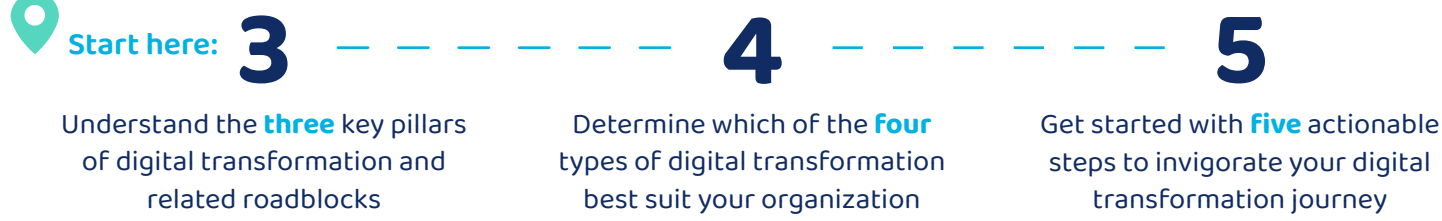


The 3-4-5 Guide to Digital Transformation



Do You Know Where You're Headed Next on Your Transformation Journey?

The motivation to blend digital and physical processes with customer experience has never been more powerful, but digital transformation isn't just about adding technology to existing processes. Rather, it requires a radical rethinking of how to leverage technology along with operations and people to optimize performance.



Start here: 3
Understand the **three** key pillars of digital transformation and related roadblocks

4
Determine which of the **four** types of digital transformation best suit your organization

5
Get started with **five** actionable steps to invigorate your digital transformation journey

3

The 3 Key Pillars of Digital Transformation

There are three key pillars to consider when strategizing for your digital transformation journey, and **89%** of executives surveyed by Harvard Business Review¹ say success comes from addressing all three components.

CULTURE

84% of executives surveyed say having the **right culture in place is important** for digital transformation



Top cultural challenges related to transformation:

- 26%** cite the lack of talent and skills in analytics and digital systems
- 25%** cite corporate inertia
- 23%** cite resistance to change

46% called out their **company's culture** as the **biggest obstacle** to transformation

PROCESSES

48% said complexity and resource demands for updating existing business processes

38% said **problems with current processes** hindered organizational modernization efforts



82% of executives surveyed say having the **right processes in place is important** for digital transformation

Top process challenge related to transformation:

TECHNOLOGY

79% of executives surveyed say having the **right technology in place is important** for digital transformation



Top technology challenges related to transformation:

- 31%** cite the complexity of their current environment
- 16%** identified lack of analytics capabilities

29% identified **technology barriers** as their **biggest roadblock** to modernization

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The 4 Types of Digital Transformation

While it's important to consider all three key pillars of digital transformation when building out your strategy, it's equally important to realize that digital transformation is not always a single, black-and-white destination in the form of a product or offering. Digital transformation doesn't necessarily mean the same thing for all companies and it can evolve throughout the journey.

There are four main types of digital transformation that organizations should consider taking advantage of in their own transformation strategy. →

PROCESS

Integrate and digitize disparate internal processes through machine learning, artificial intelligence, cloud applications and more.

DOMAIN

Enter new markets to serve a new customer base, develop new tech-enabled offerings or expand offerings into the digital space.

BUSINESS MODEL

Shift from a sales model to an everything-as-a-service (XaaS) model — whether "X" means applications, hardware or something else.

CULTURAL

Redefine mindsets, empower new talent and shift the focus from production/manufacturing output to customer service and innovation.

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The 5 Steps to Creating a Digital Transformation Roadmap

Once you've considered how the three key pillars play into whichever type(s) of digital transformation your organization should pursue, following these five steps will help you start your digital transformation journey on the right foot with a strategy designed to address the challenges and demands of a dynamic industry.

STEP 1 Assess the Current State

Utilizing a SWOT analysis can help you better understand the current digital capabilities of your organization and identify hidden gaps — perhaps siloed systems aren't as integrated as they could be.

	STRENGTHS	WEAKNESSES
OPPTYS	Enhance strengths by taking advantage of opportunities	Overcome weaknesses by taking advantage of opportunities
THREATS	Leverage strengths to defend against threats	Minimize weaknesses by avoiding threats

STEP 2 Set Goals and Create a Strategy

Considering strengths, flaws and other pain points you identified in the assessment phase, set measurable goals and develop the processes to achieve them. Perhaps start by outsourcing field services for a particular product or region. Or look for ways to automate customer renewals.

STEP 3 Start With Small Changes

Transformation efforts can lose momentum if they become bogged down in complex problems and internal issues. Early success with smaller changes, pilot projects or less complex targets generates additional buy-in and can help fund further investment.

STEP 4 Deploy a Phased Rollout

Execute your strategy in stages to minimize disruption to the rest of the organization. Phases should build based on technology and process changes. Automating or outsourcing overhead tasks earlier on in the transformation journey can free up resources for implementing subsequent phases.

STEP 5 Flexibly Scale Processes

Use the new infrastructure and processes to scale the digital experience for your customers, partners and employees. Given the expertise your team acquires early on during the journey, subsequent transformation projects may proceed at a faster pace with a proven foundation.

Follow the Roadmap to Outsource Services

As your company implements or reshapes its digital transformation strategy, you're likely to find significant opportunities to streamline existing processes, but you may also find a lack of infrastructure or resources to efficiently manage both legacy operations and new projects and initiatives simultaneously.

Outsourcing technology service operations such as logistics, field services, repair, customer management — and everything in between — supports cultural and procedural transformation and can help accelerate your organization's overall digital transformation.

Ready to shift your business forward with the power of an outsourcing partnership?

To learn more, visit shyftservices.com

¹ Harvard Business Review Analytic Services, "Accelerating Transformation for a Post-Covid-19 World," May 2021, <https://hbr.org/resources/pdfs/comm/red%20hat/AcceleratingTransformation.pdf>