STERABLE

All Aboard the Digital Transformation Express

Digital transformation isn't easy.
We want to make that very clear from the get-go. However, it's highly beneficial to brands, especially in a world where not going digital means being left in the dust.

But what really is digital transformation?
Often misunderstood as being a shift from no tech to some tech, digital transformation isn't about pulling your brand out of the Stone Age. At this point, most companies have some form of business technologies in place, they just need to be improved upon. Digital transformation is a shift from merely functional tech to efficient, powerful tech. So, rather than going from zero to modern, it's more akin to the **Industrial Revolution**.

89%
of all companies have already adopted a digital-first business strategy or plan to do so.
IDC, 2018

As we depart on the Digital Transformation Express, you may find yourself looking for more in-depth information about each stop(s). We got you! In the seatback pocket of the chair in front of you, you'll find an in-depth look at the 4 Steps to a Successful Digital Transformation.

And we're off!

FIRST STOP
Initiation Station

You know you've arrived here when "an individual or group desires to change and improve...develops a vision, and then begins to take risks."

To transform, there has to be a realization that a transformation is needed. Someone needs to initiate the change by taking the first steps. This stop is where you get your gears turning and plan what needs to happen.

Digital transformation is expected to add $100 trillion to the world economy by 2025.
World Economic Forum

At least **90%** of IT leaders agree

of new enterprise apps will insert AI technology into their processes and products by 2025.
IDC

And, sometimes, you have no choice but to initiate change.

77% **of CEOs said COVID-19 speed up their plans for digital transformation.** - Deloitte

But, this pressure to transform doesn't have to be massively disruptive.

"The digital innovation team at a large medical devices company says digital innovation is more possible during COVID-19 because the usual bureaucratic barriers that hinder innovation have been removed as a result of working from home—either through formal removal or by just being able to work around them more easily when not in the office." - Deloitte

But, there is always going to be doubt when embarking on a new journey. Will it work? Will the benefits outweigh the cost? This uncertainty is a normal part of the digital transformation process.

NEXT STOP
Uncertainty-ville

"Think of the uncertainty phase as taking baby steps instead of funneling all of your efforts into a one-off event. Your first few experiments are not the deciding factor. Iterations beget learnings."

With global uncertainty at an all time high, it's understandable brands may be unsure of the benefits of digital transformation.

World Uncertainty Index (WUI): Global
Index, GDP-weighted average, 1990Q1 to 2021Q2

87% **of companies think digital will disrupt their industry.** - Deloitte

44% **are prepared for potential digital disruption.** - Deloitte

52% **of the time, companies use scenario planning to help "future proof" their strategy.** - Deloitte

Uncertainty can trickle down to customers as well.

Nearly one-third of B2B respondents say that fear of customer resistance to changes was a barrier, but only 24 percent of those in consumer-facing industries say this. - McKinsey

Once the uncertainty can be overcome, brands can experience a true transformation.

COMING UP
Transformation Town

"If an organization continues to experiment in spite of the fear of failure, they may achieve the creative insight needed to move towards the phase of Transformation."

It's never too late to start. Regardless of how long the transformation takes, brands have seen a rise in stock price growth rates.

Years to Transform vs. Stock Price Growth Rate

Those reporting the biggest revenue hits in recent years acknowledge that they were behind their peers in their use of digital technologies—40 percent say so, compared with 24 percent at companies with the biggest revenue increases. McKinsey

We can digitally transform our organization's powers of perception and cognition, its ability to take collective action, and its ability to do so sustainably by:

- Extending the senses of the organization.
- Creating connected digital learning loops.
- Focusing humans and algorithms on their respective areas of strength.
- Facilitating communication between brains.
- Facilitating cooperation.
- Diagnosing system health and overcoming planetary and social limits.

IDC

Brands might get off at Transformation Town, but without visiting Routinization Road, you haven't experienced the full Digital Transformation Express.

LAST STOP
Routinization Road

"The routinization phase is a good reminder to any organization that it's not enough to make a paradigm shift. The goal is not just to transform, but to sustain the momentum by making it second nature to the organization."

While getting the initial transformation completed is an accomplishment in itself, technology is constantly evolving. Digital transformation isn't something your brand can check off the to-do list. It requires perpetual reiterating and adopting.

Only **11%** **of 1,140 business executives surveyed by McKinsey believe their current business models will be economically viable through 2023.**
CIO.com

Brands need to be constantly iterating on their current operations. And, with customer expectations increasing in tandem with accelerated digital growth, personalization needs to be incorporated into digital transformation strategies.

Digital transformation and a focus on customer experience can generate a 20-30% increase in customer satisfaction and economic gains of 20-50%.
McKinsey

Consumers who have an emotional connection with a brand have a 306% higher lifetime value.
Motista

Remember, no one said digital transformation was easy (and if they did, they're lying). But, it is a necessity. **Make sure your brand doesn't miss the train and get left behind.**

About Iterable

Iterable is a cross-channel platform that powers unified customer experiences and empowers marketers to create, optimize, and measure relevant interactions and experiences customers love. Leading brands, like Zillow, DoorDash, Calm, Madison Reed, and Box, choose Iterable to power world-class customer experiences throughout the entire lifecycle. Visit iterable.com for more information.

To see how Iterable can help your brand digitally transform, request a demo today.

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Deloitte, Aligning the Organization for its Digital Future
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McKinsey, How Covid Broke Perfect Companies: Four Pre-Pandemic Traits Proved Fatal
Deloitte, Scenarios and Strategies for Digital Transformation: Coping with Disruption in Turbulent Times
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