



Digital Transformation Series

Digital Transformation Overview

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PART ONE: COURSE OVERVIEW

COURSE OVERVIEW

This course defines what digital transformation means for a business and why it matters. It explores how to assess digital readiness and the beginning steps for creating a digital strategy.

LEARNING OBJECTIVES

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

- Define digital transformation and discuss why it matters to a business
- Talk about digital readiness and how to assess it
- Develop a digital strategy

Learning Objectives

PART TWO: DIGITAL TRANSFORMATION OVERVIEW

The world is becoming increasingly digital. Operating a business in this climate means adapting to change, and finding new ways to connect with customers or clients. That often means undergoing a digital transformation.

This session will look at what digital transformation means, and why it matters.

DIGITAL TRANSFORMATION DEFINED

Digital transformation is a fundamental shift in how a business operates – from internal processes to front-end changes – in order to improve efficiency, take full advantage of changing technology and to meet customer needs in an increasingly digital marketplace. It is not the same as digitization, which turns information into a digital format. A digital transformation involves a shift in attitudes and the ability to keep changing as needed. It means a real investment, and while that includes money, it is also about taking risks and recruiting the best talent. Turning paper archives into a digital form or developing a new website may be part of a digital transformation, but these things alone do not equal a transformation.

A digital transformation can include changes to internal processes that may not be visible to the customer, but free up more time to spend on important tasks that benefit the customer. This could include automating things like performance management and tracking employee time off, or installing tools that allow employees to communicate with anyone in the company and work from any desk. It can include changes to how a customer interacts with your business.

Retail is one of the more obvious industries in which digital transformation is a constant. Companies such as Amazon make it increasingly easy to have products delivered right to a customer's door. Businesses such as Sephora offer the ability to try on make-up products simply by uploading a photo. While this may worry some traditional storefronts, many are incorporating technology into their physical spaces – apps for coupons and rewards, self-

checkouts, mobile pay, interactive signage, and the collection of customer data through the Internet of Things (devices that connect to the internet, from smartphones to coffeemakers).

Small retail businesses in the Caribbean are embracing the digital landscape, too. Through e-commerce platform Shop Caribe, based in Trinidad and Tobago, MSMEs (micro, small, and medium enterprises) are able to sell their products online in the post-Covid world when traditionally they may have only been able to reach tourists in physical marketplaces. The platform invites vendors to sell their one-of-a-kind products designed and produced in the Caribbean to customers all over the world, using delivery logistics company DHL. The products include apparel, health and beauty items, home decor, and artwork.

No industry is immune to digital transformation, with changes occurring in fields such as banking, insurance, manufacturing, government, hospitality, transportation, and entertainment.

Caribbean Airlines is a larger local company that is embracing technology. The company launched its mobile app in 2019, allowing customers to book flights, upgrade seats or pay for extra baggage, and check in. In 2023, they added the ability to call the airline call center through the app on Wi-Fi by partnering with British startup Connect-EZ. This makes calls free and allows people who rely on data or Wi-Fi to still be able to access customer support.

Why?

One of the reasons a company might undergo a digital transformation is due to customer demand. Other examples include:



When global pizza giant Domino's was faced with rising costs, outdated processes and increased competition they turned not to food processes, but digital transformation. The company focused on customer experience, data analytics and technology, including a platform that integrated its online ordering, customer feedback and delivery tracking. According to data from 2020-21, Domino's earned 70 per cent of its sales from online orders, had increased overall profits, and in 2018, became the largest pizza delivery company in the world. Its digital transformation is credited for these achievements and the ongoing success of the company.

DIGITAL LANDSCAPE IN THE CARIBBEAN REGION

In 2020, Pricewaterhouse Coopers (PwC) gathered information about digital readiness from executives in seven countries in the Caribbean. A total of 92 responses were received from a variety of industries, including insurance, banking and capital markets, energy, utilities and resources, and consumer markets. That report, released in 2021, showed that while many felt they were ahead or on par in regards to introducing new technology into their business processes and products, close to half of the respondents suggested they were trailing behind when it came to attracting workers with the right digital skills and training workers in those skills. Some of the biggest barriers to attracting and training workers in digital skills is a lack of time and money.

Responses about what technology has been prioritized at each organization included:

- 29 per cent said Artificial Intelligence
- 22 per cent said the Internet of Things
- 20 per cent said Robotic Process Automation
- Remaining 29 per cent were spread among augmented reality, virtual reality, drones, blockchain, and 3D printing.

LOCAL DIGITAL TRANSFORMATION

Think of local businesses that are incorporating digital products or processes into their enterprises, and examples of those products or processes. Write your examples in the space below.

PART THREE: ASSESSING DIGITAL READINESS

Part of a company's digital transformation starts with considering the business as a whole. Figuring out how customers or clients interact with the company is a good place to start in order to assess where technology can enhance a business.

This session will discuss ways to determine digital readiness.

CUSTOMER INTERACTION

A good way to start thinking about changes that can be made in a company is to consider every way a customer or client interacts with the business.

- How are they receiving their information about the company and its products?
- How are they communicating with the company?
- What is the process to purchase a product?
- How are they receiving their purchase?
- Are they able to offer feedback on the process?

QUESTIONS TO ASK

These are some further questions that can be asked to figure out how the customer is interacting with the business and how that process could be improved to serve them better:

- Is the information reaching them in the best way possible?
- Is it easy to communicate with the business?
- Is that communication available on platforms the customer is using every day?

“After mapping the customer journey from beginning to end, companies can focus on how digital can make each touchpoint better, faster and more efficient, as well as integrate all of them into one coherent experience,” Michael Connolly founder of LawCareer said in an [article](#) about digital transformation.

Course Three will provide more detail about customer journey mapping, but Connolly make a good point about how to determine where to add technology into business processes. Ultimately, a digital transformation is intended to help both the business and the customer. Figuring out each way a customer interacts with the company is the best starting point.

MISTAKES THAT CAN BE MADE

Failure rates for digital transformation are high, with estimates ranging from 70 per cent to 95 per cent. However, more and more company leaders believe digital transformation is necessary to survive. Mistakes that companies can make include:

- Failing to understand what a digital transformation truly is
- Having zero vision or no plan
- Failing to recruit the right people, or losing them to the competition
- Ignoring the importance of company culture and buy-in
- Not putting the customer first

CUSTOMER INTERACTION ACTIVITY

Think about a business you interact with on a weekly basis. Write down ways you interact with that company, and how technology could improve those experiences.

Example: Customer interactions with a bank could be:

- Depositing money
- Withdrawing money
- Applying for a loan
- Paying bills or debt
- Checking the balance of an account or credit card

Many banks are offering more digital experiences, as these processes can be greatly improved with technology. Having the ability to check your balance on an app or with a telephone call is more convenient than lining up at a physical branch during a weekday.

PART FOUR: DIGITAL STRATEGY DEVELOPMENT

Figuring out how to incorporate technology into a business is dependent on the enterprise, its goals, and its customers/clients. However, there are a number of things a company should consider when developing a plan of action.

This session will take a look at the beginning steps of how to develop a digital strategy.

THINGS TO CONSIDER

There is no one way to undergo a digital transformation, but there are several things every company should keep in mind.

Research, research, research

No company wants to waste time or money, so it is crucial to understand what technology is available and whether it will help reach one's goals. Not every innovation is going to be useful for every organization. It is important to evaluate what other businesses in the industry are doing in order to have a better idea of what customers have available to them, and figure out if it is necessary to take it to the next level. Also look outside of the industry in order to assess trends in service delivery and potentially get ahead of the competition in the field.

Develop a vision

Adding technology simply for the sake of adding technology will not help anyone. Digital transformation is intended to make processes easier and to help them remain relevant. The changes should make services and products better for customers and staff. There should be goals throughout the process. A digital transformation is going to mean many changes and while those goals may shift, there needs to be a starting point and plan.

Build the right team

A plan is nothing without the right people to implement it and ensure that it is carried out. It requires strong leadership to put it in place and build the confidence of staff, stakeholders and customers.

Culture is key

Company culture plays a big role in the success – or failure – of digital transformation. There needs to be room for employees and stakeholders to question and challenge parts of the plan, with a solid strategy on how to ease their concerns. Change is never easy and resistance is normal. Management needs to expect that and be ready to handle it.

Communication and marketing is necessary

A digital transformation is ultimately for the customer, therefore it is important to let them know what is happening. Customers and anyone else impacted should be able to offer feedback during the process. This can mean a strong social media presence in which the company responds to users. Social media can also be an effective way to promote and build excitement about what is happening behind the scenes. Finding out how people are responding to changes at each stage can be validating, or it can stop a company from sinking a lot of money into something that is ineffective and does not help them reach their end goal.

Keep track of successes – and failures

The value of analytics cannot be stressed enough. When investing in a plan, it is important to be able to track whether it is working – and be ready to adapt if it is not. A digital transformation is not over when a new process is unrolled. To address any issues, it may need to be changed multiple times.

Be ready to adapt

Not everything is going to work exactly as planned, and that is okay. It is better to try, fail quickly and try something new, than to continue with a project that fails after a lot of money and resources have been put into it.

CASE STUDY: AIR NEW ZEALAND

Air New Zealand has a long-standing tradition of digital transformation. It was among the first airlines in the world to install automated kiosks for passenger check-in and to improve efficiency and data management via cloud computing. Now for post-pandemic growth, the company is looking to technology not as a fix, but as an integrated part of doing business. There is no 'IT department'; rather, technology is part of all operations. This approach behind the scenes leads to a seamless experience for the customer. Some innovations in their current strategy include: virtual workspaces, a rebuilt mobile app, a baggage tracker, face recognition for boarding, and AI for scheduling.

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CASE STUDY REVIEW

Read the source material (links provided on previous page). What did you learn from the case study regarding what the company did right?

ASSIGNMENT ANSWER KEY

SESSION FOUR: DIGITAL STRATEGY DEVELOPMENT

Case Study Review

Read the source material (links provided on previous page). What did you learn from the case study regarding what the company did right?

Potential Answers

Examples of what Air New Zealand has done well:

- Fully buying-in to the value of digital and technology
- Continuously adapting and improving customer experience, especially in a time when the travel industry has been under stress
- Considering the customer when making changes (rolling out changes in the app without requiring customers to reinstall new versions)

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