FUNDAMENTALS OF MILLENNIAL ENTREPRENEURSHIP

SUCCESS VISION

Session 3

Digital Transformation

Session Overview

In this session, you will be able to:

- Describe digital transformation
- Explain why digital transformation is required
- List and explain key areas and stages of digital transformation
- Explain various factors that drive digital transformation
- Explain technologies commonly used in digital transformation

Introduction to Digital Transformation

- **Digital Transformation**: Process of using digital technology to upgrade and improve all areas of the business.

- **Digitization**: Process of converting paper-based information to digital information with the help of various technologies.

Small and medium-sized business can:

- Earn revenue through new channels
- Bring down costs
- Offer better customer experience
- Thrive in the competitive business world

Millennial entrepreneurs

- Make use of digital transformation to attract and retain customers
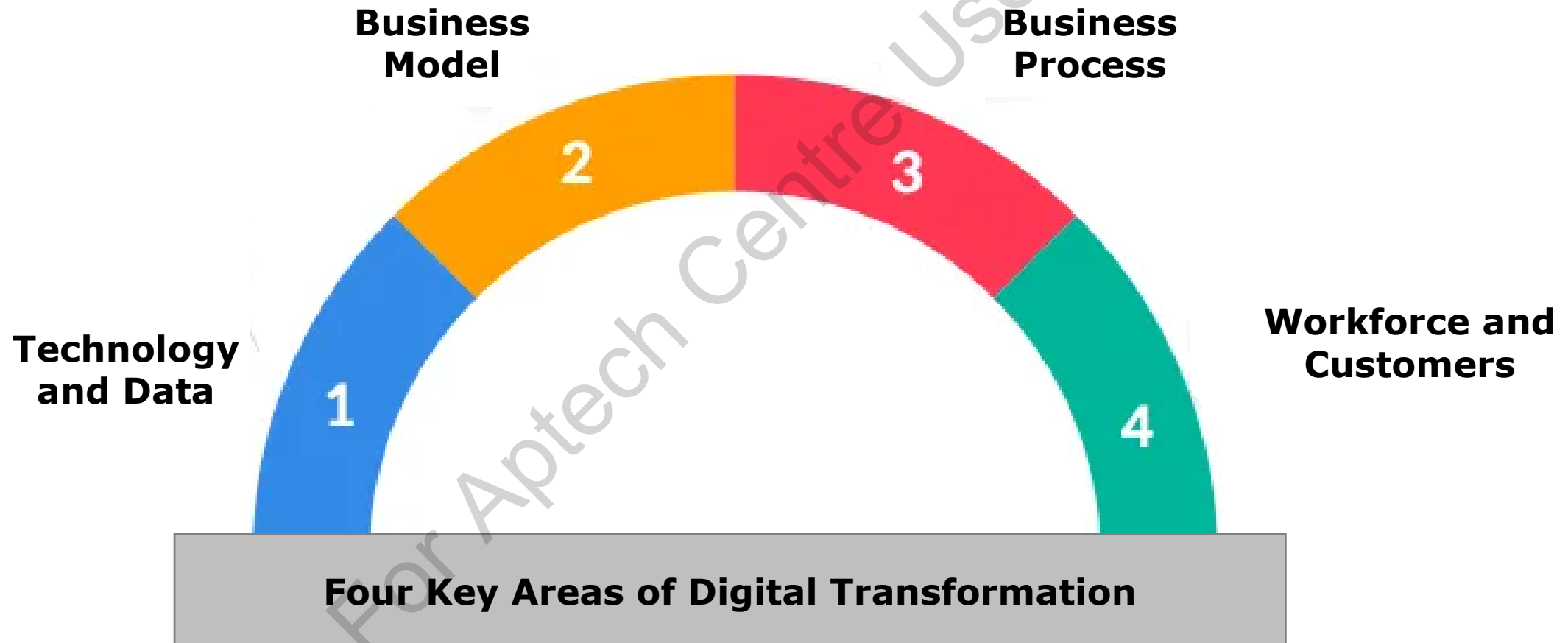
Why Digital Transformation?

- ✓ **The COVID-19 pandemic**: A catalyst to digital transformation and has changed the way businesses operate

- ✓ **Modern processes**: Have made digital transformation a necessity

- ✓ **Workforce**: Can migrate from manual processes to digital processes

- ✓ **Customer service and experience**: Can be enhanced while providing rich customer experience

- ✓ **Faster and better decisions**: Arise from digital processes

Benefits and Challenges of Digital Transformation

Benefits	Challenges
➢ Leverage more activities with lesser resources	➢ Adapting the right digital strategy and the right technology
➢ Gain competitive advantage over others in the market	➢ Creating a suitably-planned budget
➢ Use technology to protect business and reduce risk	➢ Managing high customer expectations
➢ Increase chances of collaboration	➢ Lack of appropriate skill-set
➢ Leverage benefits offered by new digital technologies	➢ Risk of malware and security threats
➢ Take faster and better business decisions	➢ Resistance to change

Key Areas to Focus During Digital Transformation

Four Key Areas of Digital Transformation

Key Areas to Focus During Digital Transformation

Technology and Data

- Technology is the main tool that implements digital transformation.
- Data must be understood and integrated properly to boost productivity.

Business Model

- Traditional business models can be changed.
- The company domain is also a key area of focus.
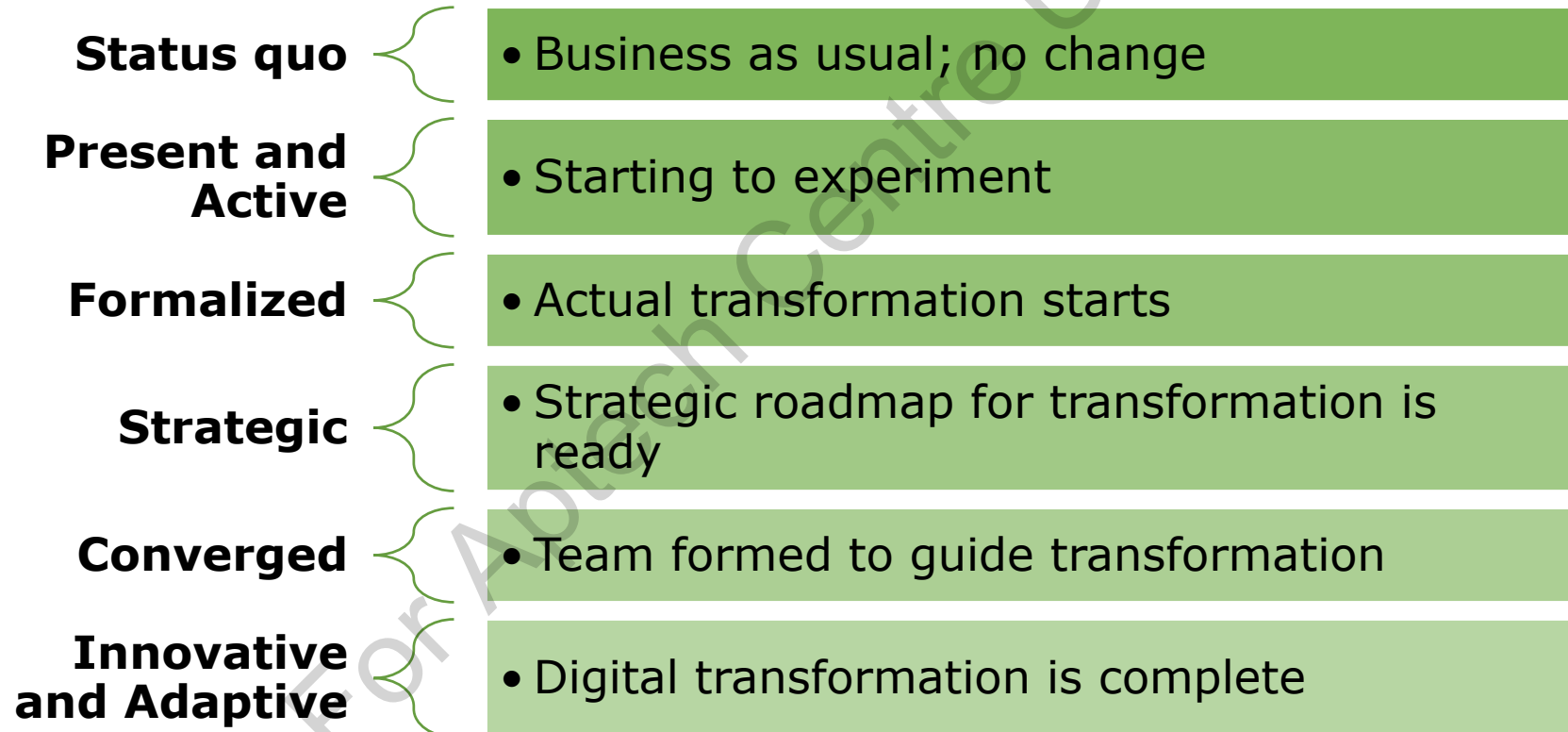
Business Process

- Different elements of existing business processes must also be modified.
- Core systems and processes must be updated and integrated.

Workforce and Customers

- In the workforce, identify and groom key personnel who will drive forward digital transformation.
- Involving customers leads to co-creation of unique products and services.
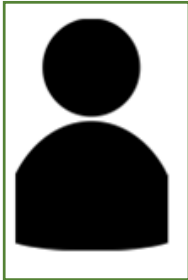
Stages of Digital Transformation
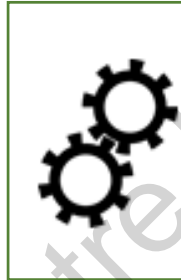
Six Stage of Digital Transformation – Brian Solis

Status quo
- Business as usual; no change

Present and Active
- Starting to experiment

Formalized
- Actual transformation starts

Strategic
- Strategic roadmap for transformation is ready

Converged
- Team formed to guide transformation

Innovative and Adaptive
- Digital transformation is complete
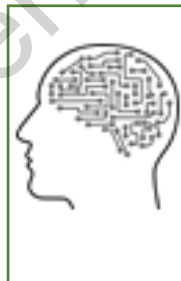
Drivers of Digital Transformation

Rising customer expectations
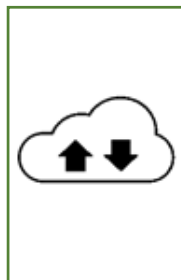
Evolving technologies

Social media

Big Data and Artificial Intelligence

Inter-dependency of product partners

Cloud infrastructure and solutions

Drivers of Digital Transformation

Rising customer expectations: Increasingly tech-savvy, today's customer requires highly personalized shopping experience.

Evolving Technologies: New technology offers numerous opportunities to leverage the benefits of the digitized world.

Social media: The millennial workforce is defined by the new mobile technologies and the advantages of social media.

Drivers of Digital Transformation

Inter-Dependency of Product Partners: Digital transformation facilitates easy exchange of data and information amongst industries, globally.

Big Data and Artificial Intelligence: Big Data refers to the data that is obtained at great speed, contains variety, and is voluminous. AI is a branch in computer science that helps build smart machines which can independently perform set tasks. They offer a multitude of benefits which can be enjoyed only through digital transformation.

Cloud Infrastructure and Solutions: Huge volumes of data can be stored in and accessed from cloud storage.

Commonly-Used Digital Transformation Technologies

Mobile Technology

Connects people in this age of virtual and remote working

Internet of Things

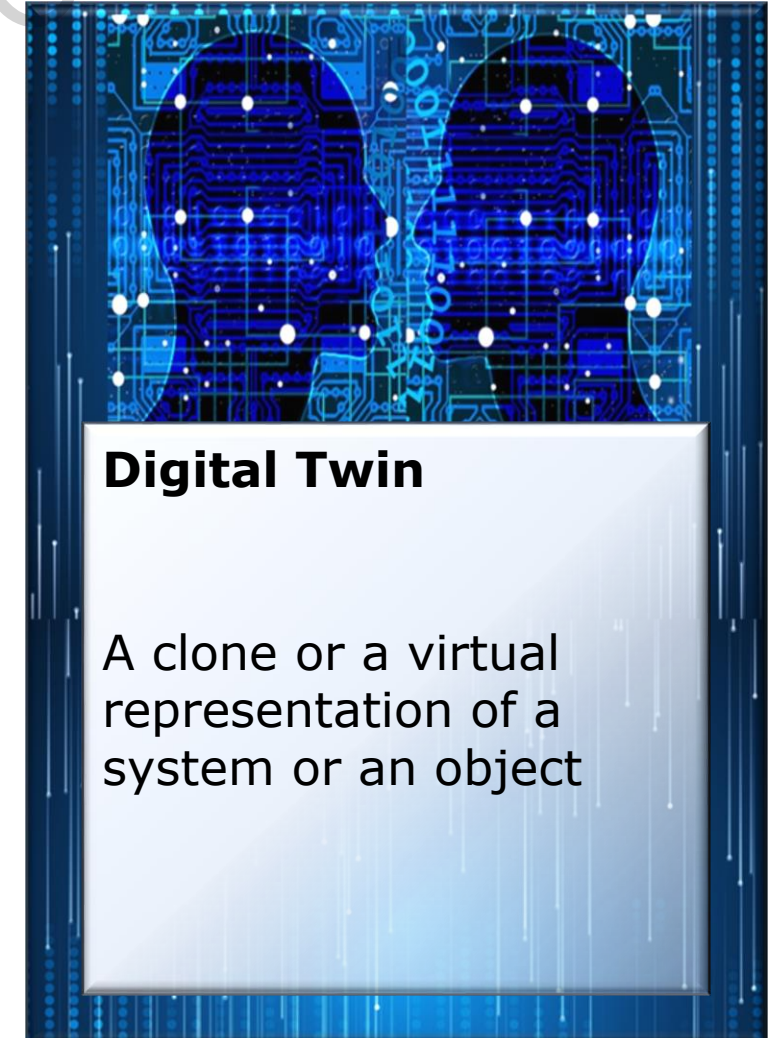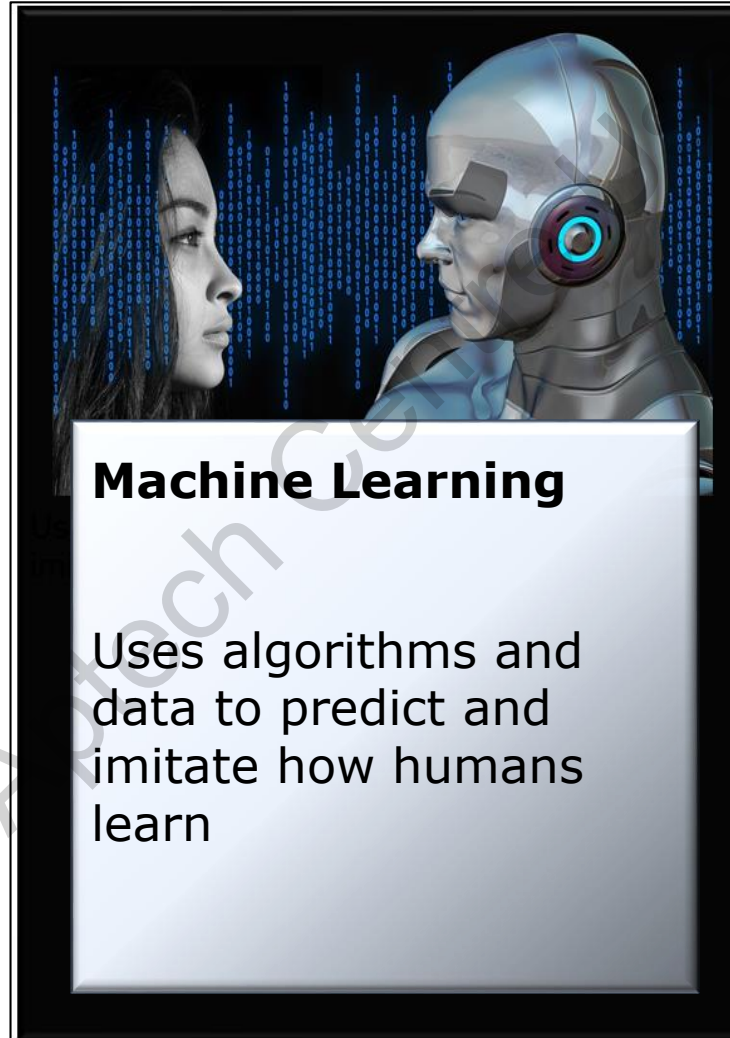A network of connected objects that draws data in real-time, using embedded sensors
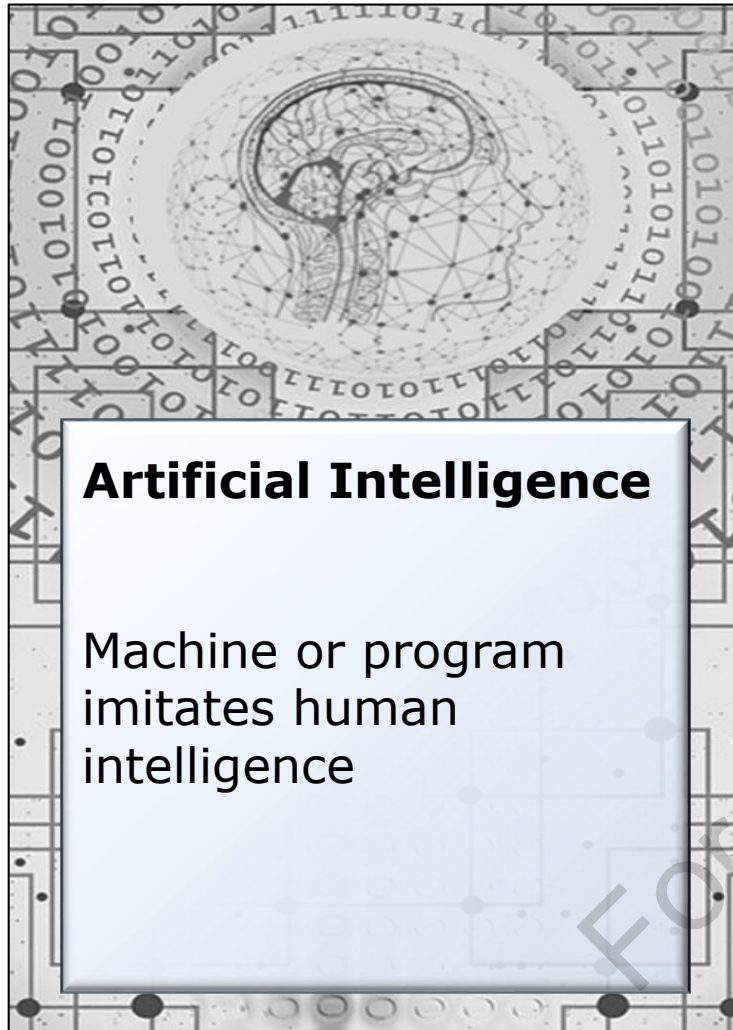
Cloud Technology

Helps securely store large volumes of data at reduced costs

Commonly-Used Digital Transformation Technologies

Artificial Intelligence

Machine or program imitates human intelligence

Machine Learning

Uses algorithms and data to predict and imitate how humans learn

Digital Twin

A clone or a virtual representation of a system or an object

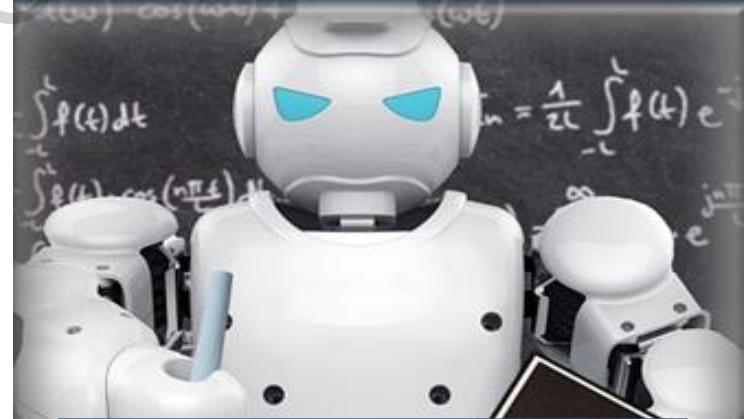# Commonly-Used Digital Transformation Technologies

Augmented Reality

Creates an enhanced view of the physical world

Drones

Unmanned aerial vehicles or aircrafts

Robotics

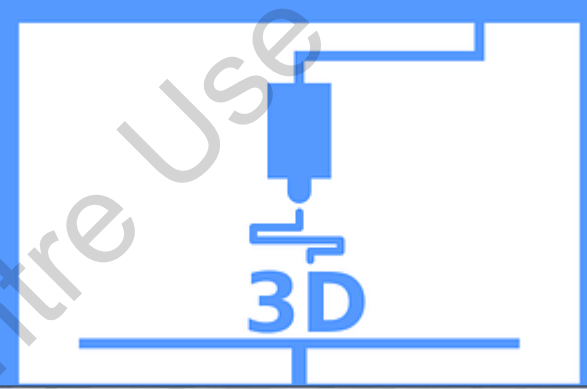Intelligent machines that can perform mundane and repetitive tasks

Commonly-Used Digital Transformation Technologies

Virtual Reality

Utilizes computer software to create a simulated or an artificial environment

3D Printing

Uses computer software to create 3D objects by depositing materials in layers

Summary

- Digital transformation is when digital technology is used to upgrade and improve all areas of the business.

- Digitization is the process of converting paper-based information to digital information with the help of various technologies.

- Millennial entrepreneurs are embracing digital transformation to set up truly digital enterprises.

- Technology and data, business model, business process, and workforce and customers are four key areas of digital transformation.

- The six distinct stages of digital transformation are Status quo, Present and Active, Formalized, Strategic, Converged, and Innovative-Adaptive.

- High customer expectations, social media, technologies that keep evolving, availability of cloud infrastructure, and so on are some of the factors that drive digital transformation.

- Some of the commonly-used digital transformation technologies are Internet, AI, Robotics, Drones, Virtual and Augmented Reality, Machine Learning, Cloud Technology, and 3D Printing.