



From digitization to transformation in five steps

# **THE THREE CHALLENGES FOR DIGITAL TRANSFORMATIONS TODAY**

<b>1. Digital transformation: mostly just a set of initiatives at present</b>	<b>3</b>
1.1 First steps taken	3
1.2 Loosely connected initiatives	3
<b>2. The three challenges for digital transformation</b>	<b>4</b>
2.1 Composable business	5
2.2 Challenge 1: Customers and their needs are constantly changing	6
2.3 Challenge 2: Employees need to start thinking and working in different ways	7
<b>3. Get started on digital transformation with these five steps</b>	<b>8</b>
<b>4. Successful transformation in practice</b>	<b>10</b>

# 1. Digital transformation is currently just a set of initiatives

The term ‘digital transformation’ needs no further explanation. Virtually everyone in the business world today is engaged to a greater or lesser extent in positively transforming ways of working with the help of digital technologies.

When asked about the main business priorities for the next two years, CEOs [surveyed by Gartner](#) frequently acknowledged that digital technology is a top priority. The coronavirus pandemic has further accelerated this process, as is clear, for example, from research by [Executive Finance](#). 92% of CFOs said in the survey that they are committed to accelerating digital transformation within their organization.

## 1.1 First steps taken

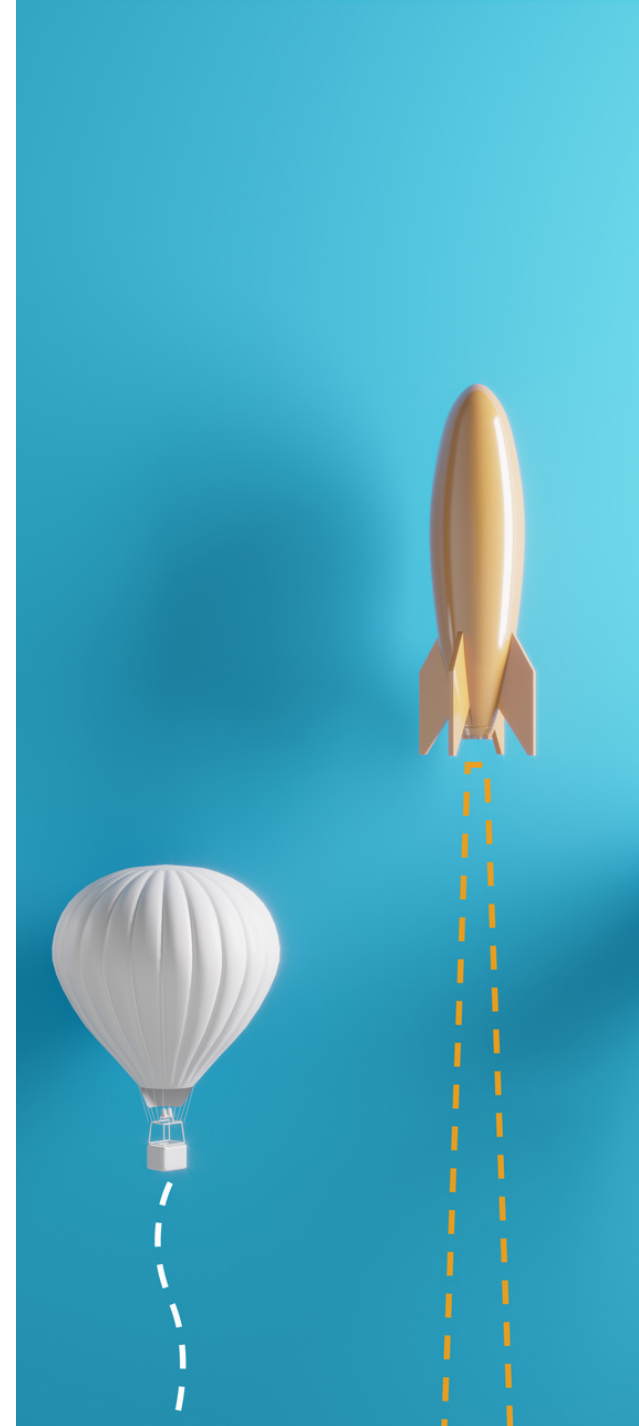
The fact that digital transformation as a phenomenon is now well known is not just evident from countless studies. In practice too, we see that almost all businesses have now completed their first digitization projects – whether developing a digital twin for an analog counterpart, carrying out a first cloud migration or making the first data-driven decisions.

As a business, even if you weren’t initially planning to make a start on digital transformation in the foreseeable future, the various lockdowns of the past two years have forced you to do so. And hybrid forms of collaboration now seem to be here to stay.

## 1.2 Loosely connected initiatives

The importance of digital transformation is clear by now. The biggest challenge today is to stop approaching digital transformation as an isolated project. This is the main way in which things are going wrong right now. Many organizations have started working on digital transformation, but this has resulted in disparate projects that often lack coherence. The phrase ‘loosely connected initiatives’ sums up the current situation.

Individual projects that scarcely add any value to and for the organization – in terms of returns, turnover or productivity. And while social and technological developments proceed in rapid succession, organizations still tend to view digital transformation issues as traditional IT projects, with a starting point, a desired, fixed end situation and a route between the two mapped out from A to Z.







## 2. The three challenges for digital transformation

Digital transformation is not an isolated project, but a program. It's a portfolio of interrelated, constantly ongoing digitization projects, with new initiatives being added, but other projects being put on hold or disappearing. That is what we should be aiming for: at the moment, we're digitizing, but we're not [transforming](#).

### 2.1 Composable business

To make the shift from digitization to transformation, Gartner says that future-proof organizations must be 'composable'. So what exactly does the research agency mean by a [composable business](#)? It means that you stop looking at business models as fully thought-out and elaborated products and services.

Instead, you break down your business models into the smallest possible components. You can then constantly reuse these components within new business models.

This is the future of business. It can be summed up with the terms 'agile' and 'resilient'. And sure enough, when we look at the three main challenges within digital transformation, we can see that composable business is the path that organizations should be taking. What exactly are these challenges?

1. Your customers and their needs are constantly changing
2. Employees need to start thinking and working in different ways
3. Your IT landscape must be both scalable and flexible



## 2.2 Challenge 1: Your customers and their needs are constantly changing

‘The customer is central’. This is a catchphrase that has often been heard, especially over the last decade. It emerged at the time of the financial crisis of 2008: the customer once again had to be the starting point for the products and services offered by organizations. It was a paradigm shift: businesses had been calling the tune for a long time, but the market had changed from being supply-driven to demand-driven.

One consequence that was not foreseen at the time was **digital sameness**. With their focus on customer needs and the digital technologies used to facilitate this, practically all business propositions today are interchangeable. They have lost their distinctiveness, and customer loyalty is waning. During the pandemic, 75% of consumers changed their purchasing behavior, [according to McKinsey](#). This mobility creates opportunities for organizations that do stand out from the rest.

### Focus on value, not technology

It’s true that digital technology can deliver added value for your customers and your employees. It brings you new customers. It makes ways of working more pleasant. It means that you’re always available and always ready for your customer. That you can address your customers exclusively with messages that are of added value to them. But all too often, technology is still at the center of change instead of being a facilitator for change.



This makes organizations much less flexible, because technologies change fast, but customer needs change even faster. Are you prioritizing those customer needs? Can you see that there is little added value as such in the technologies you are using to meet those needs? Are you trying to combine your distinctive character with ‘customer centricity’? If so, you’re already a step further along your path to digital transformation.

### Customers are not interested in one size fits all

Digital sameness means that customers are no longer interested in your proposition. Usually, this is because you have let technology define how things are done, instead of finding your own distinctive approach to meeting customer needs. Yet customers want to be addressed personally. They want to feel that their experience with your brand is something between the two of you.

And that’s something that technologies can definitely help organizations with! Using tools such as a [Customer Experience](#) platform, you can take the next step in personalizing your business model. You need to take a data-driven approach to personalizing and optimizing the customer journey, but such technologies also help you change the thinking and working methods within your organization and in relation to digital transformation.

Personalization tools also teach us that transformation is an ongoing process that is never really finished. You need to keep on critically examining your organization, your own business models and the customer journey. All of this is very much in line with Gartner’s composable business vision.





### 2.3 Challenge 2: Your employees need to start thinking and working in different ways

You can introduce fantastic new technologies into your organization, but if people cling onto their old ways of working, you will never transform.

Over the past two years, employees and organizations have learned that the monotonous work culture of sitting in the office every day is pretty much obsolete. We're now in a phase where businesses are looking for ways to shape long-term hybrid collaboration. You need to do this too, because employees will end up leaving if you force them to return to the office full-time, according to [research by KPN](#).

#### Composable business requires agile and resilient employees

A business context of ever-changing models requires employees who are both agile and resilient. The responsibility for this does not lie purely with HR: IT managers also have to step up to the mark.

For example: employees often want to work in a more data-driven way, as it relieves them of a lot of repetitive, boring work. But they need to be given the tools and support to do this. And that goes beyond rolling out a Smart Data Platform and then leaving them to get on with it.

#### No-code/low-code: a good example

The use of [no-code/low-code](#) is a good example of how you can involve your entire organization in business innovations. You offer your employees (the citizen developers) the opportunity to develop and roll out business applications themselves. This doesn't just increase the innovativeness of your organization: by really offering your employees the opportunity to play an active part in innovation, you also make them more agile and resilient to change!

Your entire organization stands to benefit from this. Because, as we have said before:

**“The ability of employees to creatively exploit data & technology will be the new frontline of competition”**



### **2.4 Challenge 3: Your IT landscape must be both scalable and flexible**

The aim is to overcome digital sameness and respond to existing and ever-changing customer needs with distinctive propositions time after time. You also need to make sure that your people are as agile as your organization and business models. This requires an IT landscape that is flexible, scalable and secure. The big problem here is that IT still has its hands full with the ‘Shit Of Yesterday’ (SOY).

#### **Shit Of Yesterday inhibits transformation**

It is precisely this SOY that makes businesses stagnate in their digital transformation and get overtaken by startups on all sides. These startups haven’t invested in legacy systems that they will be stuck with for years to come. They don’t have to deal with keeping an outdated landscape alive. Within larger, established organizations, a large part of IT resources is spent on SOY.

That’s a real shame, because technology will only offer real added value – for your customers and employees – if IT and the business are on the same page and work together more closely. If you have IT professionals who are dealing exclusively with SOY, it will be a long time before that added value becomes visible.

#### **Investing in scalability and agility**

Investing in a scalable and secure IT landscape may require capital and resources, but it really does accelerate the digital transformation.

On top of this scalable and secure foundation, as an organization you should bring your citizen developers and professional developers together with, for example, the no-code/low-code platform mentioned earlier. They can then join forces and create genuine added value for your customers and employees from that synergy.

Three challenges that always go hand in hand are the customer journey, facilitating your employees and optimizing your IT. They are the logical consequences of a dated approach and attitude towards digital transformation. They also demonstrate why loosely connected initiatives must become a thing of the past.





## 3. Start on digital transformation with these five steps

Based on our years of experience in guiding digital transformations at hundreds of organizations, we have come up with five steps. These will prevent your transformation from falling apart again into disparate digitization projects with little or no individual impact.

### Stap 1. Engage

Transformation isn't something you do alone. You need to involve all stakeholders in the transformation process! 'Who are we? And where do we all want to go?' Start talking about this.

### Stap 2. Discover

Find out how stakeholders view the current and desired situation. Where exactly are the gaps? To what extent are IT and the business aligned? And what can you do to close any existing gaps?

### Stap 3. Define

Define your goal clearly and how you will get there together, step by step and year by year. Work backwards: if you want to be there in ten years' time, what needs to happen tomorrow? Set your plans out on these axes:

- People
- Process
- Technology

This third step may seem quite theoretical and static, but it actually requires data and creativity! **Data**, to constantly assess and recalibrate to be sure of staying on the right track, and **creativity**, to make your distinctiveness visible at all times.

### Stap 4. Execute

Get on with it! Define your goal, sketch out a route and get going! Stop planning everything out from A to Z, because today's world may look very different tomorrow. Here is what's important:

- ·Dream, but travel in small steps. Your transformation is composable too!
- ·Get started and learn fast!
- ·Be disciplined. 'Agile action' is not the same as 'being agile'.
- ·Celebrate all your successes!

### Stap 5. Optimize

Reassess regularly: in which direction do you want to go? Is your goal still in the same place? Do you need to change your route to achieve greater success? Don't change things for the sake of change, but keep a critical mindset. Data-driven insights help you to do this.





In addition to the 5 steps of the digital transformation process, we ensure value creation for our clients throughout the process. In addition, we constantly look at how solutions best fit your organization, employees and IT architecture.

## 4. Successful transformation in practice

In recent years, we have guided countless organizations through their digital transformation. How have we done this and what benefits has it brought them? We'd like to tell you more about.

### **Digital pioneer Schmitz Cargobull generates more leads with new experience platform**

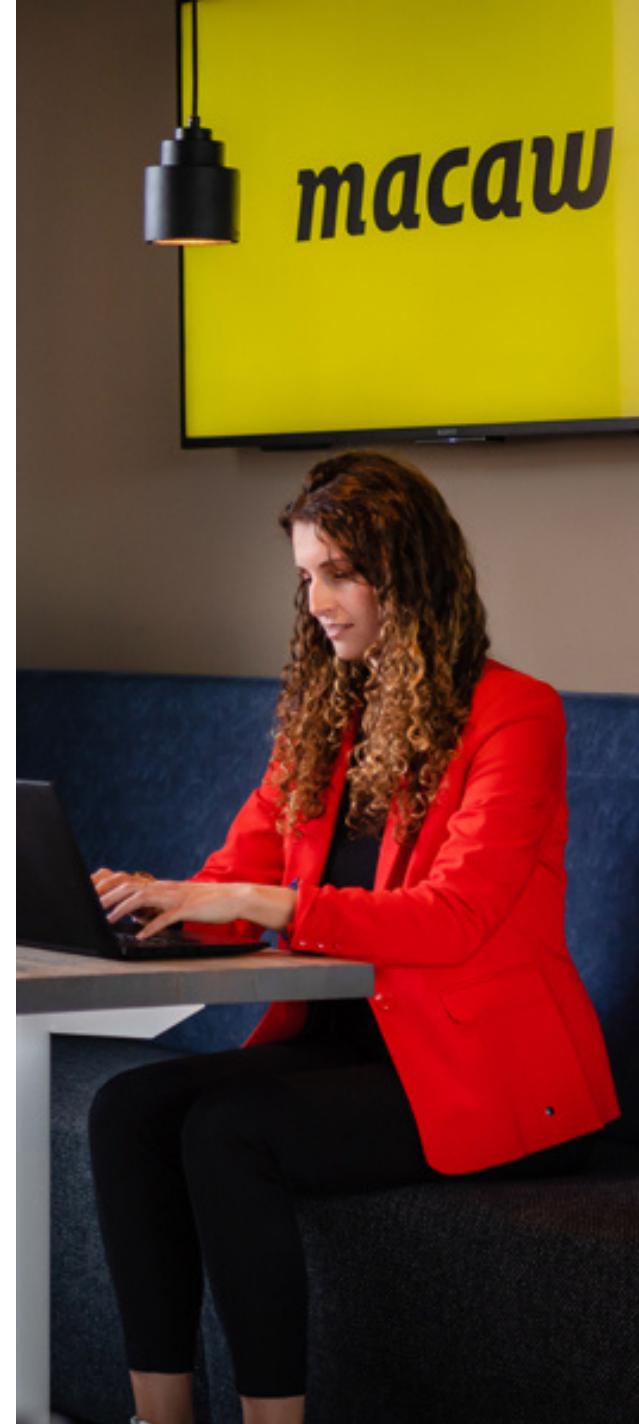
Digital pioneer Schmitz CargoBull (SCB) was ready for the next step in digital marketing and commerce. The new experience platform has brought SCB a consistent brand image in forty countries, faster time-to-market, a lower operational spend and, above all, a strategic lead follow-up tool. The introduction of profiles also enables the site to meet customers' needs better, and the number of visitors has more than doubled.

[Read more](#)

### **BNG Bank builds a robust power application for recording risks in a week**

BNG Bank mainly used Excel spreadsheets to record risks, measures to reduce those risks and controls, but it needed a less error-prone multi-user application. Working with Macaw, the bank built a business app for recording risks in a week. Like to know how BNG Bank uses it to accelerate, digitize and reduce the chance of human errors in its business processes?

[Read more](#)





### **CED gets more out of data by developing a Modern Smart Data Platform in the cloud**

Claims specialist CED was looking for a solution to deliver faster, higher-quality data insights to its commercial target group. With a future-proof Data Platform, CED not only processes data a lot faster, but can also extract valuable insights from them that can be used within the organization.

[Read more](#)

### **A streamlined customer journey for Priva**

Family business Priva supplies hardware, software and services in the field of climate and process automation for the greenhouse horticulture and utility sector. It wanted to further strengthen and broaden its market position, including into sectors such as urban farming. Together with Macaw, Priva has taken important steps in forming a roadmap, defining the required channels and drawing up a Business Information plan.

[Read more](#)



# Do you recognize these challenges? Book an executive briefing!

From Loosely Connected initiatives to Connecting The Dots – we can help you. Within one to two working weeks you will gain clarity about the following:

- **Goals and Results.** What are you working towards and what are measurable results in that context? How can we ensure that you transform while keeping your day-to-day business running?
- **People, Process and Technology.** Business case studies within your transformation portfolio only become clear when you apply them. The insights they yield reveal the areas (people/process/technology) where there are risks.
- **Affected Stakeholders.** It is important to understand how the projects involved in your transformation affect the day-to-day practices of your various stakeholders. This will enable you to see which projects are interdependent.
- **Plan and Roadmap.** The executive briefing results in a detailed plan with a clear roadmap: the goals you will work towards, the results that will enable you to gauge your success, and the tasks each person will be responsible for. All of this is arranged on a timeline, based on the interdependence of the different projects within your digital transformation program.

## Interested in an Executive Briefing?

Read more about the [full program here](#) and request it for your organization free of charge.

### About the author

I help management teams carry out and achieve their ambitions in an accelerating digital transformation. I do this by connecting marketing, IT and business, and by creating and supporting roadmaps and change programs.

Like to exchange ideas? I'll be happy to talk with you!



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