

The Race Against Digital Darwinism:

SIX STAGES OF DIGITAL TRANSFORMATION

A maturity framework to advance technology roadmaps, business models, and processes to compete in the digital economy

April 14th, 2016



EXECUTIVE SUMMARY

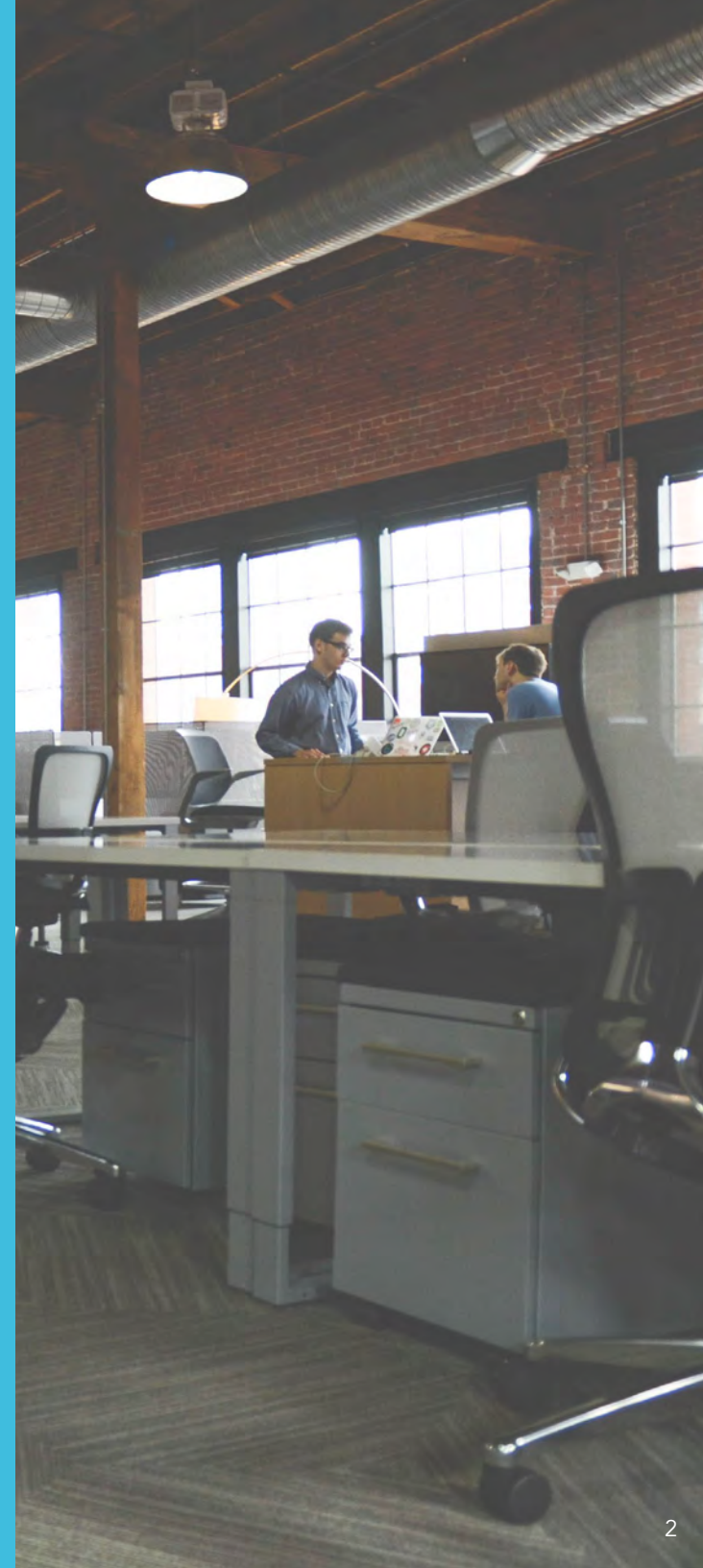
We live in an era of “Digital Darwinism,” where society and technology evolve faster than the ability to adapt. Disruptive technologies are affecting market dynamics and how businesses operate within them. From mobile apps and cloud computing to social media and real-time marketing — and all of the big and small data between them — technology is advancing at an accelerated pace. At the same time, businesses struggle to keep up with technology and its impact. To effectively compete, and eventually thrive, businesses must become agile rather than reactive and customer-centric rather than presumptive. Enter digital transformation.

Throughout our research, we learned that there are many definitions for digital transformation. Based on the input of digital leaders, we continually adapt our definition to reflect the current state and direction of digital transformation. We define digital transformation as follows:

The realignment of, or new investment in technology, business models, and processes to drive new value for customers and employees to effectively compete in an ever-changing digital economy.

Although digital transformation is a global business movement that uses technology to radically improve the performance or reach of enterprises, technology alone isn't the solution.

In our research, we learned that digital transformation is a movement progressing without a universal map to guide businesses through proven and productive passages. This leaves organizations pursuing change from a known, safe approach that correlates with “business as usual” practices. Operating within the confines of traditional paradigms without purpose or vision eventually challenges the direction, capacity, and agility for thriving in a digital economy.



After several years of interviewing professionals who help drive digital transformation (we call them “change agents”), we have identified a series of patterns, components, and processes that form a strong foundation for change. We have organized these elements into six distinct stages:

- 1 **BUSINESS AS USUAL**
- 2 **PRESENT AND ACTIVE**
- 3 **FORMALIZED**
- 4 **STRATEGIC**
- 5 **CONVERGED**
- 6 **INNOVATIVE AND ADAPTIVE**

Collectively, these phases serve as a digital maturity blueprint to guide purposeful and advantageous digital transformation. Our research into digital transformation is centered on the Digital Customer Experience (DCX) and thus, reflects one of many paths toward change. We found that DCX was an important catalyst in driving the evolution of business, in addition to technology and other market factors.

This report introduces each of the six stages as a self-contained phase, offering a narrative and a checklist to guide your journey. While presented in a linear format, our research shows that companies may span multiple stages at once depending on their goals, resources, and overlapping initiatives. Use this framework to validate, benchmark, and map your company’s progress toward digital literacy and leadership. Keep in mind, however, that you may find yourself revisiting and overlapping stages throughout program and strategy deployment.



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DIGITAL TRANSFORMATION IS NOT JUST ABOUT TECHNOLOGY

The foundation for Altimeter's six stages of digital transformation was built over several years during our ongoing research on the subject. Early on, we found that digital transformation was a technology-centered effort, aimed at modernizing and optimizing processes and systems throughout the business ecosystem. Even though businesses have always used technology to scale and improve operations, digital transformation is about updating and upgrading the capacity to compete in a digital economy.

Over time, the democratization of technology also reshaped market dynamics, causing companies to challenge their existing digital transformation roadmaps. As customer/employee behaviors and expectations evolved and changed in alignment with new technology use, this created the need to study digital's affect on markets and people to inform why, how, and to what extent these disruptive technologies played a role in transformation.

AS SUCH, DIGITAL TECHNOLOGY IS A MEANS, NOT A STRATEGY.



Successful Digital Transformation is Driven by a Clear Purpose, Vision, and Motivated People

There is no one way to pursue digital transformation, but without human-centered input, direction, or best practices, companies can be led astray. This squanders time, resources, and potential ROI. Change agents must step outside of their departments and collaborate with other functional and executive leaders to foster real change.

The path to transformation is most often shaped by the person or group leading the effort, which can limit the implementation of a holistic, persistent, and meaningful enterprise-wide transformation. For example, CIOs or Chief Digital Officers (CDOs) may drive digital investments from an operational or technological perspective without customer empathy or knowledge of how and why new expectations, preferences, and values are disrupting markets. At the same time, CMOs may invest in technology that scales digital customer marketing and engagement without realizing the consequences of not involving the rest of the organization. The same is true for any effort led or governed by only one facet of the company.

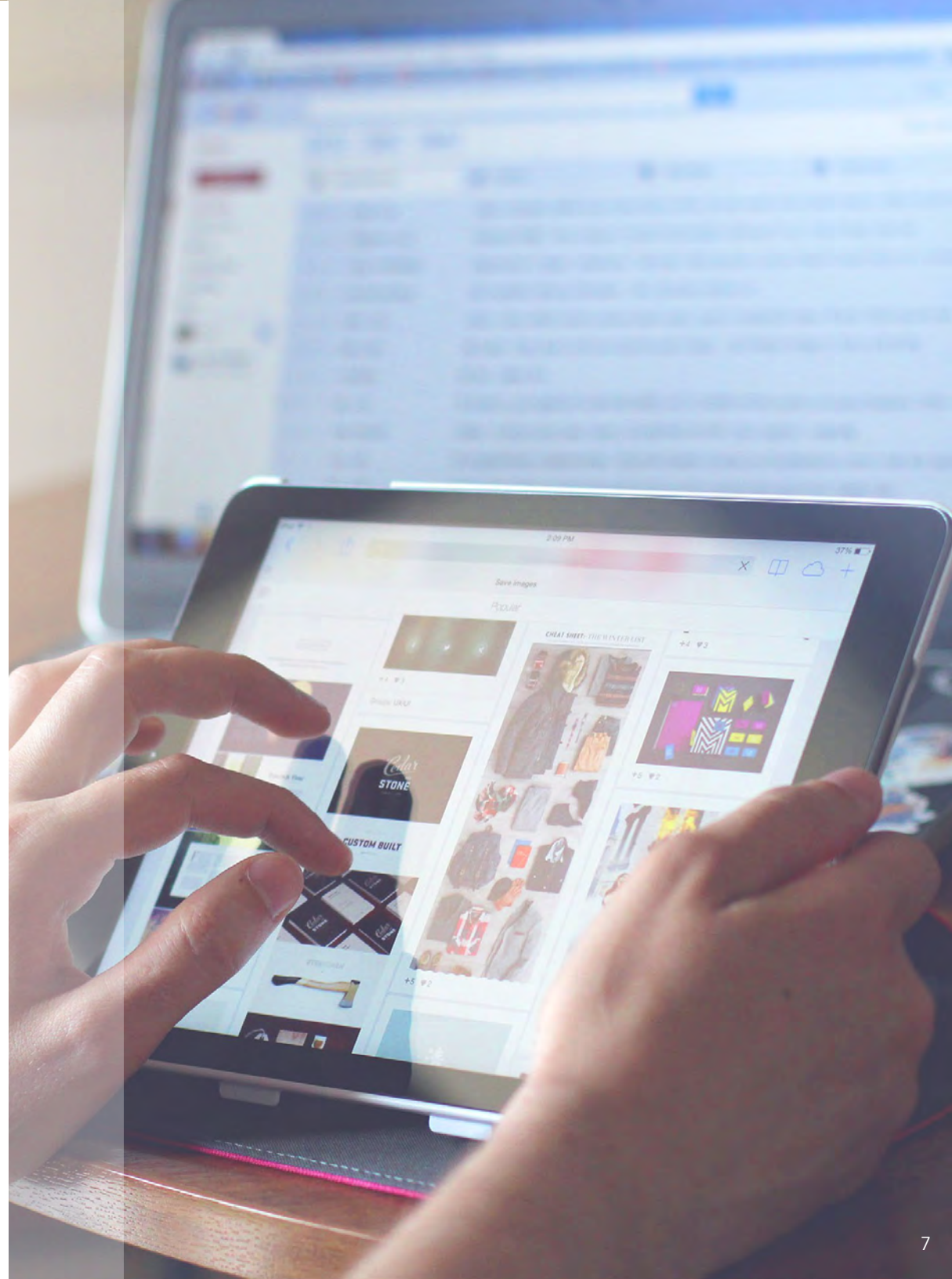
Digital transformation takes a modern, human, market perspective to guide cross-functional research, collaboration, and innovation in how organizations compete for tomorrow ... today.

DIGITAL TRANSFORMATION MATURITY OFTEN STARTS WITH ALIGNMENT AROUND A HOLISTIC CUSTOMER EXPERIENCE

A common imperative for digital transformation leaders is understanding digital customers and their differences, expectations, behaviors, and predilections. By concentrating on digital, companies can examine how it affects or alters the connected customer's journey, and influences their decision-making at large. In the process, change agents recognize gaps, isolate friction, and surface opportunities. This helps align stakeholders around common goals and objectives, secure executive sponsors, and fast-track digital transformation initiatives.

However, digital customers are just the beginning. Once strategists identify immediate opportunities around the Digital Customer Experience (DCX), the path is cleared for digital transformation work that can improve the experience for all customers. This is achieved by intentionally inserting a customer-centric perspective and methodology into operations, technology, and CX programs enterprise-wide.

Digital transformation is more than just digital; it's about remodeling businesses to be agile, innovative, and customer-centric at their core.



COMPANIES GROW FROM “BUSINESS AS USUAL” TO ENTERPRISE INNOVATION ALONG THE ROAD OF DIGITAL TRANSFORMATION

The Six Stages of Digital Transformation reflect the state and progress of an organization in motion. The stages are defined by the digital transformation elements that are present in an organization’s current position or its immediate roadmap. Although presented as six distinct steps, companies may not migrate through each step on a linear path or at the same speed. Depending on which groups or change agents are leading specific efforts, and in which departments, elements of digital transformation occur in pockets across the stages. As such, each phase is defined by sets of attributes that span multiple facets of the organization, including operations, CX, digital literacy, training and expertise, and technology.

The six stages are organized as follows:

1 BUSINESS AS USUAL

Organizations operate with a familiar legacy perspective of customers, processes, metrics, business models, and technology, believing that it remains the solution to digital relevance.

2 PRESENT AND ACTIVE

Pockets of experimentation are driving digital literacy and creativity, albeit disparately, throughout the organization while aiming to improve and amplify specific touchpoints and processes.

3 FORMALIZED

Experimentation becomes intentional while executing at more promising and capable levels. Initiatives become bolder, and as a result, change agents seek executive support for new resources and technology.

4 STRATEGIC

Individual groups recognize the strength in collaboration as their research, work, and shared insights contribute to new strategic roadmaps that plan for digital transformation ownership, efforts, and investments.

5 CONVERGED

A dedicated digital transformation team forms to guide strategy and operations based on business and customer-centric goals. The new infrastructure of the organization takes shape as roles, expertise, models, processes, and systems to support transformation are solidified.

6 INNOVATIVE AND ADAPTIVE

Digital transformation becomes a way of business as executives and strategists recognize that change is constant. A new ecosystem is established to identify and act upon technology and market trends in pilot and, eventually, at scale.

THE SIX STAGES OF DIGITAL TRANSFORMATION



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DIGITAL MATURATION REQUIRES MULTIDISCIPLINARY INVOLVEMENT

The path to digital transformation matures the organization as a whole via the sum of its parts. Each of the six stages represents key customer-facing and customer-supportive elements in DCX and CX that support overarching organizational competence. Individually, these areas develop over the course of digital transformation work, and collectively they form the pillars of growth that advance companies toward a more agile, innovative, and digitally competitive state.

Digital transformation maturity is focused on the following elements in the organization:



GOVERNANCE AND LEADERSHIP

An infrastructure that is driven by leadership philosophies that determine the fate of business evolution.



DATA AND ANALYTICS

How a company tracks data, measures initiatives, extracts insights, and introduces them into the organization.



PEOPLE AND OPERATIONS

Who is involved in Digital Transformation (DT), the roles they play, the responsibilities and accountabilities they carry, and how a company enacts change and manages transformation, including its roles, processes, systems, and supporting models.



TECHNOLOGY INTEGRATION

Implementing technology that unites groups, functions, and processes to support a holistic CX.



DIGITAL LITERACY

Ways in which new expertise is introduced into the organization.



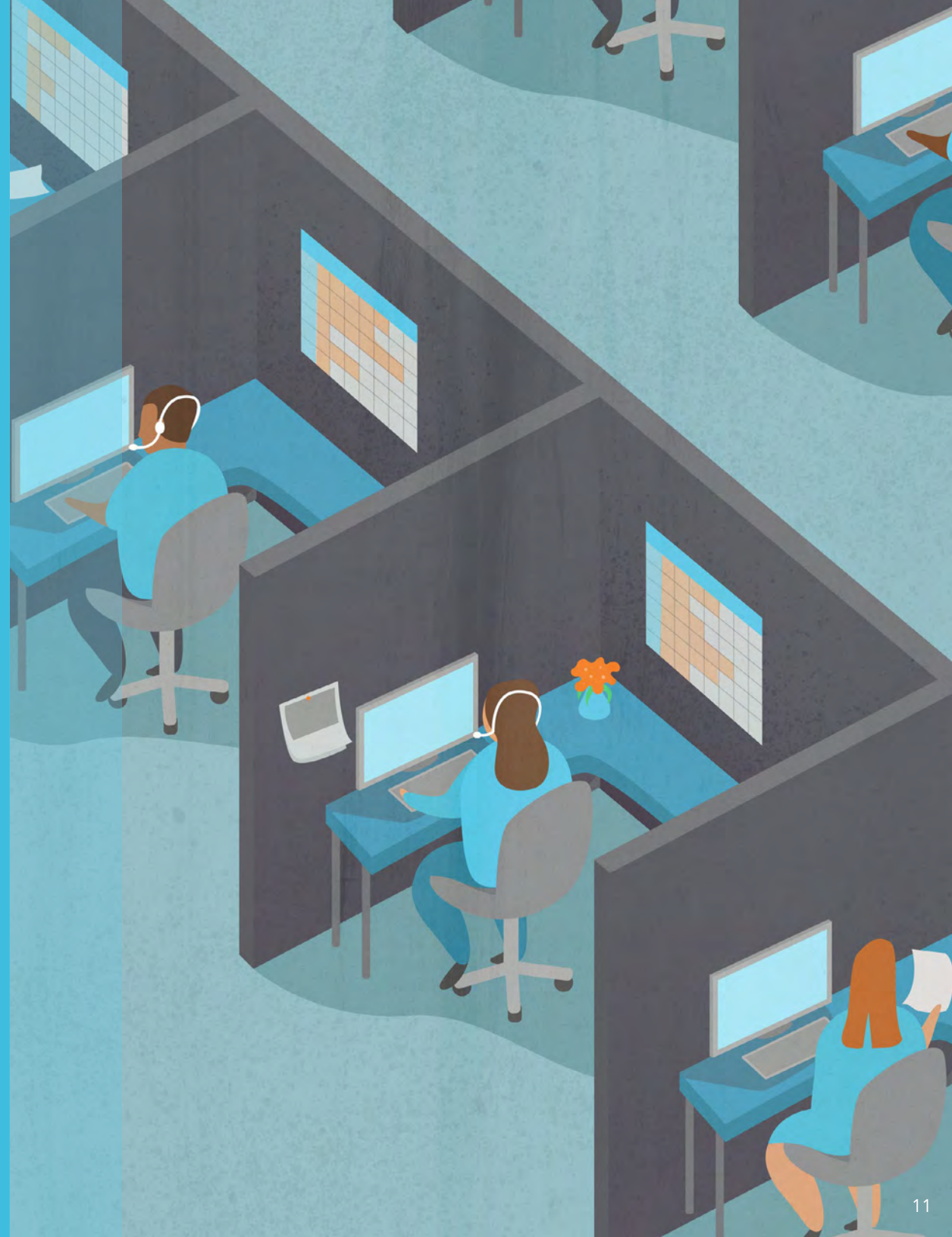
CUSTOMER EXPERIENCE

The processes and strategies aimed at improving touchpoints along the entire customer journey.

STAGE 1: CUSTOMER OPERATIONS MAINTAIN THE STATUS QUO, "BUSINESS AS USUAL"

Business as Usual: Companies in this phase are incredibly risk-averse, and the culture of the organization inhibits ideation, experimentation, and inside entrepreneurship ("intra-preneurship"). In specific situations, compliance and regulation also deflate innovative thinking. As such, a lack of urgency exists and any need to change is largely rebuffed or dissuaded by leadership.

Growth and change are part of a roadmap, yet digital is largely underappreciated and/or recognized. Change becomes programmatic and technology-driven to push scale and efficiency rather than being inspired by customer empathy. The culture is not only risk-averse, but it's also underappreciated, ignored, or both, with leadership making decisions about long-term strategy based on legacy business norms and rules. Digital is not used as a formal directive within a digital-transformation approach, as companies are focused on existing stakeholder and shareholder value. This prevents any real change to initiate or stick, which also restricts the ability to compete for relevance with a new generation of connected customers.



GOVERNANCE AND LEADERSHIP:

Inter-departmental relations are not collaborative in managing CX, and the absence of a holistic customer view promotes siloes.

- Leadership rebuffs the need for change.
- Operations support a traditional funnel approach to the customer journey, focusing each group on their respective areas of customer-facing or back-office initiatives.
- Departments are not collaborative in their work to manage customer experiences, contributing to a disjointed and dated customer journey.
- Digital literacy and expertise exist in pockets of the organization but are not a prime concern at the executive level.

PEOPLE AND OPERATIONS:

Digital responsibilities and processes are not formalized or adequately supported.

- While digital is not ignored, it is treated as a part-time directive in select employees' jobs, usually to increase scale and efficiency.
- Processes are not formalized and are built upon legacy foundations focused on the disparate needs of each department.
- Responsibilities specific to digital are added to existing processes as reactive amendments rather than being created anew to keep pace with emerging channels.
- Early adopters are reluctant to push new agendas out of fear or because the culture is risk-averse.

CUSTOMER EXPERIENCE:

Business strategy is focused on current customer needs, with fragmented strategies managed by individual departments.

- CX strategies are managed by (and not shared amongst) individual departments, creating a fragmented view of the customer across the organization.
- Minimal research has been done on digital and traditional customer behaviors, preferences, and path to purchase.
- Organizations are still following technology-first, not customer-first, roadmaps and processes that are outdated.

DATA AND ANALYTICS:

Lack of a unified measurement approach leads to isolated efforts and an incomplete customer profile.

- A 360-degree customer view is not a current priority.
- Analytics are purely a reporting function.
- Departments measure efforts in isolation (sales/CRM, web analytics), but KPIs are not standardized and rarely shared among customer-facing or supportive groups.
- Insights from analytics are not acted upon strategically or holistically.

TECHNOLOGY INTEGRATION:

IT controls most technology roadmaps, and individual departments own experimental digital solutions.

- IT, for the most part, owns technology roadmaps, and they are largely not operating against customer-first strategies.
- New technology is evaluated for its features and capabilities and tied to business goals rather than testing technology solutions that facilitate integrated and holistic customer experiences.
- Most promising digital solutions (freemium or purchased) are owned by individual departments or groups and operated in isolation with many operating in a rogue state.

DIGITAL LITERACY:

Training around the evolution of the digital customer is held to existing standards.

- Digital and CX training operates against legacy strategies and metrics.
- No formal training is instituted for digital, leaving all learning ad hoc for those who want to understand new possibilities.
- Digital training is an addendum to one-off marketing training programs.



STAGE 2: NEW TECHNOLOGY SPARKS IMAGINATION AND EXPERIMENTATION AS COMPANIES BECOME “PRESENT AND ACTIVE”

Present and Active: These companies are evolving because of change agents who recognize new opportunities and fight to lead experiments within their respective domains. New trends in digital, mobile, social, Internet of Things (IoT), etc., inspire early adopters to experiment with new possibilities. Sometimes this is done in isolation without the benefit of shared insights and best practices across the organization. This is done to expedite trials without waiting for formal approval, operating under an “act-first-and-apologize-later” mentality. These experiments push boundaries and create momentum for official digital transformation programs.

DATA AND ANALYTICS:

Marketing and digital begin focusing on customer experience analytics, and an inventory of existing metrics is studied for overlap.

- Customer experience metrics are researched and examined, often starting with online and social sentiment analysis.
- Customer data for each channel still exists in siloes. Focus begins on acquiring customer data through social listening and Big Data initiatives to improve the customer journey and experience one touchpoint at a time.
- Social media listening begins to identify gaps in customer engagement.

CUSTOMER EXPERIENCE:

Competitive pressure leads to rethinking the company's approach to CX, and leaders experiment with new strategies.

- External forces promote the need to examine new channels.
- Social, mobile, responsive, digital, and content strategies are experimented with in respective groups with some sharing and collaboration taking place between them.
- Individual departments rethink their approach to customer engagement across new channels/networks, leading to pilots in social, mobile, responsive web, digital, and content strategy.
- DCX represents a promising opportunity for immediate innovation, as digital is either missing key elements or causing significant friction in the customer journey.
- The need for proving the ROI of CX programs sparks conversations between departments that eventually lead to sharing and collaboration.

GOVERNANCE AND LEADERSHIP:

Disruptive technologies introduce new opportunities to test and learn for change agents in their departments.

- Early adopters recognize digital, mobile, and social, and all disruptive technologies introduce new opportunities to test and learn internally and externally.
- These emerging champions set the stage to become change agents, taking action within their respective departments by driving pilots and experiments
- Executives take notice, and alliances are struck to promote test-and-learn programs.
- New work creates internal buzz and concern around change, and pilots reveal need for CX leadership.



GOVERNANCE AND LEADERSHIP

The need for executive support is of utmost importance for innovators looking to take digital transformation efforts enterprise-wide. Emmanuel Lagarrigue, Chief Strategy Officer for Schneider Electric, shares the value of having the C-suite in your corner:

“One of the challenges we discovered in digital transformation was a pure resistance to change from our marketing and sales teams. We needed a lot of air cover from the CEO in case there were roadblocks that our CX leader couldn’t overcome.”

Executive support is vital to not only resource allocation, but also creating the right partnerships and providing direction to neighboring departments.



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PEOPLE AND OPERATIONS:

Experimentation in emergent channels makes the case for DCX redesign, often against existing processes and hierarchies.

- Even by experimenting through digital pilots, the company still operates in siloes.
- Rogue experiments lead to ongoing strategy and program experimentation and reporting.
- Social and mobile technologies and related rising customer expectations online trigger a need to bend, circumvent, or experiment against existing processes in marketing and customer engagement.
- Examining operational processes when interacting with customers online uncovers tangential and overlapping needs in other departments, like IT, Web, and marketing (content).

TECHNOLOGY INTEGRATION:

Marketing and digital explore new platforms, channels, and tools for digital program management and measurement within their departments.

- Areas of technology experimentation may include social media management systems, cloud computing, content management, CRM, customer response, and enterprise social networks.
- Leaders develop proficiency in their department's tool(s) but have little visibility into other technologies used across the company to gauge customer behaviors, engagement, and interactions.

DIGITAL LITERACY:

Change agents look to other companies for training inspiration, often through events, online channels, and networks.

- Early adopters in departments exploring the DCX begin to seek out the types of training other companies are implementing to get employees and leadership up-to-speed.
- Education includes everything from attending conferences and workshops to following best practices to joining educational or peer-to-peer organizations /networks.
- Disparate efforts contribute to the need for formalized training programs around digital maturity. Campaigning and planning begins.



TECHNOLOGY INTEGRATION

Technology integration can present roadblocks to change agents looking to push the boundaries of the status quo - especially when employees don't realize what technologies could make their jobs easier.

"Sometimes the role of people like me is to offer employees technologies they don't know they need yet," explains Jason Browning, Global Head of Social and Digital Communications and Head of Global Internal Communications for Novartis. "I'm gambling on what the next technology will be and consistently iterating and piloting with different communities within the company until I see something pick up. It's a big challenge to decide, on an enterprise level, when to offer solutions at the right time."

Technology needs a purpose, and when it's tied to intent and objectives, change agents turn tech adoption and implementations into missions.

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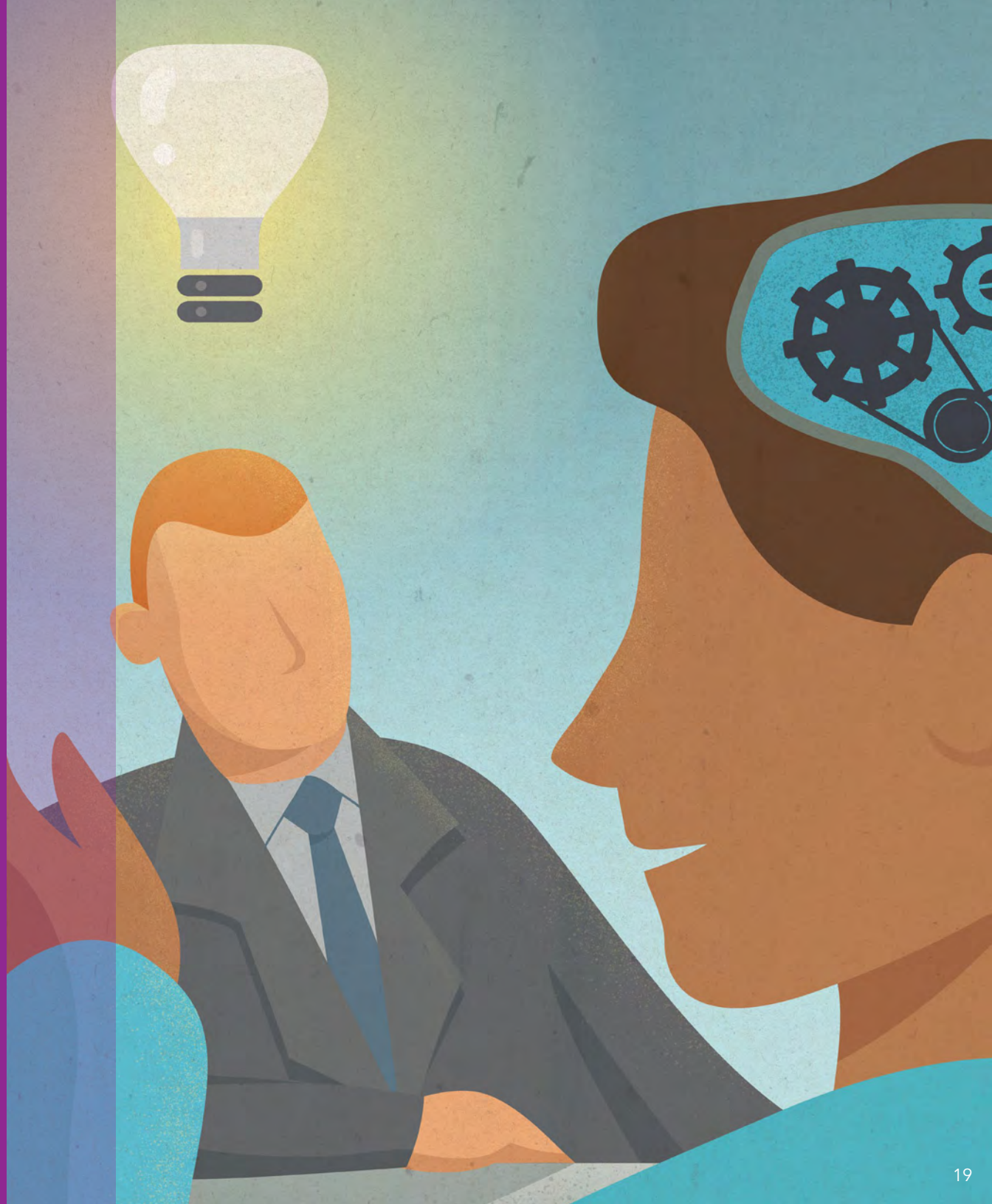
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STAGE 3: A SENSE OF URGENCY ACCELERATES CHANGE WITH “FORMALIZED” RESULTS

Formalized: The sense of urgency to modernize the customer experience accelerates. Early adopters and change agents come together to make the case for collaboration and experimentation as a group (breaking down siloes). Digital transformation efforts are focused on key areas for exploration and experimentation.

Change agents lead each area and also collaborate with others. Insights lead to early development of digital transformation roadmaps to prioritize and optimize areas of opportunity and deficiency. Strategic investments in people, processes, and technology solve for current work and set the stage for a more unified digital transformation effort.



DATA AND ANALYTICS:

Gaps in measurement are identified, and an analytics inventory is complete, leading to inter-departmental roadmap collaboration.

- Customer data begins to inform decision-making in select departments, and metrics become fundamental to understanding customer journey and optimizing the experience.
- Data about moments and devices are analyzed, and new consumer behaviors, preferences, and friction points feed into redesigning the DCX.
- An inventory of existing analytics among departments is studied for overlap, gaps, and opportunities for collaboration. Planning and development begins using an analytics roadmap to close the gaps in measurement.
- Sentiment analysis findings are shared across stakeholder groups and their impact studied to determine DCX priorities.
- Leaders in sales, IT, marketing, customer service, and digital begin to collaborate around shared analytics needs.

CUSTOMER EXPERIENCE:

The customer journey is mapped to reveal opportunities for digital transformation, with customer data analysis informing decisions.

- Debate stirs around the importance of DCX vs. traditional CX. This requires research to inspire a draft vision and objective statements to explain the benefits of a company-wide digital strategy and how it affects/benefits overall customer experience design.
- The customer journey is mapped to reveal opportunities and priorities for digital transformation and traditional CX.
- Digital is a key driver for immediate test-and-learn and pilot programs around the new customer experience.
- Eliminating friction points and solving for missed opportunities are common catalysts in advancing CX work.

GOVERNANCE AND LEADERSHIP:

Teams begin optimizing efforts and resources by seeking out an executive sponsor and rallying other departments.

- Early adopters start to become change agents as they see the bigger picture and start to build awareness and alignment to work formally toward it.
- Change agents, still internally facing, start to define the overall vision of digital transformation.
- Teams formally optimize efforts and resources by seeking out an executive sponsor.
- The sponsor and change agents invest in formal working groups to test and learn through organized, cross-functional pilot programs usually focused on the DCX and marketing.
- Change agents begin assisting other departments with pilots, sales, and support, helping them find their way into the mix.



DATA & ANALYTICS

GM's Global Center for Customer Experience is working on creating a repository of answers to customer concerns in one place. This integrated omni-channel database enables the company to be best in class in managing its customer data, culled from a variety of departments within the organization, and easily accessible to those who need it.

"We're creating a mindset around listening to customers and reacting," explains David Mingle, Global Customer Experience Execution and Planning General Director. "It's been transformational. We often find things that look small but, once unraveled, are big opportunities for us."



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GM



GOVERNANCE AND LEADERSHIP

At Dell, there are four groups working together in digital transformation: digital and media; global marketing, which focuses on long-term innovation; marketing technologies; and content, which focuses on new content types and channels to use in building out the best customer journey at different stages. Ana Villegas, Dell's Marketing Director of North American business, explains the collaborative inter-departmental relationship:

"All teams meet on a regular basis to determine what our priorities are for development in various regions. The marketing technologies team is similar to an internal vendor; I take their recommendations, test them, and if I see results I define a plan for adoption."

Communication leads to collaboration, which then leads to cross-functional convergence. This integrated effort prioritizes, supports, and manages efforts that would have otherwise been isolated or competitive.



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Commercial Business at Dell

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PEOPLE AND OPERATIONS:
Companies gain traction through notable pilot programs, though still disparate.

- Customer service and marketing begin to collaborate to assess operational processes for customer engagement in digital channels.
- Cross-departmental communication and collaboration sets the foundation for a joint RACI model.
- IT and marketing begin to collaborate to expedite investments and a supporting infrastructure for transformation.

TECHNOLOGY INTEGRATION:
Solutions are purchased to aid in persona development, stakeholder mapping, and customer journey mapping across touchpoints.

- Solutions like Smaply, Touchpoint Dashboard, and UXPressia help companies better understand the intersection and flow of customer experiences across touchpoints.
- CX tools are used primarily by marketing, IT, or e-commerce teams.
- Omni-channel tools to replace multiple platforms being used by disparate departments are being explored to better optimize and integrate shared data.
- IT, marketing, (and/or) CX work together to develop a technology roadmap for scale and automation of tools across the enterprise.
- An Enterprise Social Network (ESN) is used across the organization to ensure internal digital cohesion on process, strategy, and customer engagement.

DIGITAL LITERACY:
Executive education is made a priority, and training programs are drafted that focus on continuous digital learning.

- Executive education is made a priority for change agents looking to earn support for the development of formal digital transformation programs.
- Training around digital rules of engagement becomes part of the departmental process for new channel programs and initiatives (i.e., mobile, social, IoT, etc.).
- Change agents partner with educational stakeholders, such as functional heads and/or HR, to work with leaders in marketing, IT, customer service, and product groups to identify what digital expertise exists internally and what must be hired for (employee or agency).



DIGITAL LITERACY

Executives at Dell are continuing to think in a more digital way in each step of its transformation. According to Villegas, “[Executives] know customers are engaging in digital, but we have to bring them to the level of understanding how to predict intent through tracking customer behavior.” She continues to explain the continuous need for education at the executive level, as well as throughout the organization: “More skills are needed for marketers that are able to take in data and tell a story. I tell my team to keep themselves challenged; it’s a muscle they need to exercise with my guidance. Eventually, they’ll do it on their own.”

Change agents may need to guide employees in digital best practices and research skills initially, and then create scalable programs over time to spread training throughout other departments. New expertise is instrumental in driving ongoing digital adaptation. This means that training, education, and employee incentives must become part of human resources to help employees stay current with trends instead of being threatened by them.

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STAGE 4: THE STRIVE FOR RELEVANCE ESCALATES, AND COMPANIES FORMULATE “STRATEGIC” APPROACH TO CHANGE

Strategic: Change agents have successfully created a sense of urgency, earned executive sponsorship, and now have the attention of the C-suite. Efforts in digital transformation become a company priority. The roadmap becomes focused and refined by specific short- and long-term goals that necessitate changes and produce key outcomes. This work is supported by dedicated investments in infrastructure and operations. New skillsets are also brought in to manage/execute against the roadmap. Technology is purposeful and implemented to drive goals rather than basing processes around technological capabilities.

DATA AND ANALYTICS:

Omni-channel, content, and loyalty metrics gain importance as the company moves toward integrated experiences across channels and devices.

- The majority of departments are aware of customer journey work that has been mapped and developed, and data is shared amongst stakeholders and departments in need.
- Data and analytics now report directly to the C-suite to communicate progress and new opportunities.
- New data investments in areas like paid-owned-earned content analytics and loyalty program analytics help monitor performance in emerging areas of opportunity.
- Customer Lifetime Value (CLV) is re-examined for new programs.
- Financial impact (revenue creation, profitability, and increased market valuation) and goal setting become priority for DCX efforts as leaders begin to track cross-channel results more diligently.

CUSTOMER EXPERIENCE:

DCX and CX are official priorities, as a cross-functional group studies the behaviors, preferences, and shared interests of customers.

- The journey continues to be optimized, solving for friction and missed opportunities.
- Efforts to shift from a funnel focus to a dynamic customer journey. As the experience is formalized, CX becomes a priority.
- Discussions also explore how to reimagine the journey for a mobile, social, real-time world — on every screen (omni-channel).
- The company is now responding quicker, establishing a RACI and multi-year digital strategy roadmap focused on CX and digital transformation.

GOVERNANCE AND LEADERSHIP:

The entire organization is recognizing the need for change, and efforts are more ambitious and formally organized.

- Through rallying business units, partnering with IT, and showcasing preliminary results to executives, change agents get a “seat at the table” to communicate evolving strategy, value, and outcomes.
- The digital transformation working group expands its footprint and focus to formally modify processes and models necessary to support scale and further transformation.
- A new role of Chief Digital Officer of Chief Experience/Customer Officer often emerges, or this work is formalized under the CMO/CIO alliance.



DATA & ANALYTICS

In Stage Four, companies are solidifying the foundation for their enterprise analytics strategy. At Target, the first steps of its digital transformation journey were rooted in analytics and reactive data analysis in multiple siloes (and, from multiple merchants). Over the years, the retailer has grown to also focus on the operational side of data management, implementing processes and project flows that require more timely analytics reporting and ultimately affect the personalization of the customer experience.





CUSTOMER EXPERIENCE

At the Metropolitan Museum of Art, in-person and online visitors have equal value, per a direct mandate from the director. Sree Sreenivasan, The Met's Chief Digital Officer, explains that the museum looks at CX in three parts: before, during, and after the visit to the museum.

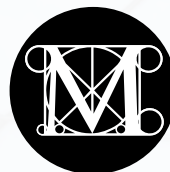
"We're looking for stronger ways to connect physical and digital at each stage," he tells Altimeter. "We want to make it a virtuous circle, where online inspires in-person visits and in-person visits trigger online activity."

While the digital customer experience is the catalyst for change, insights about behavior, expectations, preferences, and values improve CX overall (physical and digital).



Sree Sreenivasan
Chief Digital Officer at The Met

"We're looking for stronger ways to connect physical and digital at each stage," he tells Altimeter. "We want to make it a virtuous circle, where online inspires in-person visits and in-person visits trigger online activity."





CUSTOMER EXPERIENCE

GM is also working to connect online and offline channels of the customer journey to reveal an encompassing omni-channel and design-centered approach to customer experience management. GM's David Mingle shared more details around the company's approach:

"We first try to think of the experience we want to design, and then we determine where in the journey and in which channels the experience belongs."

The company used to be more siloed across the journey but has put more firepower behind its connected customer service efforts in recent years.

He elaborates, "GM is starting to standardize its case structures globally and optimize its site experiences across regions to ensure quick, seamless service at every touchpoint."

Customer experience isn't a department. In advanced stages of digital transformation, it is part of every aspect of business.

David Mingle

Global Customer Experience Execution and Planning General Director at General Motors

"We first try to think of the experience we want to design, and then we determine where in the journey and in which channels the experience belongs. GM is starting to standardize its case structures globally and optimize its site experiences across regions to ensure quick, seamless service at every touchpoint."





GOVERNANCE AND LEADERSHIP

Although the director of The Met is the official “owner” of digital transformation, the museum’s CTO, CMO, and Head of Visitor Services all work in concert to ensure digital transformation is rolled out in a collaborative fashion.

“You can’t just have one person doing it all; it has to evolve as something that multiple people are invested in to show its value,” Sreenivasan tells us.

The Met also has a Technology Committee, comprised of senior leaders, that meets quarterly and interfaces with the Board of Directors three times per year. It’s an effective way to engage Board stakeholders and help them understand the importance of digital transformation while allowing for feedback and conversation to facilitate buy-in. It’s important for change agents to align all key executives and stakeholders to jointly lead change so that it’s top-down, holistic, collaborative, and supported throughout the organization.

Sree Sreenivasan
Chief Digital Officer at The Met

“You can’t just have one person doing it all; it has to evolve as something that multiple people are invested in to show its value.”



PEOPLE AND OPERATIONS:

There's notable (and official) momentum at this point, and change is something that the entire organization is starting to recognize and appreciate.

- There is a focus on accountability toward digital investments, with learning and insights bringing teams and executives together.
- Investments in people, processes, and technology are formalized to achieve specific outcomes for each area of the customer journey.
- Roles and responsibilities are defined, with new roles and models identified to further lead transformation in priority CX areas, such as mobile.
- An operational process addressing how each silo fits together to work toward one digital transformation vision is established.
- Efforts are now more ambitious and organized formally, moving into official pilots that span every category affecting the DCX and beyond (including sales, service/support, marketing, HR, product development, and manufacturing).

TECHNOLOGY INTEGRATION:

Omni-channel tools are integrated with other technologies and CRM software to create a single data source for analysis and collaboration.

- Technology roadmaps are aligned with overall digital transformation roadmaps to ensure that technology, systems, and support are prioritized and managed.
- Omni-channel CX tools (i.e., IBM Tealeaf, Genesys, and Pitney Bowes) are integrated with other technologies and CRM software (Oracle and Salesforce) to create a single view of the customer across every interaction point via data collection, analysis, and collaboration.
- These tools add context to usually fragmented omni-channel engagements, ultimately adding richness and relevancy to CX at every touchpoint regardless of the department responsible for the interaction.

DIGITAL LITERACY:

Executives and relevant departments receive mandatory digital CX training, while HR explores how to attract new skillsets and expertise.

- Departments working directly on digital CX efforts receive mandatory training as part of an educational program around evolving digital technologies and persistent learning.
- HR is trained on how to attract and manage talent with new skillsets and expertise. New expertise and resources are evaluated to fill new roles or train existing employees to fill them.
- Digital literacy is a mandate across all groups working on customer experience as well as executives.
- Executives are trained and digitally literate, often through "reverse mentoring" by younger, more technologically savvy employees.



PEOPLE & OPERATIONS

Novartis approaches digital talent management from a holistic point of view, looking both inside and outside the organization to drive change. Novartis' Jason Browning shares with us that the company is reliant internally on a community of experts housed in IT and commercial organizations, as well as on third-party external advisors. This dual support system provides the momentum and resources needed to push efforts forward within the enterprise.

Having pockets of expertise throughout the organization can also be helpful in getting senior leadership on board. Dell's Villegas had to "sell" the idea of digital transformation to each team's leadership before she could facilitate bringing a Center of Excellence together. By first securing support from leaders to pursue test-and-learn initiatives, she was able to prove initial results that led to resources for a formal program. "Now, I don't have to sell digital transformation anymore," she explains. "Today, people approach me instead, asking me to transform their department."

Digital transformation is a constant, and with evolution comes a more receptive and productive infrastructure that must continue to adapt.





DIGITAL LITERACY

Target's progressive HR leaders contribute to the company's approach to fostering the skills of internal talent. The company's digital team has partnered with HR leaders at several levels to map out strategies for getting the right voices heard. This has included talent acquisition, training strategies, reorganization, shifting accountability, removing roadblocks, and a "digital immersion course" led by an outside firm, Hyper Island.



STAGE 5: TRANSFORMATION IS IN THE DNA AS COMPANIES ARE OFFICIALLY "CONVERGED" IN THEIR APPROACH

Converged: The path toward digital transformation is now underway. New operating models and teams are created to unify disparate, repetitive, or competitive roles and processes while streamlining operations to deliver integrated, consistent, and holistic customer experiences. Technology is purposeful both in customer-facing and back-office integration. Customer experience becomes seamless by design and enriched based on how customers expect to navigate their journey. Digital transformation expands beyond DCX and is now enterprise-wide affecting all facets of business — by function and focus, lines of business, et al. — at scale.



DATA AND ANALYTICS:

A process for combining data from disparate sources is tested to create a more complete view of the customer and cross-channel consistency.

- Operational improvements are beginning to take shape as a result of a focus on analytics.
- The launch and development of new corporate, product, marketing, and service strategy and planning are dependent on omni-channel customer data.
- Improvements are made in near real-time, and all analytical insights drive future strategy development.

CUSTOMER EXPERIENCE:

All CX touchpoints are orchestrated through an experience map that underlies a unified digital transformation strategy.

- The customer journey is mapped again to now include an experience map as a model to help orchestrate all the touchpoints (including real-time “micro moments”) that encompass a product/service experience.
- This leads to further innovation around digital + traditional as a singular focus.
- Omni-channel customer data informs business strategy across the company, including what markets to address, segmentation, product strategy, and marketing.
- The organization is now operating in unison against a cross-departmental, omni-channel digital transformation strategy with CX at its center.

GOVERNANCE AND LEADERSHIP:

Digital transformation efforts have reshaped the enterprise, creating new business models and standards.

- Leadership transcends the digital transformation movement into the establishment of a new agenda around culture and vision.
- Change agents become leaders of the organization’s over-arching emerging technology strategy.
- The organization is operating in a more unified manner with digital transformation led/managed by a governing body (“Center of Excellence” or other digital taskforce) that identifies synergies among successful pilots and areas of opportunity.
- The digital transformation team continues to provide inter-departmental coordination and support while influencing new models and strategies.
- IT continues to evolve to form hybrid teams to expand DCX/ CX infrastructure.



CUSTOMER EXPERIENCE

Mapping the customer journey becomes incrementally more challenging when analyzing multiple customer segments.

Schneider Electric's Lagarrigue shares that his team first begins with defining the customer segment (in one of its 12 different business models) before moving on to CX design exercises. Pinpointing the segment is crucial from the onset in order to get everyone on the same page about desired journey and outcomes.

"We're more agile in managing stakeholder and decision makers than any competitors, because we're almost religious about referencing the customer journey," he elaborates. "So far, we've done five journey maps for our 12 segments and are continuing on. In our work, the pain points become abundantly clear, making it easier to solve for individual problems in each segment."

Customer journey maps are maps of what exists and what's broken or inefficient, but they also show, equally, what's missing in digital, mobile, social, etc., to design a more holistic and integrated customer experience.

Emmanuel Lagarrigue

Chief Strategy Officer for Schneider Electric

"We're more agile in managing stakeholder and decision makers than any competitors, because we're almost religious about referencing the customer journey. So far, we've done five journey maps for our 12 segments and are continuing on. In our work, the pain points become abundantly clear, making it easier to solve for individual problems in each segment."





GOVERNANCE AND LEADERSHIP

A continual focus on customer experience also pushes innovation inside the organization, driving new strategies, roles models, processes, and systems. CX also drives outside innovation to upgrade the real-world customer experience both digitally and physically.

After Schneider Electric's DCX Officer was given the support needed to build proof points around CX initiatives and journey mapping, the company began to consolidate other departments under her leadership.

This included Schneider's software team, responsible for electrical technicians and equipment inventory, as well as the customer care team. The decision to group these teams together was based directly on customer journey research that uncovered the need to shift resources from face-to-face sales (high touch, low velocity) to more customer service (low touch, high velocity) in order to improve the customer experience. Eventually, the DCX Officer and CMO role were also merged to add even more insight into customer expectations and increase the efficiency and ROI of marketing efforts and demand generation.

At GM, the Global Connected Customer Experience (GCCX) group leads the digital transformation charge, bringing together marketing, communications, customer care, legal, and IT.

It's the first group Altimeter has seen dedicated to the "connected customer experience," bridging the gaps between leaders of emerging technology initiatives in mobile, social, innovation, and more.



PEOPLE AND OPERATIONS:

Digital transformation efforts are expanded beyond the DCX to include the lifeline of the business.

- Digital transformation efforts are expanded beyond DCX to include the lifeline of the business, including employee engagement, product, ERP, etc.
- IT and CX expand partnership to guide and accelerate technology identification and implementation specific to the customer journey.
- This movement catalyzes the creation of a new agenda around digital culture and vision.
- New international talent and external agencies are brought on board to bolster programs, while analysts are considered to supplement an analytics and data strategy.
- Common frameworks are shared between departments, and areas of opportunity are identified.

TECHNOLOGY INTEGRATION:

Companies graduate to more comprehensive “experience cloud” technologies that combine data sources to optimize DCX and collaboration.

- Companies graduate to more comprehensive “Experience Cloud” technologies (i.e., SDL, Oracle, Salesforce.com, and IBM Digital Experience on Cloud) that both gather and house data from multiple sources AND provide solutions to deliver relevant, consistent, and optimized experiences across all digital and traditional engagement channels based on unique customer records. These tools are typically tailored by industry and primary goals related to CX improvement and orchestration.
- Other one-off tools to track and respond to customers are no longer used by individual departments, as Experience Cloud software encompasses all customer data needs for informed decision-making and CX collaboration across the enterprise.

DIGITAL LITERACY:

All employees are trained on the company’s digital strategy, and candidates are hired based on their ability to support new infrastructure.

- All managers and employees, regardless of department, are trained and informed on the company’s digital strategy and focus on the DCX. It is universally understood how the DCX works in concert with overarching CX programs to create one fluid experience.
- Leadership understands and supports the business case and allocates ongoing resources accordingly.
- The educational program has fully impacted HR policies and processes, as candidates for hire are selected based on their ability to support new infrastructure models around the DCX.
- New programs are shaped or implemented to identify gaps in existing expertise and needs according to the roadmap, with educational/training programs introduced to enhance existing workforce.



PEOPLE & OPERATIONS

Organizations that are maturing in their digital transformation efforts share the commonality of a culture that's dedicated to continuous digital innovation. Target's strategic roadmap infuses digital and multichannel acumen/responsibilities into everyone's job, contributing to a shared commitment to digital excellence. Today, the retailer has a dedicated digital organization responsible for the Target.com and mobile selling channels. Digital product development for guests and team members also occurs in others areas of the company, including marketing and store.

"Digital is far less about top-down hierarchy and more about the network that supports teams — wherever they are — to launch digital services and products, internally or externally," explains Jamil Ghani, SVP of Enterprise Strategy and Innovation for Target.

Digital is the common thread among departments — the DNA within all initiatives. This formally changes business models, workgroups, and reporting infrastructures to continually adapt as market dynamics and environments advance.



Jamil Ghani

SVP of Enterprise Strategy and Innovation for Target

"Digital is far less about top-down hierarchy and more about the network that supports teams — wherever they are — to launch digital services and products, internally or externally."





DIGITAL LITERACY

Younger team members' ideas are an area of interest and exploration at Target, and the company tries to get its ideas heard in a more systematic way. "They're indicators of the external environment and to the brands and business technologies they engage with," explains Ghani.

"We're trying to find more ways every day to empower these team members through events like Maker Days, hackathons, and reverse mentorship to expose their talent to senior leadership. This helps us make better-informed digital decisions."

Inclusive cultures of innovation become critical during later maturity phases of digital transformation.

Jamil Ghani

SVP of Enterprise Strategy and Innovation for Target

"We're trying to find more ways every day to empower these team members through events like Maker Days, hackathons, and reverse mentorship to expose their talent to senior leadership. This helps us make better-informed digital decisions."





STAGE 6: CULTURE OF INNOVATION BECOMES TOP PRIORITY AS COMPANIES BECOME “INNOVATIVE AND ADAPTIVE”

Innovative and Adaptive: Digital is no longer a state; instead, it is part of how a business competes, with work in transformation continuing as technology and markets evolve. Innovation becomes part of the company DNA with the establishment of formal teams and efforts to track customer and technology trends. These activities feed into a variety of programs that range from test-and-learn pilots to the introduction of new roles/expertise to partnerships with and investments in startups. Programs then permeate deeper functions within the enterprise to continually advance key processes. Investments in people, processes, and tech are tied to business, employee, and customer experiences. This helps ensure a democratized and empowered approach to ongoing change.

DATA AND ANALYTICS:

Tangible metrics that showcase business value are put in place to measure customers from a 360-degree perspective.

- A centralized omni-channel system houses rich customer data sourced from all digital and social interactions. This allows for a single view of the customer across the entire organization.
- Net Promoter Score (NPS) and similarly loose metrics are now relegated for use as KPIs. Tangible metrics that showcase business value are put in place to measure customers from a 360-degree perspective. These may include Customer Satisfaction Scores (CSAT), Customer Effort Scores (CES), and other agency-driven metrics that measure effectiveness (i.e., Forrester's CxPi).
- Business innovation becomes priority as these analytics inform the need for developing new models, launching new businesses, and entering new markets based on customer need. The path to innovation itself is measured.

CUSTOMER EXPERIENCE:

Innovation is driven by CX unification at every touchpoint as companies continuously improve within a culture of innovation.

- Innovation in the organization - from the C-suite to the frontline employees - is driven by CX unification at every touchpoint.
- CX optimization now occurs in departments outside of traditional marketing, including sales, service, HR, product, legal, and more.
- Innovation becomes priority, with leaders focusing on newly adopted engagement channels (i.e., mobile commerce, social customer service, and wearables engagement).

GOVERNANCE AND LEADERSHIP:

New models, roles, and investments shift toward innovation to speed transformation and opportunities for growth.

- Digital transformation is now in the company's DNA, spanning and scaling across all departments over time.
- New models, roles, and investments shift toward innovation to accelerate transformation and identify new, unconventional opportunities for growth.
- The workgroup(s) once dedicated to transformation persist to tackle new trends in DCX.
- A new team emerges to focus on technology and market innovation.
- A flatter management and decision model, rather than a traditional hierarchy, supports the organization.



CUSTOMER EXPERIENCE

GM is at a customer experience inflection point around mobile, in particular. The automaker is currently working on building out its mobile capacity by investing in a global mobile infrastructure to fully integrate OnStar and all the brand's existing online and mobile services into one connected experience.

One such experience is its OnStar RemoteLink mobile app, which allows customers to lock, unlock, and start their vehicle; check vehicle diagnostics, such as oil life, fuel level, and tire pressure; and much more.

RemoteLink has been so successful (more than 130 million interactions globally through the app in 2015 alone) that it has served as a perfect use-case for proving mobile's value in GM's greater customer experience ecosystem. A focus on digital customer experience drives business transformation and how companies work, but it also drives innovation in product and service development.



PEOPLE AND OPERATIONS:

New roles are focused on managing transformation as companies proactively study disruptive technologies that may catalyze change.

- Transformation is enterprise-wide and global, affecting change in the company culture and vision around its new definition of “business as usual.”
- Innovation to serve all customers, regardless of digital behaviors, becomes a mandate as ideation and knowledge acquisition are part of everyone’s job. An Innovation team proactively studies the emergence of new technologies and channels that may catalyze changes to existing operational processes across departments.
- Talent gap analysis is regularly performed to identify missing digital expertise in-house, and HR is looped in to recruit and train accordingly.

TECHNOLOGY INTEGRATION:

Experience cloud technology is integrated across all functions, with BUs involved in the selection of new technologies that support innovation.

- Experience Cloud technology² is integrated across ALL functions - not just marketing - with business units closely involved in the selection, scoping, and execution of new technology needs should they arise.
- There is a clear CX technology “owner” in a cross-functional digital group, serving as a liaison between departments in need of CX data for strategy and program deployment. Companies approach innovation around emerging technologies, (i.e., 3D printing and prototyping and the IoT) with an independent budget that allows for a rapid test-and-learn approach.
- Technology best practices, new tools, and implementation techniques from startup partners and other innovation accelerators are continuously integrated.
- An advanced IT team partners with the innovation group to test new technologies as they gain market traction.

DIGITAL LITERACY:

All employees have the skills needed to iterate and innovate, whether newly hired, trained from the inside, or part of an acquisition.

- New models and roles are focused on managing transformation, including ongoing education and training to foster continuous innovation. Digital literacy is now a way of business and professional development, and ideation is mandated and rewarded at the individual, team, departmental, and corporate levels.
- All employees have the skills needed to iterate and innovate, whether hired to comprise a new team, trained from the inside, or supported as part of an acquisition.



PEOPLE & OPERATIONS

A crucial part of its digital team, The Met's "New Media Lab" thinks about the future of culture as impacted by disruptive technologies.

The Lab's members try out new technologies and related strategies to determine what could work to reach current and potential visitors in the digital space.

"It's about experimentation and technology, not project-based," explains Sreenivasan. "The goal is for the Lab to attract other companies to partner with them too, like Facebook and beacon technology providers. It's a spot to 'test and learn' before launching formal programs."

Sree Sreenivasan
Chief Digital Officer at The Met

"It's about experimentation and technology, not project-based. The goal is for the Lab to attract other companies to partner with them too, like Facebook and beacon technology providers. It's a spot to 'test and learn' before launching formal programs."





DIGITAL LITERACY

Target's San Francisco office serves as a critical innovation center. When it opened three years ago, it was led by Target's CIO with a primary purpose of having a presence in Silicon Valley to immerse the company in the culture, connect with influencers, and get early access to emerging tech. Soon, the composition of the San Francisco team evolved, adding project managers, engineers, and designers who could execute on the technologies they were exposed to - IoT, virtual reality, gaming, and more.

"The problem with the initial proof-of-concept stage was that it became clear we needed to tie the innovation center work with the explicit growth agenda of the company," Ghani tells us. That's why the San Francisco office is now part of a broader effort to incubate and build new ventures, explore new capabilities, and drive growth in the areas most critical to Target's future.

Hundreds of leading companies around the world have opened innovation centers with a priority on identifying new technologies, partnering with startups, understanding digital user behaviors, and attracting new talent and expertise.

Jamil Ghani

SVP of Enterprise Strategy and Innovation for Target

"The problem with the initial proof-of-concept stage was that it became clear we needed to tie the innovation center work with the explicit growth agenda of the company."



DIGITAL TRANSFORMATION IS A JOURNEY, NOT A DESTINATION

Technology has empowered consumers to become more mobile, social, and connected than ever. This has changed how they interact with each other and with products, services, and businesses. Digital transformation is your organization's internal equivalent of external consumer evolution. It opens the door to new opportunities for innovation in how to design, integrate, and manage customer (and employee) experiences. But, digital transformation and change at large is daunting.

As digital transformation involves many departments, leaders, and an overall cultural shift of an organization, there is no set prescription for its strategy and implementation. Instead, this report was developed to share common milestones and best practices by those leading transformation in companies such as Discover, GM, Harvard, Lego, Metropolitan Museum of Art, Nestlé, Sephora, and Starbucks, among many others. Like the imminent customer journey you will develop, the path from phase to phase is not a linear experience. Use these best practices as your guideposts.

The Six Stages of Digital Transformation are a working model for your next steps. It's a reference guide to:

- **Further customize this guide to your unique challenges and opportunities to inform specific roadmap development.**
- **Benchmark your company against peers**
- **Make the case to executives and colleagues**
- **Drive a sense of urgency**
- **Gain insights into new behaviors and trends**
- **Create alignment**
- **Prioritize digital transformation initiatives**
- **Set a new vision, course, and platform for leadership**
- **Develop new models, processes, and a purpose for technology and the future of work**

And, by following a digital transformation model, all aspects of business evolve, including management perspectives, roles and responsibilities, operations, work, and, ultimately, culture. As a result, they matter more in a digital economy. Following the path toward digital transformation not only builds a resilient infrastructure for unsettled times, but also promotes the ability to:

- **More effectively compete against existing and emerging competitors.**
- **Accelerate “go-to-market” initiatives in ways that are more relevant and rewarding.**
- **Evolve business mindsets, models, and operations to outpace competitors.**
- **Develop innovative products and services that stave off disruption.**
- **Deliver meaningful and valuable customer (and employee) experiences.**

The Six Stages of Digital Transformation represents a journey to evolve with and push ahead of technology and market trends. This is true business transformation. It’s in the ongoing pursuit that makes change less about resolute stages and more about an evolving vision, purpose, and resolve to engage a connected generation of customers and employees. It is the collective efforts of individuals and groups and the collaboration of cross-functional roles that pave the way for a new era of business, work, and customer centricity.



**CHANGE TAKES
PEOPLE LIKE
YOU TO LEAD
THE WAY.**



**BONUS: A
FRAMEWORK TO
GUIDE YOUR DIGITAL
TRANSFORMATION
ROADMAP**

¹ sloanreview.mit.edu/article/the-nine-elements-of-digital-transformation/

² <http://www2.prophet.com/l/69102/2015-10-08/2mg4ky>

APPENDIX: THE PATH TO DIGITAL TRANSFORMATION TAKES AN O.P.P.O.S.I.T.E. APPROACH

Examining best practices and commonalities amongst innovative leaders has resulted in a new framework recently published by Altimeter, called the Eight Success Factors of Digital Transformation: How Businesses Are Taking an O.P.P.O.S.I.T.E. Approach to Business as Usual. OPPOSITE is an acronym that offers companies a step-by-step approach to digital transformation. It stands for: Orientation, People, Processes, Objectives, Structure, Insights & Intent, Technology, Execution.

The framework offers insights and new understanding of technology, data, and the digital customer. By following the OPPOSITE approach, digital transformation becomes identifiable, approachable, and attainable for organizations. The OPPOSITE framework is available for download here (<http://bit.ly/the-opposite>).

Here's an overview of the eight best practices of emergent leaders and the work they're doing to evolve businesses in a digital economy:



ORIENTATION

Establish a new perspective to drive meaningful change.



PEOPLE

Understand customer values, expectations, and behaviors.



PROCESSES

Assess operational infrastructure and update (or revamp) technologies, processes, and policies to support change.



OBJECTIVES

Define the purpose of digital transformation, aligning stakeholders (and shareholders) around the new vision and roadmap.



STRUCTURE

Form a dedicated digital experience team with roles/responsibilities/objectives/accountability clearly defined



INSIGHTS & INTENT

Gather data and apply insights toward strategy to guide digital evolution.



TECHNOLOGY

Reevaluate front and back-end systems for a seamless, integrated and native customer (and ultimately employee) experience.



EXECUTION

Implement, learn, and adapt to steer ongoing digital transformation and customer experience work.



This framework serves as a guide for change agents, like you, to drive digital transformation. When combined with this report, OPPOSITE guides and informs the development of your digital transformation roadmap. It metaphorically visualizes your work as a stack, building upward toward change one stage at a time. Use it to steer your work in shaping the DCX and the supporting infrastructure. Through your efforts, the organization becomes not only technology-savvy, but more so people-centric. The company will become agile and sets the stage for innovation.

This is true transformation, not just about digital. It's in the ongoing pursuit that makes change less about stages and more about vision, purpose, and resolve. It's time for a new paradigm for business leadership, relevance, and prosperity.

DIGITAL TRANSFORMATION TAKES AN "OPPOSITE" APPROACH

THE NEW CUSTOMER EXPERIENCE

ORIENTATION

Success begins with seeing people (customers and employees) differently, appreciating them for their differences, and letting it all inspire vision and leaderships.



PEOPLE

Understand behavior, trends, values, and expectations, to reveal new opportunities to earn relevance.

PROCESSES



New business models, org charts, and supporting processes, systems, and policies are written and rewritten to enable digital transformation.



OBJECTIVES

Define what success looks like in the long and also short term at the enterprise and functional levels. Also define customer happiness and desired experiences.



The New Customer Experience



STRUCTURE

Form a digital customer experience team with responsibilities clearly defined. The formation of a DCX team unites key stakeholders around a universal customer understanding.



INSIGHTS & INTENT

Gather data and apply insights to adapt technology and customer experience to stay relevant.



TECHNOLOGY

Invest in technology infrastructure that enables each pillar of the OPPOSITE approach to optimize customer and employee journeys and experiences.



EXECUTION

The digital transformation roadmap must have stakeholders who are accountable for execution and evolution with outcomes and metrics tied to everything.

ABOUT THE AUTHORS



BRIAN SOLIS

Brian Solis is a digital analyst, anthropologist, and futurist. Solis studies the effects of disruptive technology on business and society. More so, he humanizes these impacts to help people see people differently and understand what to do about it. He is an award-winning author and avid keynote speaker who is globally recognized as one of the most prominent thought leaders in digital transformation and innovation.

Brian has authored several best-selling books, including *What's the Future of Business (WTF)*, *The End of Business as Usual*, and *Engage!*. His latest book, *X*, explores the intersection of where business meets design to create engaging and meaningful experiences.



JAIMY SZYMANSKI

Jaimy Szymanski is an industry analyst, focusing on how organizations adapt their digital strategies and core business models to serve the new “connected customer.” She has authored multiple research reports and artifacts on the topics of digital transformation, the collaborative economy, the autonomous world, consumer mobile, customer experience, and the Internet of Things. Jaimy provides independent research and advisory services to companies in varied industries that are affected by emerging technologies.

ECOSYSTEM INPUT

ECOSYSTEM INPUT

Over the past three years, Altimeter has conducted a series of executive interviews that informed this research, among other reports. We interviewed digital strategists and executives at organizations undergoing digital transformation efforts about their journey in adapting to the new digital customer experience.

This report includes input from 32 industry stakeholders from large organizations in the following industries: Academia, Automotive, CPG, Energy, Financial Services, Food and Beverage, Healthcare and Pharmaceutical, Hospitality, Nonprofit, Real Estate, Restaurant, Retail, Technology, and Telecommunications.

OPEN RESEARCH

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ABOUT ALTIMETER

ABOUT ALTIMETER, A PROPHET COMPANY

Altimeter, a Prophet Company, is a research and strategy consulting firm that helps companies understand and take advantage of digital disruption. In 2015, Prophet acquired Altimeter Group to bring forward-thinking digital research and strategy consulting together under one umbrella, as well as to help clients unlock the power of digital transformation. Altimeter, founded in 2008 by best-selling author Charlene Li, focuses on research in digital transformation, social business and governance, customer experience, Big Data, and content strategy.

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HOW TO WORK WITH US

Altimeter research is applied and brought to life in our client engagements. We help organizations understand and take advantage of digital disruption. There are several ways Altimeter can help you with your business initiatives:

Strategy Consulting. Altimeter creates strategies and plans to help companies act on business and technology trends, including ethical and strategic data use and communications. Our team of analysts and consultants work with global organizations on needs assessments, strategy roadmaps, and pragmatic recommendations to address a range of strategic challenges and opportunities.

Education and Workshops. Engage an Altimeter speaker to help make the business case to executives or arm practitioners with new knowledge and skills.

Advisory. Retain Altimeter for ongoing research-based advisory: Conduct an ad-hoc session to address an immediate challenge or gain deeper access to research and strategy counsel. To learn more about Altimeter's offerings, contact sales@altimetergroup.com.