by a specific impact on your organization’s Net Promoter Score.

**Visibility**

Choose projects with a high level of visibility across the organization. This will not only help build momentum for the current state of a digital transformation initiative, but it helps set the stage for future broader-based support as the project scope widens to embrace more of the organization.

**Core Business**

Certain functions may have a high degree of visibility but remain on the periphery of an organization’s business activities. Show commitment with targeted activities that are tied to the core processes of your organization because if you are successful here, you can pull the rest of the organization along with you. Consider adding supplementing technology solutions to your existing systems that are already in place.

**Consequential**

Every successful project, at some point, reaches an inflection point where the questions become less “What might happen if we do this?” and more, “What will happen if we don’t do this?” By identifying processes with real concerns, you shift the narrative from having to sell the benefits of a digital transformation strategy to that of the challenges of not having one.
**#4 Augment and Automate**

Many of the technologies associated with digital transformation, such as RPA and BPM, have automation at the center of their respective value proposition. Automation does not mean you must replace all manual tasks, but it is an opportune time to assess your current processes, make them more efficient and augment with the right tools.

Digital transformation can substantively augment manual tasks rather than replace them. For example, supervised machine learning can be used to provide assistance to a user who must perform data entry. While it won't always eliminate every manual task, the technology can significantly reduce the effort and leverage the remaining decision-making process in order to automate the task further.

**#5 Supervise Your AI**

Buzz words are widespread and permeating through offices around the globe and technology companies boast about their Artificial Intelligence (AI) and machine learning capabilities. While technology advancements and innovation are essential to company growth, vetting and selecting the right type can bring uncertainty. Organizations don’t get instantly smarter because they purchase technology with AI. You must find the right type of AI technology that can drive value and business benefits that impact your specific needs and goals.

Technology should not be a hammer in search of a nail; it must provide a solution to an existing problem. In the case of AI, it must solve a solution to a specific business problem. For example, how can you extract the data from an invoice or a bill of lading, particularly when there are hundreds or even thousands of different layouts of these documents? How can a system learn how to distinguish between an invoice and shipping documentation? How can it locate the different data elements on an invoice when each vendor has their own unique layout?

Supervised machine learning can combine the best of AI with user feedback to enhance the rules that govern the system’s behavior to meet the overall business objectives. For example, rapid, accurate and cost-effective content capture of structured business information can provide fuel for your new digital business processes.
What Next?

Remember that digital transformation is an ongoing process. As with any major undertaking, it is important to build momentum to sustain the initiative and achieve the desired outcome. Digital transformation is not about creating digital versions of analog processes. Be bold by transforming your business processes and optimizing the technology. Start your digital transformation initiative by applying the right technology to your specific challenges for maximum success.

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