

# A Manufacturer's Guide to an Effective Digital Transformation Strategy





# Introduction

According to Deloitte, 87% of organizations agree broad adoption of digital systems is disrupting their industry, but only 44% feel prepared to face that disruption. This could explain why IDC is forecasted companies will invest more than \$10 trillion in digital transformation initiatives by 2025.

What's driving the acceleration? Market forces that include a potential economic downturn, shortage of workers, seemingly endless supply chain disruptions, and changing customer expectations increase the intensity and necessity of innovation across industries. These forces lead to increased levels of competition for customer and employee retention. They also make it harder to find new ways to grow even while many manufacturers continue to maintain and invest in resilient, agile operations.

Even marginal improvements to any of these areas can make a difference to your bottom line—which is critical when you are trying to conserve cash. Viewing key processes through the lens of digital transformation, you can identify opportunities for exponential improvement.

For example, manufacturers that face recurring supply chain disruptions might pursue a digital transformation initiative to increase visibility by automatically processing and reconciling order acknowledgments from vendors.

Naturally, any major change to a business requires justification, which is why many digital transformations start with the fundamental questions, “what is digital transformation, and how can we do it? More to the point – should we?”

In this ebook, we'll look at what goes into a digital transformation strategy and how to plan its implementation.

We'll also share some key benefits, challenges, and metrics of digital transformation.



# 1. What informs a digital transformation strategy?

Digital transformation is the process of modernizing your existing operations and finding effective ways to integrate technology to transform your ways of working. It's modernization through adoption of digital systems.

Essentially, digital transformation is the incorporation of digital technology, with the goal of improving how people work, to recast business processes and update customer experiences for the modern age.

Your digital transformation strategy is the outcome of an evaluation of existing operations. It refers to the area(s) of your business or strategic process that you decide to transform, founded on the reasons why those areas are the focus – often stemming from operational inefficiencies – and including the actions you'll take to realize that transformation.

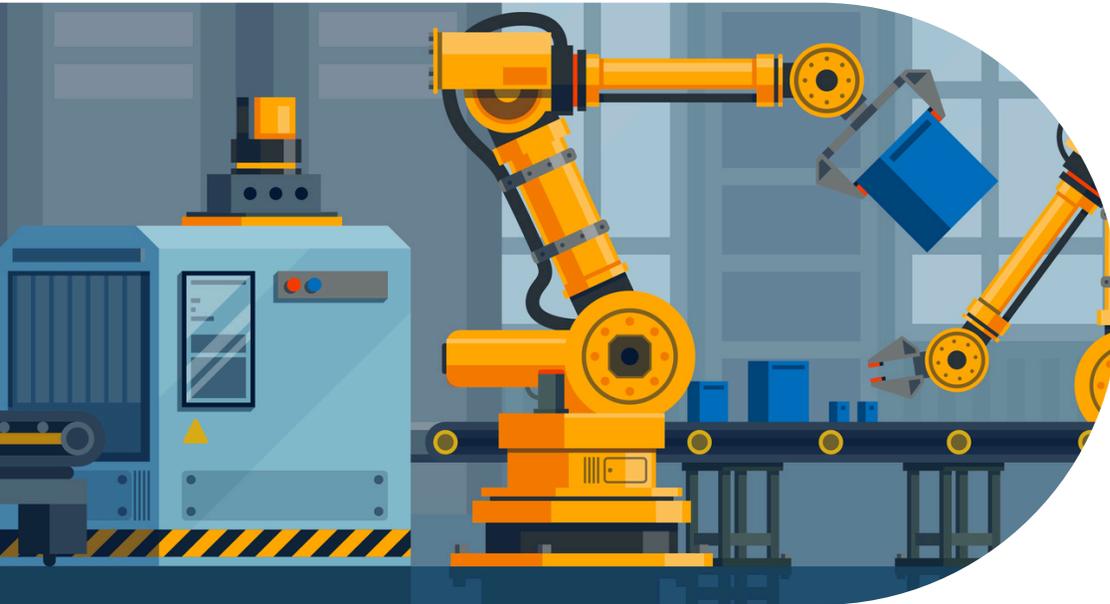
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When deciding what you might want to automate, it's important to know where that process sits on the digital transformation spectrum, as that will help inform your plan.



**Digitization** means making the step from analog to digital systems; moving from writing in a grid notebook to using spreadsheet software.

According to Gartner, **digitalization** is changing or updating a business model to afford new opportunities via the implementation of digital technology. It aims to improve working methods and increase revenue using digital systems.

**Digital transformation** is the process of using digital technologies to upgrade operations on a deep level, all within the context of focusing on the customer and their experience. It uses desired outcomes, rather than systems, as its starting point. Salesforce defines digital transformation as a re-rendering of processes, culture and customer experiences for the modern, digital age.



## 2. How to select a target for digital transformation?

A plan for digital transformation should be focused on adding value to operations, but the first step is to understand the efficiency – or lack thereof – of your current processes. Highlighting the areas of your business and operations that are ripe for digital transformation should be a thorough and early step in developing your strategy.

Conducting a future-oriented and systematic operational audit is a way of identifying those targets. This process would review the way a company does business, examine processes, procedures, and various systems through the lens of efficiency to hone in on areas for improvement.

Somewhat similarly, by bringing together data mining and process analytics, process mining is a way of verifying and optimizing existing workflows in order to improve them.

Process mining follows a data-driven approach and enables a company to dig into information from their system of records in order to identify process or operational targets for digital transformation.





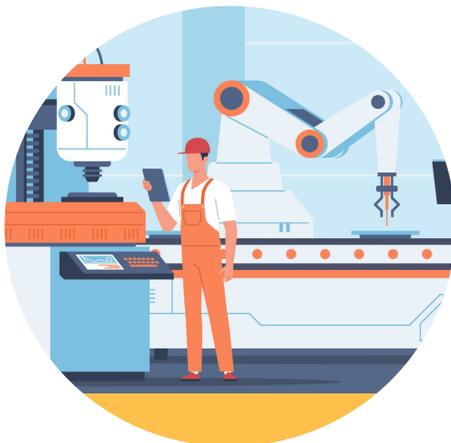
# 3. The outcomes of digital transformation

At the very top level, we could sum up the outcomes of digital transformation as: fully-optimized, integrated operations to achieve efficiency.

For instance, implementing supply chain automation allows you to quickly respond to issues while preparing for supply chain shifts. Similarly, sales order automation allows you to deliver orders in full, on time, with lower costs. It's all about upgrading your system so it works in the quickest, most logical, and well-structured way possible. Achieving this leads to a number of knock-on outcomes.

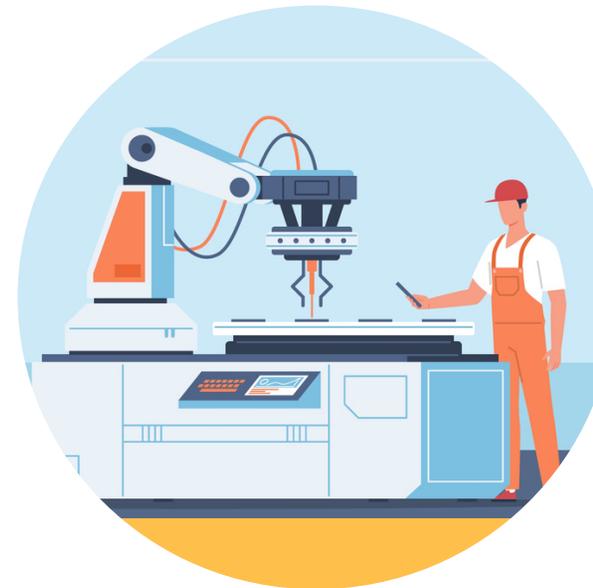
## Resilience

Equipped with fully-optimized systems, your business will be well-positioned to face an ever-changing industry landscape. Technology enables your business to be faster, increase capacity, and streamline workflows, so you can be agile in the face of change. And when you are dealing with a constantly changing environment, resilience is critical to the survival of your business.



## Improved Customer Experience

Automated processes decrease errors and allow Customer Service Representatives (CSRs) to focus on improving client relationships; both key aspects of the overall customer experience.





## Increased Capacity

Your business will be using efficient tools and have a seamlessly functioning infrastructure. This leads to increased output and productivity.



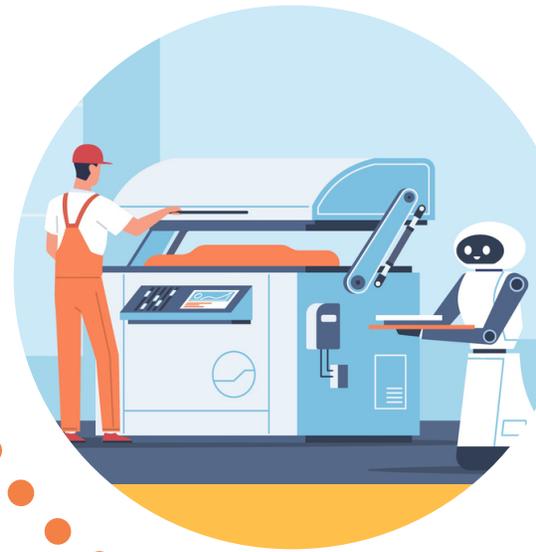
## Data Accuracy

Automation removes the risk of human error, so you can guarantee the accuracy of your data. It's also faster than manual input processing.



## Streamlined Systems

Digital transformation connects all your resources and departments, meaning information is standardized and instantly accessible.



In terms of challenges, businesses can encounter difficulties from a lack of preparation. Digital transformation is a deep and complex process. Commit to the long haul and dedicate time and resources to set things on a good footing for success.

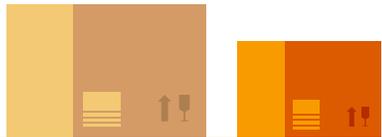
Employees can sometimes be initially resistant to digital transformation, fearing that technological advancements may replace them. In fact, digital upgrades are not job-replacers but job-enhancers, and ultimately something that will make their work life better.



# 4 ● Key metrics to evaluate digital integrations



Executed correctly, digital transformation can yield a number of key improvements for your business. It's worth keeping track of exactly how much value they're adding. This can be measured by monitoring certain key metrics and KPIs.



## Operational Impact

Digital transformation is much more than purchasing new software: it's about integrating new systems to increase effectiveness and efficiency. You should aim to measure the impact of new integrations as they relate to your overall business goals. Generally, you can quantify this by measuring output statistics against investment.

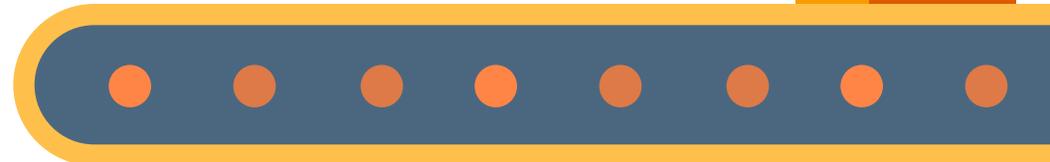
## New Revenue Generation

It's important to check how much new revenue can be directly attributed to recent technological upgrades. Examples of this might be generating new customers due to faster, more accurate, and better service.



## Customer Satisfaction

Technological integrations should create a number of outcomes which have a positive effect on the customer experience. If you are able to service your customers faster and with less errors you will retain and grow your current customer base. Customer satisfaction is typically measured through an index or an NP (Net Promoter) score.



## Workforce Participation

Digital upgrades should improve the workflow of employees by putting systems in place which make their lives easier. If those upgrades are not being used, they are not providing value.



# Starting your digital transformation journey

Developing a digital transformation strategy can be difficult without professional skill and expertise on board. Automation specialists have the experience and knowledge to help you implement some incredible digital systems, capable of totally transforming your business.

The first step is recognizing the need for change and starting the process; the next is to find the right platform to support your business goals. Here at Conexiom, we provide purpose-built trade document automation to instantly extract, transform, and deliver data into your records.

**Request a demo now**

to find out how Conexiom's trade document automation can transform your business.

