

What companies get wrong in the digital transformation journey

Over the last decade - and especially over the last two years of the Covid-19 pandemic - forward-thinking South African blue-chip companies have come to understand that digital transformation is crucial in order for them to remain relevant and adapt to customers' increasing demands. After all, ignoring the need for a digital pathway of engagement can result in loss of customers, top talent and a lack of growth.



Source: www.pexels.com

Once this decision to head down the digital path is made, these companies then typically embark on large digital transformation projects, which can involve a huge amount of resources. Given the fact that many companies are undertaking digital transformation, or have already done so, what can we learn from those who've done it already?

Putting technology first and business vision second

According to the [Deloitte Digital Disruption Index of 2020](#), one of the biggest sticking points South African organisations encounter on their digital transformation journey is that although they may leverage digital technologies, they still focus on the same business, operating and customer models. They refer to the fact that many businesses end up staying in an endless loop of “doing digital things” rather than making changes to their overall mindset so that they actually “become digital”.



Digital transformation 2021, the year that was

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The report sites characteristics of organisations that have achieved the ideal state of “being digital” as things such as a culture of experimentation, exploration and high levels of digital fluency at both leadership and organisation levels. It also means reengineering business models, reallocating budgets, people and resources and identifying new ways of work to evolve to new customer needs.

They're unable to overcome entrenched barriers

The [Dell Technologies Digital Transformation Index 2020](#) found that 94% of businesses surveyed are facing entrenched barriers spanning technology, people and policy. These include data privacy and security concerns, a lack of budget and resources, and their inability to extract valuable insights from data and/or information overload. They also include the lack of the right in-house skill sets and expertise including analytics, technology and business skills.



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The solution to this would be making contingency plans before the time: upskilling the teams, adapting policies and budgets, and engaging in priority roles that will assist with overcoming the barriers. The ability to be agile in business now is more critical than ever. The landscapes can change rapidly, and businesses should be agile enough to adapt accordingly and efficiently.

They can't source enough of – or the right – digital talent

When it comes to digital transformation, one of the key challenges being faced by all businesses, including corporates, is the accessibility of skilled digital talent to assist with digital transformation.

From small businesses to corporates, it's common that the accessibility of skilled digital talent to assist with the transformation is a critical success factor. This is compounded by the fact that as the global workplace opens up for this sought after digital talent, South Africa's local talent pool reduces and there's a struggle to find the right talent to fulfil these specialised roles at a cost-effective rate is proving harder and harder for businesses to do themselves.



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Lianne Holt, marketing and operations manager of digital outsourcing company Strider, says it's also about basic supply and demand, which has resulted in an increase in the salary demands of these resources. "It's often more cost-effective in the long term for businesses to outsource these skills to fixed-term contractors and consulting firms," she says. In supplying technical and digital services/skills that an organisation needs, Holt says they are able to then help them modify legacy systems and develop or integrate new tools and systems.

They don't have good internal communication

Any project is only as good as the efficiency of the internal team carrying it out – which largely depends on communication. But this communication doesn't only apply to the digital team involved – it also applies to other stakeholders in the organisation too. Having streamlined communication ensures that everyone in the organisation is on the same page, which means things are far more likely to move ahead smoothly. Holt says that change management and education are key to achieving this, particularly among high-level stakeholders. "Communication can be challenging in a very big company anyway, and taking on a large digital transformation project can make it even more difficult," she says.

Although the importance of transforming to digital is becoming increasingly apparent, corporate South Africa still has a long way to go. A [2020 study on remote working](#) conducted by World Wide Worx for Cisco Systems found that only 37% of the 400 companies surveyed had fully rolled out a digital transformation strategy. In embarking on such a transformation, many companies hit roadblocks such as the ones listed above, and then the project lags or, even worse, stalls altogether.

Overall, it's critical that an organisation sees digital transformation not just as an opportunity to use shiny new tools, but rather as a way for the company to provide a better offering to their customers in this digital age.

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