Ready for Digital Transformation?

Your eGuide to Breaking Your Digital Initiatives into Bite-Size Components.

69% of decision makers use social media for purchase decisions. 90% of buyers trust peer recommendations. 94% of B2B buyers conduct online research before making purchase. Companies including Amazon and Alibaba continue to raise the bar forcing every company to rethink their digital strategy. Companies such as Airbnb and VRBO continue to wreak havoc in the hotel industry and threaten to disrupt additional industries. Uber and Lyft have transformed the taxi industry using powerful digital tools.

No wonder 89% of executive say digitization will disrupt their business this year. Yet less than 1/3 of these executives believe that their digital strategy is correct, and only 21% believe the right people are setting their digital strategy. What is causing this disconnect, and why are so many digital transformation projects underperforming or outright failing?

Based on my 34 years in the CRM industry working with many of the world's best companies, I have concluded executives are not sure how best to tackle Digital Transformation. Companies that have struggled to tackle digital transformation typically fall short with respect to one or more of five key building blocks, namely:

CRM

Data & Analytics

Social Media Communities

Customer Engagement

Emerging Technologies

Often, they lack a roadmap that incorporates and integrates each of these elements to guide their digital transformation initiatives. However, it is essential that every company's Digital Transformation initiative is based on an integrated framework where individual projects connect and feed each other, e.g., leverage Data & Analytics as a foundational platform to analyze and provide insights used in Social Media Communities, CRM, and Customer Engagement; leverage Customer Journey Mapping and Customer Experience surveys to feed the holistic customer profiles; and leverage Emerging Technologies like AI in CRM to provide "next action" step with individual clients.

We'll take a closer look at each of these components.

CRM

From its inception in the mid-1980s, CRM has grown into a mature and rapidly evolving, $40 billion industry, impacting sales, marketing and customer service/call center enablement across hundreds of thousands of organizations. The successes have been real, and the results have been significant. At the same time, many organizations have struggled to build successful CRM programs and realize acceptable returns on investment. The current CRM failure rate is still greater than 50%, and that does not include organizations that have achieved only marginal returns or have never been able to fully implement their CRM programs.

At the core of successful digital transformation efforts are holistic customer profiles that get leveraged across all of the organization's customer-facing activities. Even today, companies need to spend more time, money, and effort to create comprehensive profiles that integrate transactional, CRM, and third-party data with both offline and online customer information. When they fall short, it typically is not due to technology. Most CRM applications have the capabilities, including AI and process automation tools, to create these profiles. More often, the shortfall is a lack of structured business processes to gather the necessary information—and to keep the profiles clean and useful over time.

Data & Analytics

Data-driven decision making is a requirement for effective digital transformation. Data analytics leverages information from traditional media as well as new and emerging digital sources to help companies better understand their customers while profitably and proactively managing the customer lifecycle. Successful companies continually mine their holistic customer profiles with data & analytics processes and tools that help them derive insights into customer preferences, enhance segmentation, improve journey maps, sharpen lead scoring and routing, achieve better forecasting and cross-selling, and more.

Social Media Communities

Customers expect to be able to communicate with organizations digitally. They expect 24/7 accessibility and support. Specialized social media communities, especially private or 'branded' communities, address these requirements head-on by providing a controlled, monitored environment for customer engagement and interaction. They provide members with an online, private platform with a corporate URL that's accessible from work and available 24/7. They reinforce product/industry leadership and are a company's best lead nurturing tool.

Most importantly, private social media communities allow a company to listen to the 'voice of the customer.' All of these attributes increase customer engagement with the brand, leading to greater customer satisfaction, improved acquisition and retention, and long-term competitive advantage.

Customer Engagement

Effective customer engagement shortens sales cycles, increases customer spending, lowers customer churn, increases brand awareness, and secures higher customer loyalty and advocacy. Companies are increasingly using videos, content sharing, chatbots using conversational AI, and robotic process automation tools to keep customers engaged. Digital technologies enable the creation of new analytical techniques and best practices, including cross-channel customer journey mapping, omni-channel management, customer experience management, customer success programs, and more.

Emerging Technologies

Emerging digital technologies– provide new ways to capture customer knowledge and insight, enhance data integration and dissemination across channels, connect and collaborate with customers, create better products and services, shorten the sale cycle, reduce operational costs, and stay one step ahead of the competition. While the list is long and growing, some of the most promising new technologies include mobile apps, identity resolution, virtual and augmented reality (VR/AR), artificial intelligence (AI) and machine learning, personalization, digital portals, wearables, addressable TV, Internet of Things, and blockchain. A sound Digital Transformation strategy includes pilots of multiple emerging technologies as appropriate to the organization, its products and its target customers.

Bite-size Your Projects

The right way to eat an elephant is in bite-size chunks. By focusing on bite-size projects in each of the five Digital Transformation building blocks, as well as the integration between these projects, companies greatly increase their likelihood of Digital Transformation success that meets the ever-increasing customer expectations and delivers compelling customer experiences.

ISM has found that a successful Digital Transformation program starts with a high-level strategy in support of the company's business direction. This is followed by the creation of a multi-step Digital Transformation roadmap that addresses people, process and technology issues, that clearly identifies key milestones within the roadmap, and that has tight linkages back to the company's business direction.

Successful Digital Transformation is not without risk. Keep an eye on buy-in from every member of the executive team. All it takes is one holdout for the initiative to stall or outright fail. Be sure to involve customers at each step of your Digital Transformation roadmap. Move quickly; it is better to move and fail than to watch your competitors eat your lunch. Having a

good partner to guide you through every step of this process can help ensure optimal results. Over 34 years, leading companies have trusted ISM to implement transformative customer strategies. Contact ISM today to ensure the success of your customer initiatives

For additional information about our Digital Transformation Strategy services, call (301) 656-8448, or e-mail us at sales@ismguide.com

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