

## HOW TO

turn digital  
improvisation into  
systematic success

# IS YOUR DIGITAL TRANSFORMATION STUCK?

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WIPFLI

# THE 6 STAGES OF DIGITAL TRANSFORMATION

## STAGE 1

Business  
as usual

## STAGE 2

Experimental

## STAGE 3

Formalized

## STAGE 4

Strategic

## STAGE 5

Systematic

## STAGE 6

Integrated

The six stages of digital transformation range from doing nothing (business as usual) to being fully integrated into an organization that eats, drinks and sleeps transformation.

The answers you provide tell us if you're in the early stages or close to total transformation.

**(Did you miss our quiz? Take it to find out how you score.)**

# MIDDLE OF YOUR JOURNEY

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If you're in the middle stages of digital transformation, it means you're running some successful digital projects but not really digitally transforming your overall organization.

Silos of innovation are tackling projects in isolation with limited impact.

Maybe your finance team has implemented an ERP to take over processing invoices. Or your IT team has shifted from on-premises servers to a cloud-based system. Or your sales team is leveraging CRM to create and track leads.

But something is still missing .... And that something is the need to start using your digital technologies in clear, integrated ways by getting away from piecemeal decisions.

To get unstuck from the middle you need to formalize your process and be 100% integrated with your organization's business strategy.

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### **Every journey has its roadblocks**

Have you ever been in a situation where you know something is wrong but can't quite put your finger on what? Or you know that something isn't as great as you want it to be but you're not sure why?

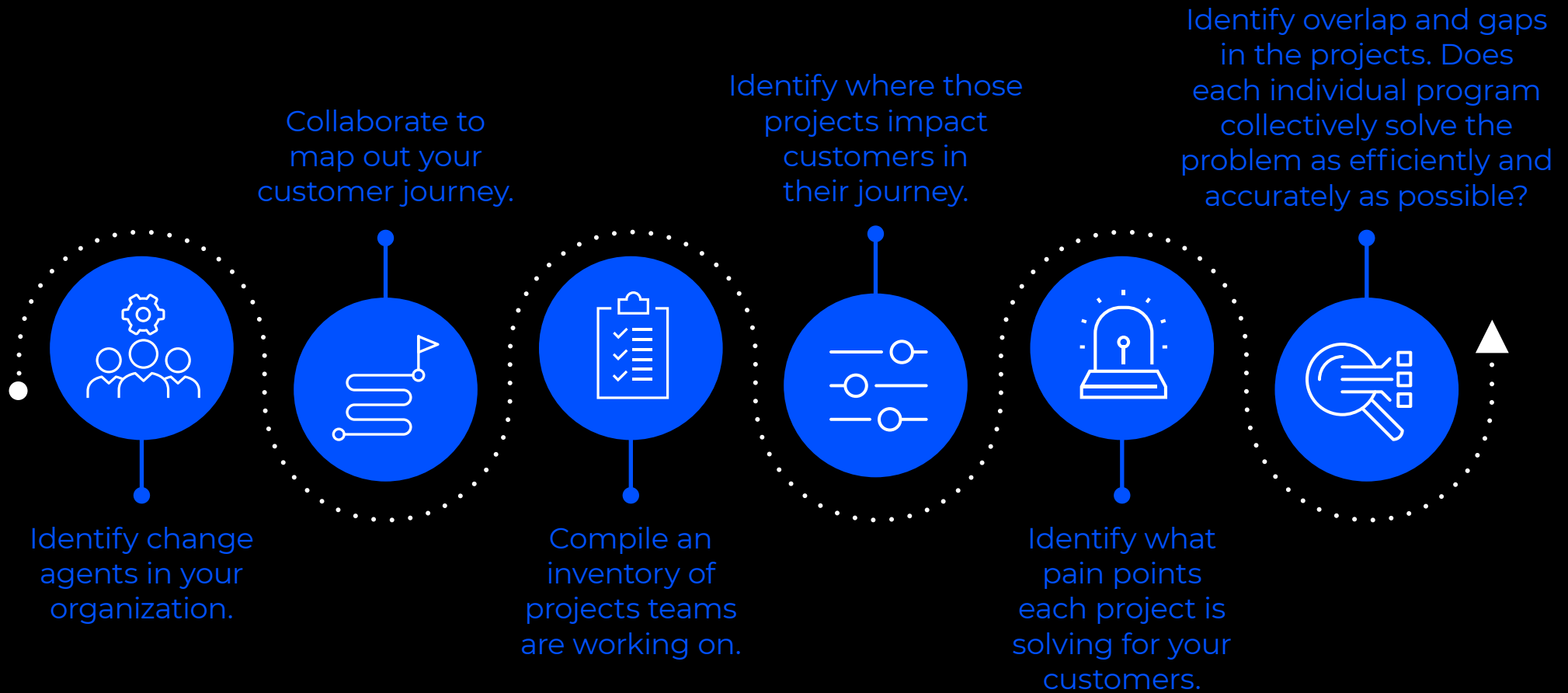
That's a feeling a lot of leaders have when they're sitting in the middle of the six stages of digital transformation.

# STAGE 3

Formalized

“Formalized” strategy may seem in conflict with the entire concept of digital transformation. But formalizing doesn’t mean burying transformation in process. It means elevating it to a whole new level because those divided, uncoordinated projects actually stifle innovation and limit results.

The **FIRST STEP** is pulling together various pockets, projects and teams into a cross-departmental, collaborative team.





**PRO TIP:** Ask yourself, if you were starting from scratch today, would you still pick each of these programs?





Don't forget to look at your people when formalizing your process. What do your teams need to know about each other to contribute to informed, holistic decisions? What training will you establish to upskill and reduce fear among your teams? Where do you need to tap external knowledge and resources?

Evaluate where you have talent gaps. Upskill employees. Give them the time necessary to devote to digital transformation. And ensure they're data literate. Too often, organizations put technology in place to gather data without understanding what the data means. It's critical to identify what insights you need to deliver a better experience for both customers and employees.

In the end, you should have a team that's starting to build a holistic, formalized framework for digital transformation.

The blueprint by which you'll make technology decisions should lead to projects that are intentional and are planned and executed as a group. It should include a thorough vetting process. It should involve buying teams versus a single decision maker. And it should include metrics for success.

Keep your business goals in sight. How do you measure customer satisfaction? Is it through net performance scores? The number of returns on goods?

Engagement of your brand on social media? Organizations get stuck in their digital transformation partly because they can't put their finger on what isn't working — and so part of getting unstuck is formalizing the ways you'll know you're achieving success.

And that leads us into the next step: Strategize.

Successful digital transformations are **TWICE AS LIKELY** to set clear KPIs and targets to meet than ultimately unsuccessful ones.

# 80%



of employees believe they lack the skills they need for their future career.

# 74%



of employees are willing to learn new skills or retrain in order to remain employable.

# 74%



of employees say they aren't reaching their full potential due to lack of development opportunities.



# STAGE 4

Strategic



All digital transformation plans should be anchored by — and help drive — your business strategy.

For organizations stuck in the middle steps of transformation, it's common that IT doesn't understand leaders' vision or strategy, and leadership doesn't understand the value or potential of technology.

And the biggest failure is when both only look from their perspective and miss an opportunity to **COLLABORATE** and fully **INTEGRATE** technology and strategy.

Roughly

**60%**

of all organizations are currently stuck in these middle stages.

# STRATEGY-DRIVEN TECH IS CHANGING INDUSTRIES



Robotics are reshaping nearly every industry, from manufacturing to healthcare. Artificial intelligence is helping nonprofits answer clients' common questions. Casinos and hotels are tapping into biometric data. CRMs are revamping construction firms' bidding processes.

If industry leaders were only looking at strategy from a traditional perspective, those solutions wouldn't be changing the core of how they do business.

To get past the barriers of your own perspectives, keep your customer and their journey at the center of your strategy. And determine the metrics you need to measure that impact.

Banking apps are an excellent example of how strategy and technology can combine to elevate customer experience by creating new solutions and new touchpoints.

Bank customers need to deposit checks. Know their balance. Pay their bills. Transfer funds. Buy things. Get loans. If banks only looked at solving those customer needs from a traditional perspective, we wouldn't have ATMs. Or online deposits, bank apps, touchless payments, instant credit applications .... We would just have more brick-and-mortar banks with more teller windows or pneumatic tubes at drive-through windows.

Instead, we now have more than 75% of bank customers using mobile apps for essential tasks like depositing checks, paying bills or checking balances. And there are new banks that do 100% of their business online, allowing them to save on overhead and give customers higher interest rates and lower fees.

What are your customer's points of friction? How can technology help solve those challenges? It's time to start strategizing. And remember: Your customers can be internal as well as external, so tech that makes your employees more motivated or happier should also be in your plan.

# 86%



of consumers are willing to pay more for a great customer experience.

# 73%



of companies with above-average customer experience earn more revenue than their competitors.

# 20%



is the increase in employee engagement that companies see when they improve their customer experience.

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## CONTINUE YOUR JOURNEY

Read the other two books  
in our digital transformation  
e-book series.



### Decoding digital transformation

How to get started in digital transformation by focusing on strategy, execution and technology.

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Is your digital transformation stuck?

**WE WORK WITH  
THE INDUSTRY'S  
PREMIER  
PLATFORMS TO  
HELP YOU WITH  
PRACTICAL  
YET INNOVATIVE  
SOLUTIONS.**



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