

Succeeding in the digital age Serving digital customers, empowering digital employees



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Succeeding on digital platforms often requires a business makeover. Our turbocharged online, mobile and social world is pushing companies to become more data savvy, communicate with customers in new ways and react more quickly than ever to market change.

Although digital platforms offer immense opportunity, constant change, voluminous data and growing customer demands make them difficult to master. Organisational resistance can also be real. According to a March 2014 report by Gartner, a US industry research firm, many business leaders do not view digital as central to their organisations, even though their customers, products, business operations and competitors have gone digital.

To compete, companies must have in place market, technology and data strategies agile enough to capitalise on new market opportunities (please see the first article in this series). But they cannot create those strategies or seize those opportunities without a coherent approach to people: their management and talent strategies must deliver exceptional digital experiences to today's empowered customers and differentiate the company in the marketplace.

Employees must have a deep understanding of data and digital platforms, the business opportunities they offer and the depth of

organisational change they require. They need to “get to the root of the issue, which is: ‘How is this going to make a difference for us?’” says Ken Gilbert, professor emeritus of the department of statistics, operations and management at the University of Tennessee and a development team member of the incubator Cherokee Farms Innovation Campus. “There has to be a reason why [a digital project] is going to grow our market or give us an ability to do things operationally that we couldn't do before.”

Going to market

At Cancer Treatment Centers of America, a national network of cancer hospitals, interactions with patients and the public have been transformed by mobile technologies and social media.

“We absolutely have to think differently, and we have to start with mobility as being the core of our strategy,” says Kristin Darby, chief information officer at Cancer Treatment Centers of America. The opportunity to create “mobile moments”—data-driven interactions on customers' small, anywhere, anytime devices—“completely changes the dynamic of how you may have delivered your product or service in the past and, once you fundamentally rethink that, the entire system architecture and infrastructure foundation that you potentially have needs to be altered.”

Meanwhile, social media have changed consumers' buying patterns and perceptions, she says: "The loyalties that existed in the past are no longer there." Now, organisations must know when customers are making decisions to buy and then react in real time. "We're starting to learn how to do that and how to change our position based on social media feedback, which is the best way to know how you're perceived."

Digital platforms require customer-centric go-to-market strategies that differ from traditional strategies. Product strategies must change. "Management has to understand how social changes [brought about by digital platforms] are affecting the particular product they are bringing to market—and how that affects the life cycle of the product and the expectations of how they would manage it," Ms Darby says. And instead of marketing and selling to demographic groups and subgroups, businesses must now appeal to the personal preferences of individuals—this reality has made the ability to draw insights from data a competitive requirement.

"It's a brave new world we live in. The old paradigms of marketing—product, price, promotion and placement—have become abstracted with the ubiquity of mobile devices," says Michael Lock, vice-president and principal analyst at Aberdeen Group, a US industry research firm. "Tying together insights from the social sphere with mobile GPS [location] data to understand customer behaviour [reveals] a completely different landscape. So the whole notion of gauging market effectiveness and understanding how your company is doing from a

marketing standpoint is more difficult these days."

This understanding of the customer and market effectiveness allows companies to hone their "customer experience" so that interactions are easy, efficient, consistent and enjoyable for customers regardless of sales channel—the ultimate go-to-market achievement of the digital age.

Cultivating a digital culture

To create this seamless world for customers, digital must become "part of what you do and who you are," says Kirk Borne, data scientist and professor of astrophysics and computational science at George Mason University. "Look at this as the grand science experiment with all the mobile, social and big data channels," he says. "If you don't see the outcome you want, run a different experiment and have new data to find out what the right model should be."

Providing great customer experiences in any one channel, let alone across channels, requires cross-functional and collaborative management approaches—and strong data approaches—that unite a company's vision and execution strategy.

It may also require a cultural shift. Successful business cultures encourage, require and reward employees for using data in ways that measurably improve business performance, both within the organisation and across channels. They also support experimentation and exploration of data, which can be important for innovation, for capitalising on new market opportunities, for creating new products or services and for better understanding important market and organisational dynamics.

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Fielding the right players

Digital transformation involves thoughtful investments in a workforce that understands how to use technology and data for the benefit of both the company and its customers.

Today's customer-centric approach to business calls on companies to empower customers with information and provide multiple forums for feedback. Savvy employees must then use customer behaviour, customer feedback and other data sources to fine-tune product, marketing and customer-acquisition and -retention strategies.

All this requires a critical mass of data skills as well as expertise in building a customer-centric digital business. Some of these skills will already exist within the organisation and some will have to be taught or recruited. To determine the right mix of talent, companies need to have human-resources practices in place that are aligned with a

clear company vision, says Shravan Goli, president of US career site Dice.

Once in place, this talent must then be empowered and supported in their use of data and in efforts to effect change. Data must be accessible and consumable by people in a variety of roles, not just data scientists. Many companies suffer from a lack of employee engagement with data because their systems are difficult to use and make data insights hard to glean.

When organisations ensure that the experience of using those systems is as easy and compelling as those of their customer-facing websites and mobile apps, they will make huge strides towards becoming true digital enterprises.

With the right mix of people, data and technology, companies can modernise their business models, create new revenue streams and satisfy customers—and win in the digital age. ■

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