

Chapter 21

Digital Transformation Journeys in a Digitized Reality

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ABSTRACT

Big data and digitization are among the most talked about concepts of the last years. Whereas big data has more concrete outcomes, digitization is still seen as far away future. Nowadays, however, the question is no longer how to prepare for the upcoming digitization. The question companies and organizations have to ask themselves is how to adapt to today's digitizing world. A correct translation of this strategy is equally important. It requires a dynamic silver lining, compatible with interactive work clusters and a hybrid organization. Typically, this results in a new way of working and an appropriate approach to power this way of working. The way of working needs to be adapted to the redefined borders between reactivity and proactivity, the need for real-time service, and the need for contextual adaptation. It needs to be designed for agility. To provide value, an organic compromise has to be found that answers the need for creative freedom and the need for a solid structure where guidance, management, and development of human capabilities is possible in a structured way.

INTRODUCTION

Big Data and Digital Transformation are hot topics since several years.

Big Data are large volumes of data from one or more sources, analyzed through innovative information processing to develop insights, resulting in better business decisions and process adaptation¹. Estimates of Turner, Reinsel and Gantz (2014) expect human and machine data to increase to 40ZB by 2020.

Digital Transformation implies often Big Data powered changes (Mayhem, Saleh, & Williams, 2016). Whereas concrete outcomes of the latter are booming, Digital Transformation is still seen as a faraway future. Nowadays, however, companies and organizations should not ask themselves anymore how to prepare for the upcoming Digitization, but how to adapt to and in today's Digitized/Digitizing World.

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To get there, they need to understand how to evolve by embracing new technological potential and by looking through the blurring frontiers between offline and online reality. They have to take changing habits and continuously transforming customer segments into account. They have to look beyond the mere 'product' and 'selling to customers' angle (Richter, & Wee, 2016). To keep their value, companies, organizations and even governments need to understand that mental mobility of people and their data-stimulated ecosystem have turned people's need for products in a need for shaped services.

This has a significant impact on the strategic vision. Typically, this requires a new way of working adapted to the redefined borders between reactivity and proactivity, and to the attention for real-time service and contextual adaptation. An organic compromise has to be found that answers the need for creative freedom and the need for an environment where management and development of human capabilities are possible in a structured way.

This article will shed light on core components for Digital Transformation. Concrete methodologies will also be analyzed that can guide the process of reviewing company fundamentals in the Digital Reality.

It will be explained that human means and data power need to be developed to develop a company's digitally quantified intuition² and to get most out of the customer journey.

Altogether, this article will illustrate that the success of Digital Transformation goes through integrating technological possibilities and dynamic customer journeys in the corporate DNA. It will require a new internal perspectives on projects, and create a new dynamic that, in the end, will allow people, companies and public and private organizations to be in the driving seat of this Fourth Industrial Revolution.

BACKGROUND

Reflections about Digitization and Digital Transformation exist since several years, also on intergovernmental level³. With technology developments in various fields amplifying one another, this will continue. It will lay the foundation for a revolution more all-encompassing than anything seen so far (Schwab, & Samans, 2016).

There are several risks if the dynamic is not engineered and managed correctly.

First of all, companies need to be aware that Digital is not an add-on, but the very essence of the transformation journey to remain in the game (Henke, Libarikian, & Wiseman, 2016). It involves a change in leadership, new business models, and an increased use of technology to improve the customer experience. It is only by integrating this Digital backbone that Digital strategies can have a lasting effect. Digital is one of the main reasons half of the companies on the Fortune 500 have disappeared since 2000 (Nanterme, 2016). Failing to understand its functioning can thus lead to companies losing their relevancy.

Traditionally, Digital Transformation is covered from separate angles.

Certain sources analyze the impact of technology on job markets and human employability (Van Driessche, 2014). Others focus more on specific pieces of the corporate landscape – ranging from the need to extend the CxO suite with a Digital Officer, to the development of a new way of thinking, or the analysis of managerial choices to be made for techn(ological) transition.

Solely focusing on subsections risks to lead to an incomplete integration of the Digital dynamic. At best, the initiative will be an intermediary step. At worst, it will create a negative spiral that funnels means, time and potential - a risk further reinforced by the speed at which Digital is unfolding.

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