TBBT – ASSIGNMENT 1
DIGITAL TRANSFORMATION OF COMPANIES

IKEA

IKEA is a big store that sells furniture and home items. It started in Sweden in 1943 and is known for its affordable and stylish products. IKEA's furniture comes in flat boxes that you put together yourself. The company focuses on making practical and modern home goods, and it has stores all over the world. In addition to selling furniture, IKEA also provides home accessories, kitchen items, and decor. The company has a global presence with stores in many countries, making it easy for people around the world to find what they need for their homes. IKEA is known for its stylish, practical designs and easy-to-follow instructions. IKEA also works on being eco-friendly and staying up-to-date with new ideas.

TECHNOLOGIES USED?

Augmented Reality (AR): IKEA Place app helps customers see how furniture will look in their home before buying it.

E-Commerce and Mobile Apps: IKEA has improved its online shopping website and developed mobile apps for a better shopping experience.

Data Analytics: They use data to understand what customers like, manage inventory efficiently, and tailor marketing.

Cloud Computing: Cloud technology helps IKEA store data, scale their digital operations, and keep everything running smoothly.

Artificial Intelligence (AI): AI is used for customer service with chatbots, and for optimizing supply chain logistics and product recommendations.

BEFORE DIGITAL TRANSFORMATION:

Traditional Retail Model: IKEA's sales were mainly through large physical stores where customers would browse, choose, and buy products in person.

Paper Catalogues: Printed catalogues were used to display products, driving foot traffic to stores.

Manual Processes: Internal tasks like managing inventory and customer service were done manually, leading to inefficiencies.

Limited Online Presence: IKEA's online shopping was less developed compared to its in-store experience, with fewer features and less engagement.

AFTER DIGITAL TRANSFORMATION:

Augmented Reality (AR): The IKEA Place app allows customers to see how furniture would look in their homes using AR, which improves the shopping experience and reduces returns.

Enhanced E-commerce: IKEA revamped its online platform to offer a smoother, more user-friendly shopping experience with features like personalized recommendations and detailed product information.

Mobile Apps: IKEA developed apps to make shopping easier, offer assembly help, and improve customer service.

Data Analytics: They use data analytics to understand customer behaviour, manage inventory better, and tailor marketing to individual preferences.

Cloud Computing: IKEA adopted cloud technology for better data storage, scalability, and operational efficiency.

AI and Automation: AI powers chatbots for faster customer service and automates inventory and supply chain processes for greater efficiency.

STRATERGIES THEY USE

Data-Driven Decision Making:

- **Data Analytics:** IKEA uses data to understand what customers want, manage inventory better, and customize marketing efforts.
- **Personalization:** They use data to offer tailored product recommendations and marketing messages based on individual preferences.

Operational Efficiency:

- **Automation:** Automated systems handle inventory and supply chain processes, making operations more efficient and cost-effective.
- **Cloud Computing:** Cloud technology is used for scalable data storage and to improve overall operational efficiency.

Customer-Centric Approach:

- **Improved Customer Service:** AI chatbots provide fast and accurate responses, enhancing the customer service experience.
- **Enhanced Shopping Experience:** IKEA focuses on creating a smooth, integrated shopping experience, both online and in their stores.

Sustainability Initiatives:

- **Promoting Eco-Friendly Products:** Digital tools help highlight and promote products and practices that are environmentally friendly.
- **Sustainable Operations:** Digital solutions support and track sustainability efforts throughout their supply chain.

Global Reach Expansion:

- **Digital Channels:** IKEA has expanded its global presence through improved digital channels, making it easier for customers around the world to shop and access their products.

Challenges IKEA Faced:

1. **Evolving Customer Expectations:**
    - **Online Shopping:** Customers increasingly wanted to shop online and expect a seamless, personalized shopping experience.
2. **Competitive Pressure:**
    - **Rising Competition:** IKEA faced growing competition from other furniture retailers and online marketplaces, pushing them to innovate.
3. **Operational Inefficiencies:**
    - **Manual Processes:** High costs and inefficiencies were caused by relying on manual processes and traditional retail operations.
4. **Environmental Concerns:**
    - **Sustainability Demand:** Consumers were becoming more aware of environmental issues and wanted sustainable products and practices.

Why are businesses moving towards a digital transformation?

- **Customer Convenience:** Digital tools allow customers to shop effortlessly both online and in-store, with features like personalized recommendations and easy access to product details.

- **Business Growth:** Digital transformation boosts online sales and enhances overall business performance by streamlining operations and expanding market reach.
- **Sustainability:** Digital solutions help businesses promote sustainable products and practices, aligning with consumer demand for environmental responsibility

WALMART

Walmart is a multinational retail corporation based in the U.S., founded by Sam Walton in 1962.It operates a vast network of hypermarkets, discount stores, and grocery stores across the globe. Known for its low prices and wide product range, Walmart is one of the world's largest retailers and a major player in both brick-and-mortar and online retail markets. The company focuses on cost leadership and efficiency to offer value to its customers.

TECHNOLOGIES USED?

• E-commerce and Mobile Apps: Enhanced its online shopping platform and developed mobile apps to improve the customer experience and facilitate seamless shopping.
• Data Analytics: Leveraged big data and analytics to optimize inventory management, personalize marketing, and enhance operational efficiency.
• Cloud Computing: Adopted cloud solutions for scalable data storage and computing power, supporting digital operations and innovation.

• Artificial Intelligence (AI): Used AI for supply chain optimization, customer service chatbots, and personalized recommendations.
• Automation and Robotics: Implemented automation in warehouses and fulfilment canters to streamline operations and improve efficiency.
• Internet of Things (IoT): Applied IoT technology for real-time monitoring of inventory, equipment, and store operations.

Before Digital Transformation:

- **Traditional Retail Model:** Walmart relied on physical stores for shopping and managing inventory, with a strong focus on in-store operations.
- **Limited Online Presence:** Their online shopping and e-commerce capabilities were not as developed as their physical store operations.
- **Manual Inventory Management:** Inventory and supply chain management were handled manually, leading to inefficiencies and potential stock imbalances.
- **Basic Customer Interaction:** Customer service and engagement were primarily managed in-store, with limited use of digital tools.

After Digital Transformation:

- **Enhanced E-commerce Platform:** Walmart upgraded its online shopping experience to be more user-friendly and integrated with physical stores, providing a seamless omnichannel experience.
- **Data Analytics:** They use advanced data analytics to improve inventory management, personalize marketing, and increase overall efficiency.
- **Cloud Computing:** Walmart adopted cloud technology for scalable data storage and computing power, supporting digital operations and innovations.
- **AI and Automation:** AI is used for personalized product recommendations, optimizing supply chain processes, and customer service chatbots. Automated systems help streamline warehouse operations and logistics.
- **IoT Technology:** Internet of Things (IoT) technology allows for real-time monitoring of inventory and equipment, enhancing operational efficiency and responsiveness.

STRATERGIES THEY USE

- E-commerce Expansion Enhanced website and mobile apps. Integrated online and offline shopping with services like BOPIS and curb side pickup.
- Data Analytics and AI Utilized big data for customer insights and personalized marketing. Applied AI for recommendations, dynamic pricing, and supply chain optimization.
- Automation and Robotics Automated warehouses and fulfilment canters. Implemented in-store automation for inventory and shelf scanning.
- Cloud Computing Migrated to cloud platforms for scalable infrastructure. Leveraged cloud for operational flexibility and efficiency.

- Internet of Things (IoT) Real-time inventory and equipment monitoring. Created smart stores with connected devices.
- Customer-Centric Initiatives Used AI chatbots for customer service. Offered personalized shopping experiences through data analytics.
- Strategic Partnerships and Acquisitions
- Partnered with tech companies for digital enhancements. Acquired startups to boost digital innovation.
- Sustainability and Innovation
- Implemented digital tools for eco-friendly initiatives. Established innovation labs for developing new digital solutions.

Challenges Walmart Faced:

- **E-commerce Competition:** Facing increasing competition from online retailers like Amazon. • Operational Inefficiencies: Struggled with inefficiencies in inventory management and supply chain operations.
- **Changing Customer Expectations:** Need to adapt to evolving consumer preferences for online shopping and digital interaction.
- **Data Utilization**: Limited capability to leverage data for insights and decision-making.

Why are businesses moving towards a digital transformation?

- **Improved Customer Experience:** Offered a seamless shopping experience with integrated online and in-store services, including options like buy online, pick up instore (BOPIS).
- **Operational Efficiency:** Achieved greater efficiency in inventory management and supply chain operations through automation and data-driven insights.
- **Increased Online Sales:** Significant growth in e-commerce sales due to enhanced online capabilities and customer engagement strategies.
- **Competitive Edge:** Strengthened its position against competitors by leveraging digital tools to improve customer service and operational performance.

DELOITTE

Deloitte is a leading global professional services firm providing audit, consulting, tax, and advisory services. Established in 1845, Deloitte operates in over 150 countries and serves clients across various industries. The company is known for its expertise in helping organizations navigate complex business challenges, drive growth, and achieve operational excellence. With a focus on innovation and digital transformation, Deloitte combines deep industry knowledge with advanced technology to deliver valuable insights and solutions.

TECHNOLOGIES USED?

- **Cloud Computing**

  Platforms: AWS, Azure, Google Cloud.

  Focus: Moving data and applications to the cloud for better flexibility and scalability.

- **Data and Analytics**

  Tools: Power BI, Tableau.

  Focus: Analysing and visualizing data to make informed decisions.

- **Artificial Intelligence (AI) and Machine Learning (ML)**

  Use Cases: Automating tasks, predicting trends, and improving customer interactions.

Before Digital Transformation:

- **Traditional Methods:** Deloitte mainly used old-fashioned ways of consulting, with a lot of face-to-face meetings and manual work.
- **Old Technology:** They had outdated technology systems that weren't very efficient or well-integrated.
- **Basic Data Use:** They didn’t use data as effectively to get useful insights for their clients and operations.
- **Standard Services:** Their services were often generic and not customized to fit specific client needs.

After Digital Transformation:

- **New Digital Tools:** Deloitte started using modern digital tools and systems to make their operations more efficient and connected.
- **Advanced Data Analytics:** They began using advanced data analysis and AI to get better insights and make smarter decisions for clients.
- **Customized Services:** They focused on personalizing their services, using technology to better meet the unique needs of each client.
- **Innovation and Flexibility:** Deloitte became more innovative and adaptable, quickly adjusting to new market trends and offering cutting-edge solutions.

Deloitte's Digital Transformation Strategies:

1. **Customer-Centric Approach:**
    - **Enhanced Client Experience:** Deloitte focuses on improving how clients interact with their services through digital tools, providing more personalized and responsive solutions.
    - **Feedback Integration:** They gather and use client feedback to tailor their services and address specific needs more effectively.
2. **Data-Driven Decision-Making:**
    - **Advanced Analytics:** Deloitte uses data analytics to gain insights into business operations and client needs, leading to more informed decision-making.
    - **Predictive Models:** They employ predictive analytics to anticipate market trends and client requirements, improving strategic planning.
3. **Innovation and Agility:**
    - **Adopting New Technologies:** Deloitte continuously integrates emerging technologies to stay ahead in the market and offer cutting-edge solutions.
    - **Flexible Operations:** They emphasize agility in their processes, allowing them to quickly adapt to changing market conditions and client demands.
4. **Employee Empowerment:**
    - **Training and Development:** Deloitte invests in training employees to effectively use new digital tools and technologies, enhancing their skills and capabilities.

- **Collaboration Tools:** They implement digital collaboration tools to improve teamwork and productivity, making it easier for employees to work together across different locations.

Challenges Faced by Deloitte During Digital Transformation:

1. **Resistance to Change:**
   - **Internal Pushback:** Employees and stakeholders might resist new digital tools and processes, preferring familiar methods over new technologies.
   - **Cultural Shift:** Adapting to a digital mindset can be challenging, requiring changes in company culture and employee attitudes.
2. **Data Security and Privacy:**
   - **Protecting Information:** Ensuring that sensitive client and company data remains secure while transitioning to digital systems is crucial.
   - **Compliance:** Meeting regulatory requirements and maintaining privacy standards amidst evolving digital practices can be complex.
3. **Integration of Systems:**
   - **System Compatibility:** Combining new digital technologies with existing legacy systems can be technically challenging.
   - **Seamless Operation:** Ensuring that various digital tools and platforms work together smoothly without disrupting business operations is a key challenge.