STUDENT MANUAL

THE CARIBBEAN DIGITAL TRANSFORMATION INSTITUTE

Empower your journey

Digital Transformation Series

Strategy and Digital Transformation

Copyright

Courseware Version: 4.0

Table of Contents

PART ONE: COURSE OVERVIEW

COURSE OVERVIEW

This course will look at how to assess the current state of a business (using the SWOT analysis method), and how to set SMART objectives and OKRs. As well, it will examine the role of data for organizations making decisions in their digital transformation journeys.

LEARNING OBJECTIVES

At the end of this workshop, participants should be able to:

- Describe what a SWOT analysis is, and how to conduct one
- Define SMART objectives and OKRs, and how they relate to businesses developing a strategy for digital transformation
- Explain why data might be helpful for businesses when making major decisions

Learning Objectives

PART TWO: ASSESSING THE CURRENT STATE

Before deciding where an organization wants to go, strategic planning begins by assessing an organization's current situation.

This session will introduce the concept of a SWOT analysis and why it may be useful for a business planning a change.

SWOT ANALYSIS

A SWOT analysis explores a business' strengths, weaknesses, opportunities, and threats. Created by Albert Humphrey of the Stanford Research Institute in the 1960s, it is meant to help companies in planning and decision-making.

For Business News Daily, Skye Schooley writes that strengths and weaknesses are internal factors. These could include financial, physical, and human resources, as well as processes.

The University of Kansas's Community Tool Box, an online resource dedicated to promoting community health and development, suggests people conducting a SWOT analysis should consider strengths and weaknesses from their perspective as well as the perspective of others.

Some examples of a small retail business' strengths could include a solid group of loyal customers, knowledgeable staff who are familiar with the product and the regular customers, and quality products. Weaknesses could be things such as staff who are resistant to change, and an older point-of-sale system that slows down the selling process.

The opportunities and threats aspect of the analysis are external – things such as market and economic trends, regulations, and relationships with suppliers.

Opportunities for a small retail business could be things such as a governmental push for consumers to support local business (an external factor that may bring in new faces), or a new grant for small businesses to update their infrastructure.

Threats may include larger companies with access to suppliers at lower cost, and rising rent costs for the space that houses the business.

The Business Development Bank of Canada (BDC) suggests leadership, management and other key employees should be a part of the process, and an outside neutral expert may also be beneficial.

BDC suggests the following questions for businesses conducting a SWOT analysis:

- What do we do well?
- What do our customers and staff say about us?
- What do we need to work on?
- What new and growing technology could be beneficial to our business?
- What government policies could impact us positively or negatively?
- What trends are happening that could create positive changes or threaten us?
- What obstacles are we facing in the environment – political, economical, etc.?

An article from TechTarget suggests a SWOT analysis helps organizations with a visual examination of where they stand among the competition or their ability to reach a goal.

While it can be helpful, TechTarget also notes the analysis can be subjective, and would need frequent updating to stay relevant.

For that reason, it may be useful for businesses to do a SWOT analysis when they are considering a new project, as well as reviewing it every few years. This could mean gathering information beforehand, such as current market trends and any upcoming regulatory changes that could impact the business.

Example:

SWOT Analysis

	Internal	**External**
Positive	**Strengths** ● Knowledgeable sales team ● Products have a good reputation locally ● Well-known in local area	**Opportunities** ● Could do well if the market area was expanded ● Website could help with awareness ● Could have an online retail operation
Negative	**Weaknesses** ● Products not well known outside local area ● Website is very basic and is not user friendly ● Very small budget for marketing	**Threats** ● Rumors of large international company with inferior product but larger marketing budget moving into the area

Conduct Your Own SWOT Analysis

Take three to five minutes to do your own quick SWOT analysis of your organization, focusing on the internal factors of strengths and weaknesses.

	Internal	**External**
Positive	**Strengths**	**Opportunities**
Negative	**Weaknesses**	**Threats**

PART THREE: **SETTING GOALS AND TRACKING PROGRESS**

One aspect of developing a digital strategy is determining specific goals, and measuring the progress of achieving them.

This session will look at two ways that organizations can set clear priorities and how to track them.

SETTING S.M.A.R.T. DIGITAL OBJECTIVES

SMART goals are **S**pecific, **M**easurable, **A**chievable, **R**elevant and **T**ime-bound.

“SMART objectives provide the details for how a group or organization will achieve a goal,” writes the Minnesota Department of Health.

The objectives should be clearly defined, have one single result, and use all components of SMART.

Let’s look at what each letter means.

Specific

- A SMART goal describes a specific, observable action or behavior and defines “what has to be done.” When setting objectives, use action verbs and plain language that is easily understood by everyone involved.

Measurable

- Outcomes or end results must be defined in qualitative or quantitative terms. Questions to ask include:
- Can the result be easily defined or measured?
- How can I check/observe progress and verify outcomes?
- Can the limits and parameters of the goal be defined?
- How will I know when the target is met?

Achievable

Goals must be within reach; they must be realistic and reasonable. If an objective is too far-fetched, it is not likely to be reached. Consider what is possible for your organization with the available skills and resources.

Relevant

- A SMART goal is relevant to individual responsibilities, departmental goals, and the strategic direction of the organization.
- Does this goal make sense?
- Does this goal address the needs of the organization?
- Why is this goal important to the organization?

Time-bound

- SMART goals have specific target dates, frequencies, or deadlines.
- Is there an end date, deadline, and/or milestone for the result?
- How long will it take to achieve this goal?
- Are there progress review check points?

DEFINING OBJECTIVES AND KEY RESULTS (OKRS)

Coined by John Doerr, Objectives and Key Results (OKRs) are a goal-setting framework that attach an objective to results. Doerr says he learned leadership and goal setting tactics from Andy Grove while working closely with him at Intel.

Doerr, who is the chair of venture capital firm Kleiner Perkins and one of the original investors of Google and Amazon, outlines the OKR concept on his platform WhatMatters.com. He writes that objectives are the ‘what,’ while key results are the ‘how.’

Ryan Panchadsaram, co-founder of WhatMatters.com and Doerr’s technical advisor, explains the concept further, noting that an objective is typically followed by three to five key results.

“An Objective is simply what is to be achieved, no more and no less. By definition, Objectives are significant, concrete, action oriented, and (ideally) inspirational. When properly designed and deployed, they’re a vaccine against fuzzy thinking and ineffective execution,” writes Panchadsaram.

Key results are the measurement, are specific, and have a timeline. They could be commitments, lofty goals that have not been reached before and are long-term, or for the purpose of learning.

Doerr defines the benefits with the acronym F.A.C.T.S.:

- Focus – defines clear priorities for a team to direct their focus
- Alignment – allows an organization to connect its goals to its overall mission
- Commitment – everyone in the organization is committed to the same priorities
- Tracking – creates measurable ways to gauge if organization is meeting priorities
- Stretching – goes beyond “business as usual” and encourages teams to make big changes

As an example, an OKR for a small business could look like this:

We will increase our web traffic and awareness of our brand beyond the local community as measured by key results.

- Hold a pop-up event in a neighbouring community that partners with other small businesses and organizations within the next six months and includes an incentive for attendees to visit our website
- Expand our social media advertising to have a larger geographical reach within the month and partner with an influencer who aligns with the brand within the next two months
- Add our website to our in-store marketing and start offering online exclusive items this month

OKRs are meant to be graded, and could be as simple as using a checklist to determine whether the results were met or not. Depending on the results, an organization could also choose to add an option for whether progress was made towards a key result or go more into depth with a number scale. Ultimately, a business must decide how it wants to measure and track progress.

Set a Personal OKR

Objectives and key results do not have to be tied to a business or organization. Consider a goal you have, and create your own objective measured by key results. It could be tied to your career and workplace ambitions, a hobby, or some other meaningful aspect of your life.

PART FOUR: DATA-DRIVEN DECISION MAKING

Developing a digital strategy requires business leaders to make decisions. In order to feel good about those decisions, they need to be based on something tangible.

This session introduces the power of using data as it relates to decision making and an organization's culture.

INTRODUCTION TO DATA-DRIVEN DECISION MAKING

The concept of data-driven decision making is how it sounds – going beyond gut feelings and whims and instead collecting and considering data before making a choice.

Tim Stobierski for Harvard Business School Online suggests some of the data a business might use could include survey results, user test results, test markets for products, and demographic data.

Stobierski says one benefit for businesses is confidence in decisions.

"By removing the subjective elements from your business decisions, you can instill confidence in yourself and your company as a whole. This confidence allows your organization to commit fully to a particular vision or strategy without being overly concerned that the wrong decision has been made."

Stobierski adds it can also encourage companies to be more proactive, as paying attention to the right data can identify opportunities quicker than the competition or find potential threats ahead of time.

One Caribbean example of an organization that could be using data to drive decisions is Barbados Tourism Marketing Inc. (BTMI).

During the 2023 Caribbean Tourism and Hotel Association (CTHA) Caribbean Travel Marketplace, one speaker noted the Caribbean is seeing a 14 per cent increase in arrivals from Latin America since 2019. During the same event, Barbados minister of tourism and international transport announced BTMI is opening a new office in Panama City and is offering more flights from Latin American in order to boost the number of visitors from that area.

Jenique Belgrave writes in Barbados Today that Ian Gooding-Edghill noted the new office location “will seek to capitalize on the significant potential of the growing Latin America travel market.”

BTMI or Gooding-Edghill did not specifically state the increase in Latin America arrivals is the reason behind the new office location, so it cannot be determined for certain whether that data played a role. But it still serves as an example of the type of data an organization could use to drive decision making.

MAKING DATA ACCESSIBLE TO ALL

Dean Guida writes in Entrepreneur that often specific data is only accessible to certain teams within an organization.

Allowing and empowering employees to access and analyze data helps create a data-driven culture that encourages collaboration. Guida says employees do not have to be “data scientists” to understand numbers, suggesting businesses use tools to help employees visualize information and make it more approachable.

“When data is at the heart of everything teams do, they will drive better decisions and drive business performance,” writes Guida.

For the Harvard Business Review, Randy Bean writes that becoming a data-driven organization is a cultural shift, and as previously noted, change is not easy.

Bean says that change requires leaders to think differently, they must be prepared to fail, learn from it, and focus on the long-term.

CASE STUDY: NEW RUE21

Fashion retailer New Rue21 hired data analytics company Verint to collect customer feedback and use it to influence their decision-making.

Visit the link below and read the case study:

https://www.verint.com/wp-content/uploads/rue21-xm-case-study-us-english.pdf

What are your thoughts of the data-driven decisions the company made?

Sources:

https://www.businessnewsdaily.com/4245-swot-analysis.html
https://ctb.ku.edu/en/table-of-contents/assessment/assessing-community-needs-and-resources/swot-analysis/main
https://www.techtarget.com/searchcio/definition/SWOT-analysis-strengths-weaknesses-opportunities-and-threats-analysis
https://www.bdc.ca/en/articles-tools/business-strategy-planning/define-strategy/swot-analysis-easy-tool-strategic-planning
https://www.health.state.mn.us/communities/practice/resources/phqitoolbox/objectives.html#resources
https://www.mindtools.com/a4wo118/smart-goals
https://www.siop.org/Portals/84/TIP/Archives/394.pdf?ver=2019-08-19-115723-023
https://www.whatmatters.com/series_entries/s1-1-why-okrs
https://www.whatmatters.com/faqs/okr-meaning-definition-example
https://online.hbs.edu/blog/post/data-driven-decision-making
https://corporate.visitbarbados.org/news-media/barbados-successfully-hosted-the-41st-chta-marketplace/
https://barbadostoday.bb/2023/05/11/latin-america-moves/
https://www.entrepreneur.com/growing-a-business/3-ways-organizations-can-use-data-in-their-business/444535
https://hbr.org/2022/02/why-becoming-a-data-driven-organization-is-so-hard?registration=success