

Digital transformation innovation

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Determining an enterprise's core services that consume resources and can be automated using tools that will deliver business process digitization and mobile-ready solutions with Smart Forms, Online/Offline forms, Workflow & Document automation is a difficult challenge if it is focused solely on interpreting the user's perspective and merely applying a technology rewrite or overlay. Changing external perspectives and methods of interaction is as important as changing internally. When change is foisted on customers without consultation or forewarning, the results are usually disastrous.

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Culture is everything and organisations are often operating in environments of competing cultures. Digital transformation is a mix of culture, change, technology, and human reactions. It should be led by specialist guides who are skilled, and experienced, in dealing with human beings and who are responsible for the business procedures and processes.

It does not matter if this experience is in private or public organisations. What matters is understanding human nature and cultural forces. These guides of change work cooperatively to identify what needs changing and what can be left alone. The information technologists are then guided by more than input from selected focus groups, and contrived interviews, with external parties who are transient and are not embedded into the transformation. In the Digital Transformation Model offered by **nem**, we are proposing, in concert with enterprise owners and senior managers, a responsive method of looking at all of the functions with the goal of optimizing inputs and outcomes wherever possible and feasible and transforming them using technology tools and business processes.

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Evaluating an enterprise's intrinsic strengths and capabilities and processes is not sufficient by itself to determine what is the positioning in terms of Digital opportunity. To do that, competitive strength must be tested against the attractiveness of the service segments in which the enterprise is operating, or seeks to operate, and those that can be fine-tuned or require complete overhaul through digital transformation.

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Too often “change” is associated with getting people to adopt technology, software, systems, and technical methods rather than ignoring these aspects until the “culture for change” has been established. Approaching the transformation in this manner requires a senior person to deal with the imperatives and the pressures to get something going. Misinterpreting the culture will bring on failure at great resource and cost.

Nem methodology provides the answers to identify what must be converted now, what new opportunities exist, and results in choices being made between available options. This is probably in no way different from other similar approaches to digital transformation. Our difference is that we are not focused on technology. Firstly, we are focused on determining, and mapping, the contextual framework. Finding out who internally, and externally, are antagonists, barriers, and who are friends and supporters.

At the starting point, there is no assessment or determination as to whether or not it can be digitized and transformed. This step is about listing the business processes and methods regardless of size. After this, we move to a process where each has had their respective relative value, advantage, and service attractiveness calculated. Those segments where the activity is highly attractive (internally or externally) and the enterprise has a strong competitive position and record of success. Competitive positioning is important in arguing where the role of digital delivery should lie, internally with employees, externally through a contracted provider or a mix.

The converse is true for weaker segments of the business. Highlighting weaker segments allows a determination by Management, in concert with stakeholders, to determine how the weakness may be best addressed by reforming processes and then by Digital Transformation. Sometimes immediate implementation of a digital solution will remedy the weakness. It could be that some digital offerings appear to be capable of being centralized into a more suitable environment.

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Beware of the mega digital transformation: The change processes for business and multiple service processes and delivery will be, in our opinion, fraught. Small slices of digital transformation that can be swallowed, and digested, in separate pieces is far more likely to deliver results. Customers and clients may not use all of the digital offerings.

Identifying and Documenting

- List of business processes
- List of service delivery
- Growth – Are areas experiencing rapid or slowing growth? **nem** has research services and tools to evaluate this.
- Assessing the value of processes and cost (ROI) if applicable;
- Charging for services – how does the enterprise assemble its charges compared with similar entities elsewhere providing similar services?
- Customer access and processing procedures
- Enterprise beliefs and policies.

- What processes identified lend themselves to Digital Transformation tools and processes?
- External competitive Intensity to deliver any services.
- Location – Access, geographic and barriers (jurisdictional, policy incompatibilities, operational) resource, availability constraints, distance remoteness, land versus sea, personnel in different locations.
- Customer locations and access to internet and digital tools

The picture is not complete until we have evaluated, with equal rigor, the relative attractiveness of each segment of the enterprise's business processes and what lends its self to business process digitisation and mobile-ready solutions with SmartForms, Online/Offline forms, Workflow & Document automation. We are using a technique to understand this dimension – that is, each segment is rated for its relative attractiveness to (a) the enterprise and (b) external markets/customers.

Competitive Advantage within a complex enterprise or major market provider is not necessarily an absolute and nor is it totally comparable to the notion of competitive advantage in the private sector.

Not every factor we choose may be equal, so the final step is to weigh the perceived rating for each against the overall business process being examined. The rating is used to determine the priorities in the Digital Transformation exercise.

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As with Service Attractiveness, the process next step is to evaluate, with equal rigour, the relative competitive advantage of each business operation segment to decide whether (a) a process should be subject to digital conversion and (b) the cost and return on investment in terms of productivity gain, customer satisfaction and so on. The same technique is used to understand this dimension.

To learn more about the way **nem** can take you on your Digital Transformation Innovation Determination Journey contact Andrew Jones, ajones@nem.net.au or Kevin Beck, KBeck@nem.net.au

The post "Digital transformation innovation" was first published by Kevin Roy Beck here <https://www.linkedin.com/pulse/digital-transformation-innovation-kevin-roy-beck/>

About Kevin Roy Beck

Research, intelligence gathering, communication, and interaction with executives in corporations and public service agencies in Australia and internationally, predicting social and economic impacts of human behavior,

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