

# Digitalisation: do or die

By [Deon van Heerden](#)

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Ex-Apple CEO, John Sculley, recently warned finance companies that they should plan for radical change or prepare for obsolescence. He went on to say that financial incumbents were "...in a race for their lives - and that the race was a sprint." If you think this sounds like fighting talk, you would be right, and the revolution is threatening more than just the finance sector.



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The move towards digital has been on the agenda of the big consulting firms for years now. But many business leaders still seem to think of digitalisation simply in terms of moving business processes into the cloud and converting material from analogue to digital.

## Starting with semantics

Perhaps starting with semantics is important if we want to better understand both the challenge and the opportunity.

Digitising something would be transforming traditionally analogue material into a binary representation to produce the same outcome. Wikipedia concisely defines it: "Strictly speaking, digitising simply means the conversion of analogue source material into a numerical format."

Digitalisation, meanwhile, is all about the benefits of shifting to a digital mindset. Gartner describes it as: “The use of digital technologies to change a business model and provide new revenue and value-producing opportunities; it is the process of moving to a digital business.

True digitalisation means understanding how your customers are engaging in a digital world and then shifting your own processes to meet them on the platforms they are using and through the mediums on which they are engaging. The mobile phone serves as one of the best examples of this evolution.

## **Ignoring your biggest market is suicide**

Earlier this year, a Bank of America survey showed that almost 40% of millennials (age 18 to 34) engaged more with their smartphones than they did with their significant others, parents, friends, co-workers and even children.

Just two months before these survey results were released, the US census showed that millennials are now the largest living population group in the country, surpassing baby boomers (ages 51 to 69). To ignore the needs of your biggest market would be business suicide.

In South Africa, our younger generation (ages 15 to 34 according to Stats SA) make up 36% of our population. And, while the high cost of data may limit the amount of time spent on their phones, the propensity to use messaging platforms as their communication method of choice is just as high.

## **What we have is a failure to communicate**

Consumers have become spoiled; we are used to being able to immediately access information on the fly and in real-time. We are not used to waiting to have our problems solved.

We have become accustomed to our digital lives where we can book our travel, pay our accounts, and communicate with our family in distant lands immediately, and via our phones.

More importantly, we absolutely hate the endless loop of soul-destroying frustration when dealing with call centres and clumsy IVR systems.

And yet, when it comes to many big businesses, we are forced into engagements that reduce us to a number in a queue, as we are funnelled through an impersonal system with amnesia hardcoded into its core.

In far too many enterprise call centres, customers are expected to verify details and authenticate themselves on multiple occasions as they are passed from agent to agent, waiting for someone to solve their problem or answer their query.

It's as if businesses are trying to digitise their consumers!

Customer intelligence consulting firm, Walker, believes that by 2020, customer experience will overtake price and product as the key brand differentiator.

Research company, McKinsey, meanwhile has said that customers who are used to operating in a digital world are demanding “...a radical overhaul of business processes. Intuitive interfaces, around-the-clock availability, real-time fulfillment, personalised treatment, global consistency, and zero errors —this is the world to which customers have become increasingly accustomed”

Companies hoping to remain relevant in a digital world while still using traditional channels will have to resource their customer service divisions to handle the deluge of digital queries. This is neither practical nor possible. The sheer volume of queries, requests and comments will require a front-office which meets the customer on the platform of their choosing. The days of forcing customers to use specific platforms is simply bad business practice.

## **Bridging the gap**

Companies which are looking to tap into the opportunities of digitalisation should start by understanding their customers better. A thorough analysis of their customer, including how they interact, where they can be found, and how they want to be engaged with should be conducted – a digital gap analysis is required.

In keeping with the true meaning of the word "digitalisation", companies should be seizing the opportunity to change their processes. They should look carefully at their workflows and, if necessary overhaul them. More often than not it is the operational processes and the flow of data which, if not shifted to suit the consumer, will lead to poor customer experience.

Digitalisation offers companies the opportunity to truly delight their customers and it doesn't require the daunting experience of ripping and replacing systems, or sinking capex into expensive proprietary builds. Far too often companies will decide, or be advised, that to engage with a digital consumer requires a custom-built app.

## **Building a user experience**

True customer service is about building a user experience. This will not only allow your company to better engage with your end-user, but also nurture relationships with them which will translate into brand loyalty. What's more, by creating a digital front office, you can drive efficiencies into your business which will significantly boost your sustainability and your bottom line.

John Sculley was not being unduly dramatic when he issued his warning. The fight for survival in a digital world will be won by companies who understand what their customers want and who are smart enough give it to them via the device they are most connected to – their phones. Those who don't will simply become collateral damage in the digital revolution.

## **ABOUT THE AUTHOR**

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