**Five Things to consider if you go Digital**

The world is going digital. Companies like Airbnb have shown that even the most staid, bricks-and-mortar industries can change almost overnight. A recent MIT Sloan and Delloitte [survey](http://sloanreview.mit.edu/projects/aligning-for-digital-future/) found that nearly 90% of respondents anticipate their industries will be disrupted by digital trends. But only 44 percent felt their organizations are adequately prepared.

I sat down to talk with two industry luminaries, [Eric Kavanagh](https://twitter.com/eric_kavanagh?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor), CEO of Bloor Group, and [Mala Anand](https://twitter.com/manandanalytics?lang=en), Executive Vice President of SAP Data and Insights, to get tips on what companies should consider before embarking on the digital transformation journey.

Between them, Eric and Mala have approximately 50 years of experience building, analyzing and reporting on enterprise software — and working with organizations to understand the technology needed to advance their business. So gather round and let’s hear they have to say.

**VISUALIZE BUSINESS OUTCOMES**

Both Mala and Eric agree, the most important step is to understand what you want to change.

“You need to understand your business processes and models, and clearly identify where there is the most friction and what’s the most painful part of your business. Putting some thought into that will go a long way as you start to digitize,” says Eric.

Mala adds, “The first step for customers is to visualize the business outcomes they’d like to achieve. These outcomes are limitless, but they need to be aligned with your business.”

“Once business goals are established, you should identify the key dependencies, including the data and processes required for success. Then you can determine the technology needed to accomplish your objectives.”

**DON’T WAIT.**

As Eric pointed out, “change is hard but the alternative is worse. If you don’t embrace digital, companies are just going to lose.”

“Digital is happening everywhere. It’s a tsunami where the wind seems to be blowing slowly but at any point there could be a gale that blows everything sideways immediately. Take Uber and AirBnB. Those are industries that hadn’t innovated in a very long time. The taxi industry had been operating the same way since the introduction of medallions and licensing requirements. Now almost anyone can be a driver. And customers want taxis immediately because of Uber. If they call a regular taxi and have to wait, or call another dispatch, they will choose to use the Uber app, which delivers taxis immediately.”

“People are resistant to change. They aren’t exploring digital because they’re busy doing their job all day. But we need more widespread awareness of the benefits to get people to change more quickly.”

**CHOOSE THE RIGHT PARTNER**

Mala has worked at many of the big technology companies: Cisco, Oracle and now SAP. She believes that, “Ultimately, the key is to partner with a vendor that understands and can enable a true digital business, meaning they can bring together data and systems across the enterprise to drive innovative business results.”

“Many organizations have already invested in a lot in their existing IT systems. They need a partner that will protect those systems — and leverage the data, best practices and corporate knowledge accumulated within them. At the same time, companies need someone who can build digital use cases that integrate into that infrastructure and scale across the company, when their innovation investments start to provide value.”

“Finally, you need a partner you can trust. There are a lot of technologies out there like Internet of Things, machine learning, blockchain and others. Your partner needs to translate these technologies to business results. And they need to have the full set of innovative digital technologies that can grow and develop as your digital journey progresses.”

**STAY HUMAN**

As Eric points out, “Don’t lose the human touch. No matter how deep into automation you go, you always want people involved in critical processes. There are ‘control points’ where humans can take action and make a change that will alter the path of a particular scenario to make sure the business keeps customers satisfied.”

“There’s always a situation that deviates from the norm where you want the option for manual override, so someone can take immediate action and help out.”

For Mala, staying human means use Design Thinking. Put simply, this methodology helps hone in on businesses’ most thorny challenges, but is human-centric.

“With Design Thinking we never lose sight of the people using this solution. So when we look at going digital and using innovation to address critical problems, we start with the end user – what does their day look like, how do they work and what do they need to be successful. Then we can figure out the way technology can solve the problem.”

**START SMALL, DREAM BIG**

While Mala and Eric both agree, organizations need to clearly identify a use case and then look at scaling later, it’s important to keep in mind some targeted use cases that can have a huge impact in terms of profit and consumers.

Mala says, “The important thing is not to get overwhelmed by the scope of digital transformation.  Innovation is easier than ever to integrate into existing businesses in a modular, open fashion that scales across platforms and with existing partners and systems.  We know that digital transformation is not a one-size-fits-all solution, but we have now learned how to package up innovation to make those transformations accessible, well-supported and easily scalable.”

Eric provides an example from the early days of digital of how starting small can snowball into strong growth. “I spoke with a Russian gentleman in the early 1980s. He was in college when the internet was just starting and ran a small construction company. He used it to get immediate information on the price of construction materials across the country, and started doing commodities trading. His net worth went up to $25 million at 25 years old. He took early advantage of digital innovation and it changed his life.”