

# : *What steps can lead to digital transformation?*

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Digital transformation is an ongoing and evolving process of change that is focused on generating, analyzing and using digital data to improve the overall functioning and success of an organization. Organizations are at various stages of adoption, innovation and implementation. Digital transformation maturity refers to how much progress has been made by a specific organization. Realistically, the endpoint of digital transformation is a moving target for most organizations. What seemed remotely possible a few years ago is often now taken for granted as a standard or routine change. Managers do need some progress benchmarks, but transformation is a journey more than a static goal. Managers must anticipate the transformation possibilities and plan for technology advances and improvements.

Solis (2016) identified six distinct stages of digital transformation maturity: 1) Business as Usual, 2) Test and Learn, 3) Systemize and Strategize, 4) Adapt or Die, 5) Transformed and Transforming, and 6) Innovate or Die. His report advocates "six key elements within the organization that must undergo simultaneous transformation, Analytics, Customer Experience, Governance and Leadership, People and Operations, Technology Integration, and Digital Literacy." Managers should assess where the organization is in terms of stage 1 to stage 6. Ideally managers are moving the organization strategically toward stage 6 where a culture of innovation dominates managerial thinking.

A 2015 IDC study, cf., Magee et. al, identified and investigated 5 categories of digital maturity. Organizations where managers are slow and ad hoc in making needed changes were labeled Digital Resisters. Opportunistic changes were characteristic of Digital Explorers. Category 3 were Digital Players where managers were identifying repeatable changes. Managed changes occurred in Digital Transformers. The most digitally mature organizations were labeled Digital Disrupters.

Evans (2015) identifies 6 steps for digital transformation. The steps are sequential and are likely to be repeated. Step 1: Identify your transformation objectives; Step 2: Study technology enablers in the market; Step 3: Envision the future platform for digital business; Step 4: Master the digital services lifecycle; Step 5: Organize for digital business innovation; and Step 6: Execute an agile journey to the future platform. Do and Repeat.

Staff at Enterprise Content Management (ECM) company Laserfiche developed a 5 step model to help companies adopt technologies to manage information, automate and optimize processes, and ultimately transform their organizations. Many other vendors of technology products that might potentially help transform how a company does business have also suggested digital transformation

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steps, phases, life cycles or approaches. Kolander (2017), product marketing manager at Laserfiche, noted "The concept of the digital workplace has been around for some time, and the definition continues to evolve with new and improved technologies." Let's examine a modified Laserfiche Digital Transformation Model. The intent of the model is to help managers "assess their organization's current state, and identify and implement the relevant solutions that eventually lead to an innovative digital workplace." The 5 overall steps include: 1) Digitize, 2) Organize, 3) Automate, 4) Streamline, and 5) Transform: Drive innovation by leveraging analytics to align processes with business goals.

Sadly, digital transformation is about much more than eliminating paper. That strategy is meaningless unless managers have a vision for the transformed enterprise. Managers must have some idea about needed changes in the current business model and processes that must change to support the new business model. Paper is a cost, but the real benefit comes from using digital data to help make better decisions.

Digital transformation involves directed technological change where there are a number of biases. First, is capital-biased technical change. Implementing digital technologies and re-engineering processes is capital intensive. Second, digital transformation technological change is generally labor-augmenting. The price effect has led to skill-biased technological change, and the skill bias seems to be accelerating. These three macroeconomic biases (Acemoglu, 2001) influence digital transformation decisions by managers.

Laserfiche did develop an assessment tool for managers to use to evaluate progress on the "digital transformation journey". Some of questions raise general issues that are worth thinking about and answering (some editing and revision):

1. Do you have a digital data strategy?
2. Do you have a disaster recovery plan for your data and information?
3. Can your employees easily retrieve documents from a digital repository?
4. Do you have one secure and centralized digital content repository?

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5. Have you automated your business processes to minimize time-consuming and manual steps?
6. Have you integrated your content and process systems with one another?
7. Do you have visibility into business processes and activities? Can managers monitor IT operations and ensure that IT implementations are aligned with business goals?
8. Do you have a sound data governance plan to ensure security and quality of data?
9. Do you have a strategic vision for how to effectively use data resources and optimize employee performance?
10. Can you analyze past data, especially to predict future outcomes?
11. Have you aligned your content management and process automation strategies with your organizational goals?
12. Is your organization an industry leader in implementing innovative and technologically advanced process solutions?

So what are the steps? Assess the current stage of digital transformation and then plan for additional steps to reach transformation goals. Ideally an organization will reach stage 6, where a culture of innovation dominates managerial thinking. Digital transformation is an ongoing process, *Innovate or Die!* Bilefield (2016) advocates "Building a culture of constant change."

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