



The DynaSis Educational Series for C-Level Executives

A Digital Business in a Digital World

“If your company has not already begun its digital journey, you’re likely a Digital Dinosaur. If you’re already using digital to connect with customers, you’re a Digital Connector; if you’re already applying digital to increase operational agility in service of customers, you’re a Digital Operator. And if you’re both a connector and an operator, you’re likely a Digital Master. The dinosaurs of today will become digital prey by 2020 unless they can learn to master digital — in which case, there is every possibility they can become tomorrow’s digital predators.”¹

The above paragraph comes from a report published by Forrester Research, intended for the Chief Information Officers and other C-Level executives of large businesses. The report details many of the considerations and expectations of an “enterprise” sized business, but never addresses the digitalization of small to mid-sized businesses (SMB). Because we believe that becoming a digital business is just as relevant to SMBs as to large companies, we are offering our thoughts on to how today’s SMBs can move forward with digital transformation.

To sum up that opening paragraph in a single sentence: **Your business will either become a digital predator or digital prey.** In today’s world, the small business is already at somewhat of a

disadvantage. Big box retailers have edged out the local hardware store, shoe store and office supply company. Your local dentist may now be an employee of a regional or national chain. Your car dealership is likely now owned by a conglomerate of 300 or more locations. That said, many small businesses continue to thrive and grow, and for many, this is at least in part due to the great strides forward that have become available through technology. For those who have: Great! But now is not the time to sit back on your laurels. Someone is always trying to outdo you and new competition is always knocking on the door. To those of you who have not: No kidding, it's really time to get on board.

Technology is becoming more and more intertwined with the very core of forward thinking businesses, focusing on everything from R & D to production line management, from sales and marketing to customer service. And let's not leave out HR or finance. But it is this very intertwining that can cause us to lose sight of just how much more we can accomplish by taking technology to the next level...and the next and the next. Just using the basics of today's technology does not make you a digital business nor does it give you an advantage over your competition. Everyone uses computers. Everyone uses email. Everyone uses the Internet for research. Everyone uses accounting software. These tools only make you equal, not better.

I.T. – Inside-Out vs. Outside-In

I.T. has typically been and an “inside-out” function in most companies. Whether your SMB has its own in-house IT team or uses a managed IT service provider, the focus has traditionally been



on supporting the nature and function of the business as it exists at the moment. This is “inside-out” I.T. management, and there is nothing wrong with it. This is a valid requirement of your IT team. But tremendous additional value comes when the IT team can also shift focus to an “outside-in” perspective and look at and adapt and adopt the disruptive business models that will propel you forward as the “predator”, rather than overtake you as the “prey.”

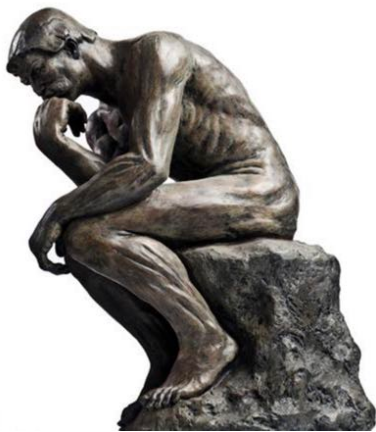
This is not an easy task. It takes time, skill and money, while still taking care of business as usual, but can be very rewarding. Identifying the players is also important, especially in an SMB where the person in charge of IT may have other vastly different responsibilities. If you use the services of a managed IT services provider, they need to be familiar with your goals and be brought into the loop.

So, let's take a look at what a digital business is...and is not. Selling the same goods online as you would sell in your store does not necessarily make you a digital business. Ecommerce is standard practice today and literally millions of other retailers are doing the same thing. But what if, when a woman ordered a dress online, before she made the final purchase, she was shown accessories that "worked" with the dress...like shoes...and a blouse. Then jewelry that you don't sell, but that comes from your digital partner, a website that sells these trinkets. Then handbags from another website, all without ever leaving your website and all purchased through your website. Becoming a digital business, in this case, enables you to maximize your sale and build your profit margins, all while creating a more satisfied customer. Whatever your business, either you have other products or services that your customers can use, or there is another seller who does and who will gladly pay you a commission for the sale.



But it's not just retail. Jet engine manufacturers now can place sensors into the engines that enable a reduction in maintenance costs. Banks can get real-time analysis of a client's assets to let them know when risk reassessment is necessary, and, hopefully, jump in there to help the them out. Managed IT service providers use software that tells them when an issue is developing so they can fix it before it becomes a real problem. GPS chips are being added to important shipments to track movement and make sure time sensitive goods are delivered on time. Companies of all types are collecting and manipulating data that helps them reduce costs, build sales and increase their bottom lines. And remember this: if you don't do it, there is a start-up out there that is working feverishly to build that better mousetrap and eat your lunch.

Below are some thoughts on how to begin your transformation into a digital business:



1: Set time aside for creative thinking. It's an old story that some of the best ideas come from some of the most surprising sources. You undoubtedly have people in your organization who see things differently than you do, and these people may have great ideas, or even "parts" of ideas that need to be explored and developed. Let people know in advance that they are going to be asked to participate in cross-departmental meetings with the sole purpose being (for example) to create better Customer Experience. BTW, Customer Experience, sometimes referred to as CX, begins with R&D, covers delivery of product or service, payment, ongoing customer service, and everything in-between.

2: Understand that while some valuable suggestions may have nothing at all to do with digitalization, many will require the business agility that can only come from digitalization.

Interdepartmental collaboration can be vastly improved digitally. IT security can be vastly improved digitally. Production floor productivity gains can be vastly improved digitally. Same with purchasing, shipping, finance, etc. Don't assume anything is obvious to you or your executives. Inertia is a powerful force.

3: Create and grow a digital mind-set. This mind-set has to start at the top and permeate throughout the organization. For real Digital Transformation to take place on the inside in terms of operations, culture, processes and personnel, and on the outside in terms of your company image and appeal to both your customers and your employees, future and present, it must become apparent that leadership is not only on board, but the driving force. If digitalization is not a priority to you, it won't be to anyone else.



4: Trial and error. If you are truly aggressive in your search for digitalization, and you should be, understand that not everything will work. That's fine. A lot of political hay was garnered when a half a billion-dollar government loan to a solar energy start-up imploded, but advances in green energy production have now reached a point where coal produced energy has fallen by 25% in recent years, replaced in part by solar and wind, and that sector is growing. Of course, not many companies can sustain a half billion-dollar loss (that solar company is no longer around), but prudent investment in digital can accommodate a trial and error mentality.

5: Digital partnerships. There are many innovative companies out there, especially start-ups, that offer products and services that may be complimentary to your own. Think outside the box and this may be a great topic for the creative thinking outlined above. Good partnerships can open new markets for you and your potential partners. The smarter enterprise-size companies are already doing this in a big way.

6: Non-traditional hiring. SMBs typically look to hire people with experience within their own industries. Certainly, this makes sense on some levels, but can also be limiting. Now, we are not suggesting hiring a graphic artist to do programming, or a programmer to do medical research, but hiring someone with the right skill sets from entirely different industry can often bring insight into new ways of doing things that can advance your business, especially if that new hire is coming from an industry or business that has already figured out how to use technology to advance its business goals.

7: Measuring digital success. This can be tricky but it is important that you develop a way to

track success, whether by revenue growth, improved product development, better and more effective customer service, etc. A word of caution: just because you may not be seeing a direct increase in revenue, does not mean that an improvement is not there. Additionally, even if revenue does not grow, you may experience increased profitability because of improvements in hiring, R&D, production, customer satisfaction, etc., and at the end of the day, isn't that what it's all about?

8: Read, research, explore. You don't have to reinvent the wheel. The information you need is out there. New software applications are popping up every day, and there are great companies



with talented programmers developing unique customized applications for businesses of all types and sizes. Keeping up to date with business technology news must become part of your daily life. As you learn about the technologies that other businesses in other industries are developing, think about how they might apply to your own. Remember this: you don't need a brilliant idea every week; just one bright idea might be the trigger to moving your business to the next level.

9: Get good counsel. The right third party can often see things from a different perspective that your years of experience may actually be blocking. Your IT service provider may be that resource, or you may find an independent consultant who is a good fit. The right firm, with the right people, can often find the technology you need, or even work with you to analyze and overcome roadblocks that are holding you back.

Earlier in this paper we have mentioned "competition". Every business faces competition and new competitors are popping up all the time. In many respects, it is easier today to start a new business than it used to be, because the biggest impediment for most people is capital. You have likely heard of the website "Kickstarter". Kickstarter helps fledgling entrepreneurs raise money for their businesses. But it's not just Kickstarter. Business News Daily recently published a list of ten Kickstarter alternatives: Angellist, CircleUp, Crowdfunder and seven others. People with good ideas are getting the money they need to start new businesses and they want your market share. The new business that will try and move into your space will likely be looking at technology right out of the starting gate. That's their advantage. Your advantage should be your years of experience, a loyal customer base, a dedicated team, and the ability to take advantage of today's newest technology.

DynaSis has been an IT leader for Atlanta's small to mid-sized businesses for the past 25 years. With more than 55 experienced IT professionals, we offer 24 x 7 x 365 help desk support, IT infrastructure monitoring, management and maintenance, and a full range of consulting services including direction and assistance in SMB digital transformation. We can be reached at www.DynaSis.com or 678.373.0716.

VIDEO RESOURCES



Digital Transformation



Digital Disruption:
Transforming Your Business – M.I.T.
Lecture



A Digital Strategy Framework

DYNASIS VIDEOS



DynaSis Overview



Is the Cloud Safe?

¹ <http://www.cio.com/article/3149053/leadership-management/6-strategies-for-becoming-a-digital-business.html>

<http://www.mckinsey.com/industries/high-tech/our-insights/how-companies-become-digital-leaders>

<http://www.informationweek.com/strategic-cio/digital-business/5-steps-to-become-a-digital-business/d/d-id/1174131>

<https://blog.equinix.com/blog/2017/01/10/becoming-a-digital-business-what-you-need-to-know-to-transform-your-it-infrastructure/>

<http://www.computerweekly.com/opinion/Seven-steps-to-becoming-a-digital-business-leader>

<https://www.accenture.com/us-en/insight-outlook-six-steps-digital-business>

<https://www.forbes.com/forbes/welcome/?toURL=https://www.forbes.com/sites/joshbersin/2016/12/11/how-everything-is-becoming-digital-and-why-businesses-must-adapt-now/&refURL=https://www.google.com/&referrer=https://www.google.com/>