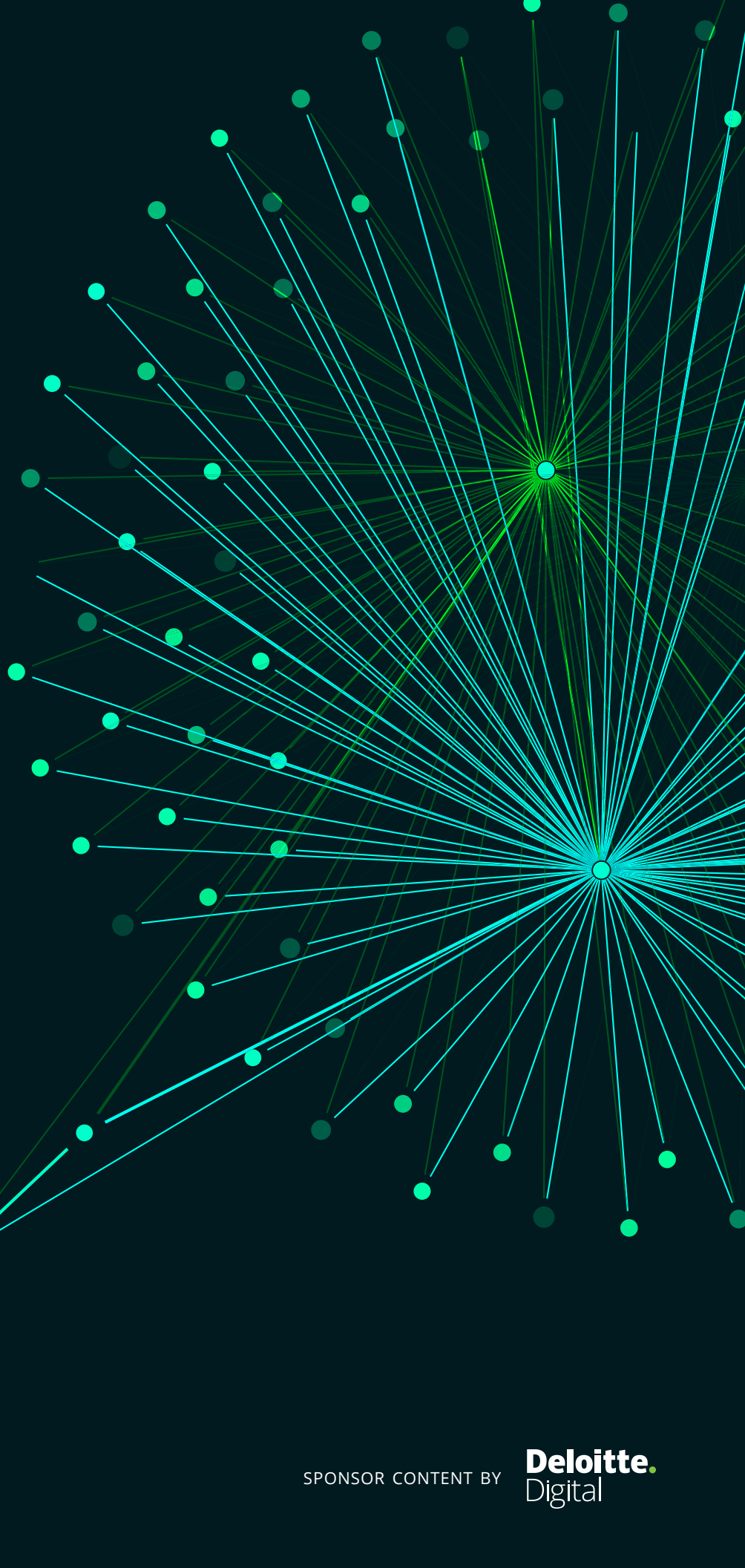


# Digital transformation: **A PRIMER**

Digital transformation helps businesses evolve and thrive, but the idea of transforming can seem daunting. Here's how Deloitte Digital works with brands all over the world to help them futureproof their businesses—one connection at a time.



**W**hat's the only constant in today's digital age where relationships are real-time, choice is infinite, and delivery is on-demand?

Change—driven by technology, of course. And successfully adapting to change through digital transformation means the difference between a failing company and flourishing one.



## Digital transformation: defined

Digital transformation is all about becoming a digital enterprise—an organization that uses technology to continuously evolve all aspects of its business models (what it offers, how it interacts with customers and how it operates).

**IN SIMPLE TERMS, DIGITAL TRANSFORMATION IS HOW TO FUTUREPROOF A BUSINESS.**

### • Some operating principles •



**True transformation takes ambition. Define your ambition by getting the right focus, design it by getting the concept right, and achieve your ambition by rapidly getting your business to scale.**



**ANDY MAIN, GLOBAL LEAD, DELOITTE DIGITAL**

**Digital transformation requires a full spectrum of integrated skills:**



INNOVATION



HUMAN-CENTERED  
DESIGN



DIGITAL  
TECHNOLOGY



OVERALL  
LEADERSHIP



RISK

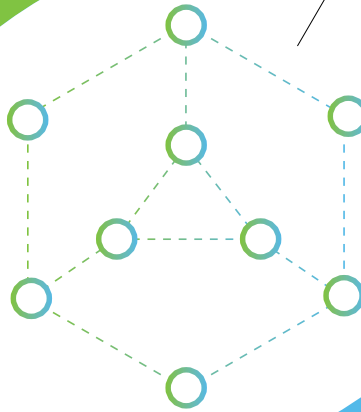
**...all done in strategic, creative and adaptive ways to reinforce connection.**

## Digital transformation involves the business and the organization

Learn more about the lenses through which transformation can be viewed on the next page

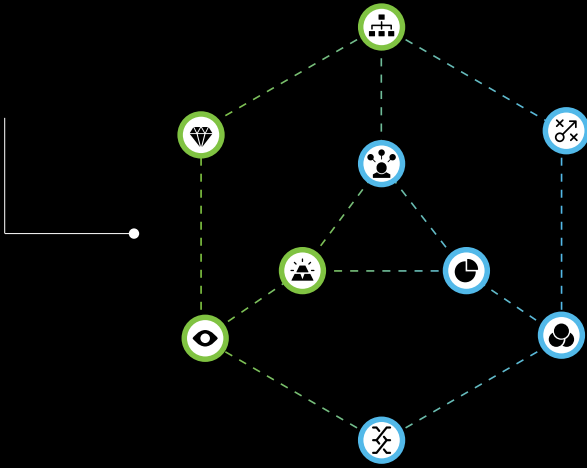
### Transforming the business

Transform the business by revisiting business models, focusing on customer experiences, rethinking the brand, and uncovering new opportunities through rapid innovation.



### Transforming the organization

Transform the organization by adjusting the culture, introducing new ways of working, and building capabilities that are suited for this reality.



## Transformation impacts the entire enterprise—from branding to operations

  
**ECOSYSTEMS, NEW BUSINESS MODELS, & SERVICE MODELS**

Find new business and service models that leverage partners and suppliers in different ways—often creating market disruption.

  
**THE EXPERIENCES & ENGAGEMENT**

Transform engagement with customers, partners, employees, and other members of the business' ecosystem.

  
**AMBITIONS & ASPIRATIONS**

Employ back-end enterprise operations, processes and technologies to deliver on the organization's goals.

  
**VALUE ENHANCEMENT**

Realize opportunities that preserve or capture new economic value through things like risk mitigation or strategic tax planning.

  
**CULTURE & LEADERSHIP**


Enable the right organizational mindset to support new ways of working. Identify leaders who can think, act, and react differently in a digital context.

  
**BRANDING**


Focus on the power of the brand and determine how to leverage, expand or recast it.

  
**ORGANIZATION & WORKFORCE**

Create a 'team of teams,' open-talent workforce and connected experience to focus on the future of work: the what (automation), who (alternative talent options), and where (proximity).

  
**ENTERPRISE OPERATIONS**

Articulate and quantify transformational opportunities by creating (or responding to) a market disruption.

  
**CUSTOMER, PLATFORM, & DATA**

Adopt the systems, technology and data that digitally represents prospects, customers, partners, and suppliers.

## How does digital transformation start?



## Key considerations for developing ambitions



### **FOCUS ON HUMANS NOT TECHNOLOGY**

Human behavior is the fundamental economic gear of every business. Identify which behaviors to drive (internally and externally) to create the greatest return, and marshal digital resources to achieve that behavioral change to create connection.



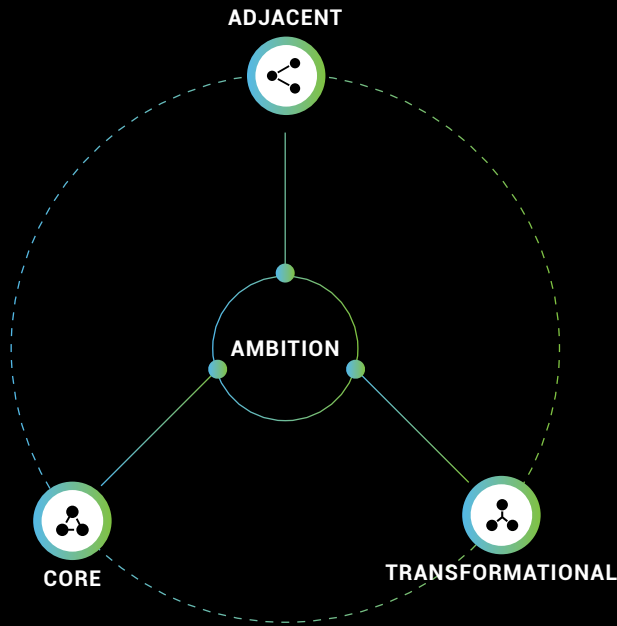
### **FIND OPPORTUNITIES AT THE INTERSECTIONS**

Don't try to come up with new ideas alone. To find the future of the business, look to unexpected intersections: between disciplines and domains of expertise, across departments and organizational silos, between industries, and through partnerships that span markets and geographies.



### **'GET IT OUT' BEATS 'GET IT PERFECT'**

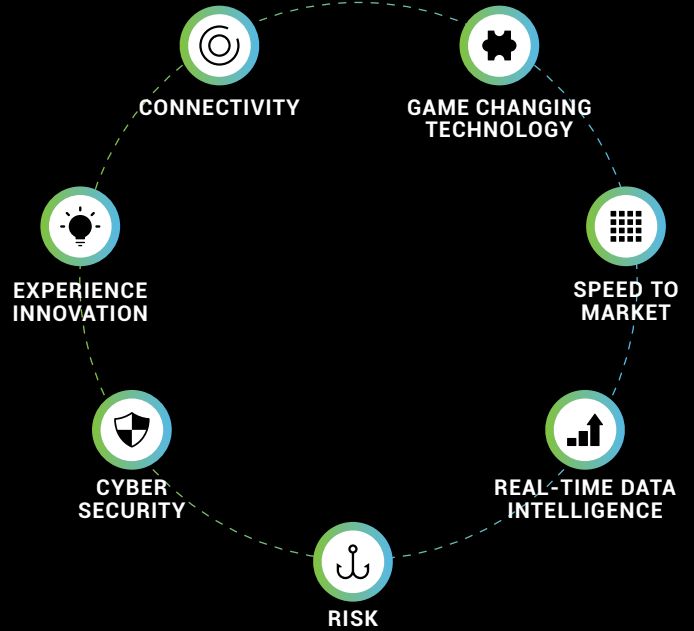
In a world dominated by uncertainty, the only way to get effective market feedback is to give the market something to react to. Succeed faster by rapidly delivering minimally viable offerings (MVOs) into the market and learning from the feedback obtained for each subsequent iteration.



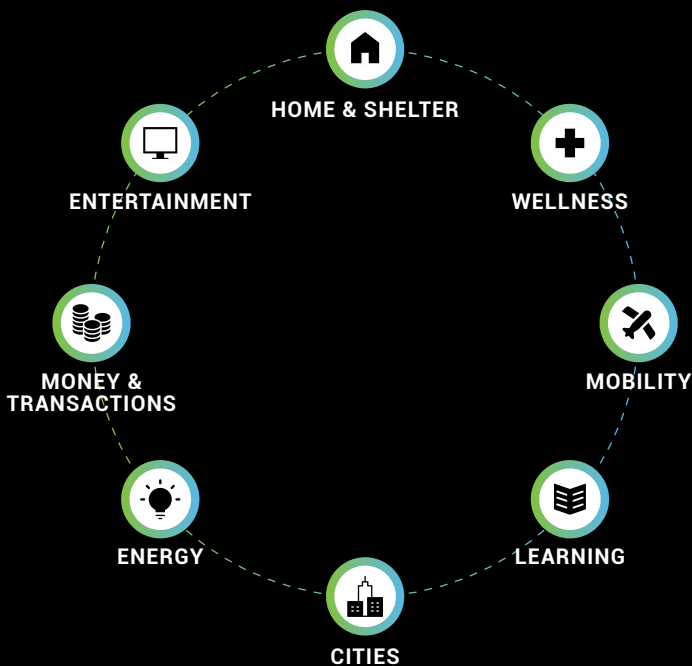
## Ambitions can start from anywhere

Ambitions can start in the core and grow into adjacent offerings, but transformation ambitions can drive core change as well. Don't limit the starting point.

To define the right ambition, master the seven forces shaping everything in the digital age...



...Then understand the appropriate ecosystems to engage with



Throughout ambition setting,  
relentlessly focus on:

**Economic value**

Can the offering generate significant economic value, measured by positive impact to either the balance sheet or the income statement?

**Competitive advantage**

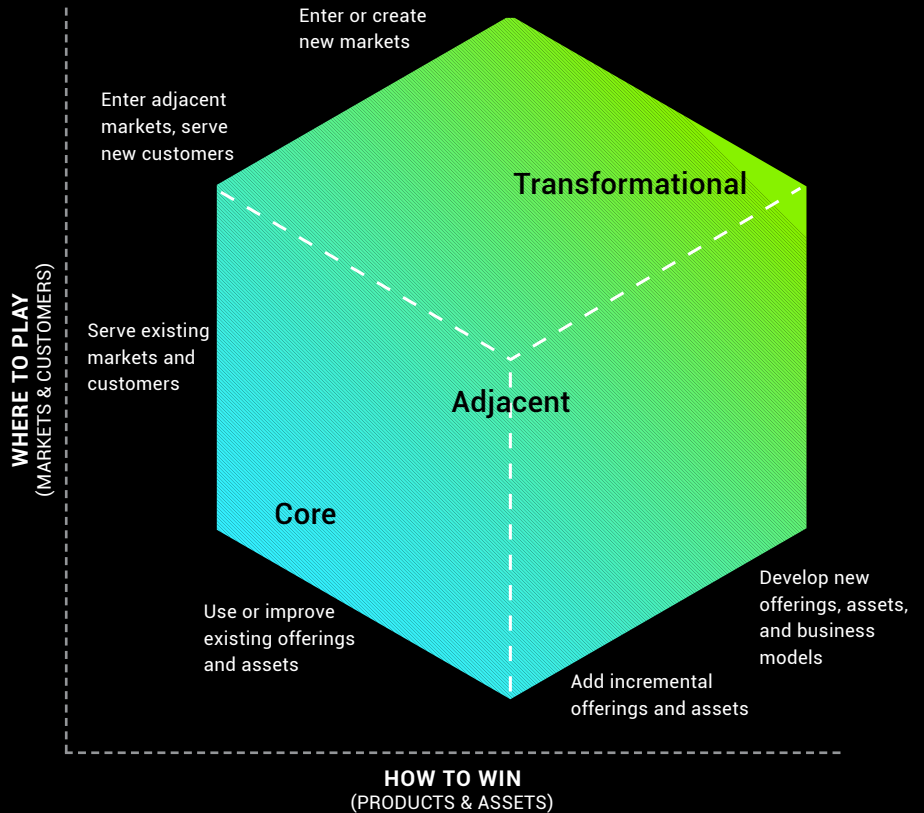
Does the offering demonstrate a clear, defensible, and sustainable competitive advantage in the market?

**Customer experience**

Are the unmet needs of the customer fulfilled through an experience that is delightful, engaging, and highly valuable?

What degree are you transforming?  
Scope can vary widely

- **UNKNOWN NEEDS**  
Which must either be discovered or developed
- **KNOWN AND KNOWABLE NEEDS**  
Which can be planned and tackled
  
- CORE**  
Enhancing existing offerings with added value
- ADJACENT**  
Extending existing offerings in new directions
- TRANSFORMATIONAL**  
Inventing entirely new offerings



# How does digital transformation work?

EXECUTING A TRANSFORMATION, END TO END, ITERATIVELY



**Ambition definition:**  
Getting the right focus

This phase is about quickly setting ambitions and charting a path to success by developing a roadmap to achieve those ambitions. Create an aligned portfolio of ideas that are informed by current trends, disruptors, and customer needs.



- SENSE**  
Understand trends and disruptors to uncover opportunities in the digital landscape.
- ASPIRE**  
Provoke aspirations, analyze the value of potential initiatives and define an ambition statement.
- DECIDE**  
Align and select provocations that enable the client to rapidly demonstrate momentum toward its ambition.

**Ambition design:**  
Get the concept right

In this phase, build a deep and empathetic understanding of user needs and behaviors to design solutions for them. Make ideas tangible and put the ambition in motion by designing, testing, and learning in the market with minimum viable offerings



- DEEPEN**  
Understand users to uncover unmet user needs, motivations, concerns and drivers.
- DESIGN**  
Combine user insights with technical capabilities and business objectives to generate well-balanced concepts that can be tested in-market.
- BUILD/PROVE**  
Iteratively build, test and learn to deliver MVOs to market and de-risk innovations.

**Ambition delivery:**  
Get the business to scale

This phase delivers and scales the ambition through flexible and integrated delivery teams. Evolve the MVO to greater maturity and improve operational pillars to support lasting success.



- LAUNCH**  
Refine MVO based on market feedback to ensure successful business launch and monitor outcomes.
- SCALE**  
Iteratively monitor for new releases to support the solution as it matures.
- OPERATE**  
Evaluate and improve operational pillars to transition resources and support lasting success.