

M02_DT

Understanding Digital Transformation

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Digital transformation of business is occurring at a fast pace. Digital transformation is the integration of business technology into existing and new business processes to deliver value to customers. A good understanding of digital transformation is important in appreciating the role of technology in business.

Video 01: Watch my lecture video providing a broad overview of digital transformation in today's business and cultural environment. on digital transformation (4:05 minutes)

Here, we briefly introduce digital transformation, including its importance for business and its challenges. Digital transformation refers basically to the use of digital computers to transform business. The rapid growth in emerging digital technologies and business competition has hastened the adaptation of digital technology by businesses as digital transformation is occurring in every walk and type of business.

However, not all business transformations are successful. Decision to huge digital technology should be process-centric and not technology-centric. A technology-centric decision to improve a process will result into an inefficient and dysfunctional business and lead us into a digital transformation trap.

Critical Success Factors:

- There are several critical success factors that impact the success of digital transformation. Critical success factors are things, activities that must be done if a company or a project has to be successful.
- This figure shows a very good list of CSFs that are critical to the success of a digital transformation. The concepts are numbered one to ten, as shown by the purple wheels, are the most important CSFs for digital transformation. CSFs can be categorized in various dimensions. The dimensions of corporate organization and technology are very important dimensions for digital transformation. CSFs like data security software, unified database in an overall system belong to the technology dimensions CSFs like top management support, unified digital corporate strategy, corporate culture, leadership, implementation of a digital mindset, qualification and resources belong to the corporate organization dimension.
- The concepts are numbered by their rank, one being the highest rank. CSFs are hierarchical in nature. Some CSFs, like five, corporate culture,

corporate vision, and eight, leadership, belong to the overall company, while others, like scalability and implementation of new KPIs are more narrowly defined, focused in one functional departmental area. I have briefly introduced digital transformation.

Video 02: Watch this video that does a good job of explaining the phrase digital transformation and relating it to various emerging technologies(8 minutes). Pay attention to digital transformation vs. business transformation, ERP systems, and the broad definition of digital transformation.

https://www.youtube.com/watch?v=FjAq1xjBv_4

*Digital Transformation vs. Business Transformation

- Digital Transformation: the use of technology that helps improve your business. Any sort of technology that allows you to be more proficient in your technology. Though it can mean different things for different companies

Digital Transformation = Business Transformation: digital is likely to be a big part of it, but it's not the only part.

*ERP systems:

- Track orders, financials.

*Broad definition of digital transformation:

Why Digital Transformations Fail?

- It's because we haven't addressed all of the moving components (people and processes).
- They fail at a high rate when you don't address all of the moving components.

The first chapter of the textbook talks about what, why, who, and how of digital transformation. Pay attention to role of CIO, MVP, Challenges, organizational vision, and dysfunctional culture. Read chapter 1—Digital Transformation (53 pages) in the textbook.
