

A Road Map to Digital Transformation

Strategies for accelerating transformation to a digital-first, digital-fast organization.



Introduction

Digital transformation has come a long way in the last 10 years. Back in 2016, Forbes reported that digital transformation was a slow process with an 84% rate of failure. There are several reasons for this, but one could argue that digital transformation initiatives during that time lacked a sense of urgency.

The COVID-19 pandemic changed that almost overnight. Digital initiatives that were on a slow roll, were suddenly needed. Teams had to find ways to work remotely and digital became the only way to engage with many customers. According to McKinsey & Company, companies during the pandemic sped up the digitization of customer and supply-chain interactions and internal operations by three to four years. They also increased the share of digital or digitally enabled products in their portfolios by seven years.

Thankfully, the pandemic is now behind us, and a new wave of change is underway. Digital leaders have shifted from emergency digital adoption to building long-term digital transformation plans, integrating AI, and advancing automation.

This paper provides a framework for thinking about digital transformation. We'll break digital transformation down into three stages and provide strategies you can use to accelerate progress at each stage, as well as an overarching strategy that can provide focus across all three stages. These strategies will help you align people, processes, and technology to create a digital-first, digital-fast company that is ready for the future.

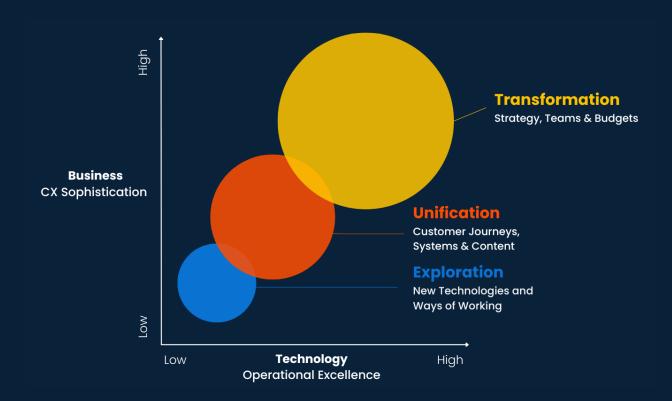


Mapping the Digital Maturity Journey

Knowing where a business is on the digital transformation journey helps business leaders and individuals better understand their role and where to focus their attention to effectively move forward. To help further understand the process of transformation, we'll be mapping progress on the chart below.

- On the technology axis, higher values reflect increased speed, flexibility, reusability, and standardization.
- Moving up along the business axis denotes more sophisticated engagement, conversion, acquisition, retention, and generally improved customer experiences.
- The exploring phase lands lowest on both the technology and business axes.

There is no one "right way" to progress from the lower left to the upper right. Some businesses choose to invest in technology that enables more sophisticated customer experiences. Others push teams to overcome technology challenges to deliver outstanding customer experiences and then invest in tools to streamline those processes.



STAGE ONE:

Exploration

Signs That a Company Is in the Exploration Stage

- There is a growing interest in new technologies and ways of working.
- ✓ Some teams or individuals are experimenting with new ways of achieving business goals.
- There are some innovative projects that can be used as a proof of concept to build momentum.
- ✓ Progress is happening in silos without a unified plan across the organization

Push the Limits and Encourage Experimentation

If you're at the beginning, an ideal starting point is a project that pushes the limits of your current technology stack. This encourages teams to look for new technologies and ways of working that can potentially be scaled up after an initial success. As teams begin to push the status quo, encourage further experimentation by celebrating those pioneers, surfacing their experiments, and expanding on their successes.

Find Your Champion

In time, champions for change will emerge. These champions, or "builders," as we like to call them, have the vision to see how technology and new ways of working have greater potential for the organization. They begin to build the case for enterprise-wide innovation, while simultaneously continuing to adopt new technology within their own spheres of influence.

Look for Signs of Progress

At this stage, the drive toward transformation can be top-down, bottom-up, or both. Companies might see progress along one or both axes as changes happen organically without a lot of coordination between teams. At one organization, builders might experiment with new technology or use existing technology in new ways. They drive adoption on their own teams and begin to influence their peers, gaining more interest and support from the bottom up.

At another organization, leaders might prioritize the need for innovation and invest resources in a center of excellence to drive the organization forward or initiate a cultural shift toward techenabled growth.

Progress can also be seen in cultural changes such as a changing view of technology from a cost center to an investment, a willingness to try new things, and a sense of urgency that is both customer-focused and data driven.

Build a Foundation for People, Process, and Technology Changes

To transition to the next stage, from exploration to unification, organizations should move toward a formal digital transformation strategy. The following strategies can help you avoid or overcome common roadblocks and build a stronger foundation for the next stage.



Strategy:

Identify and Fill Skill Gaps

It can be hard for companies that are just starting to invest in new technologies and digital-first experiences to find people with the skills they need.

- ✓ Think about skills across the company as a whole.
- Encourage builders to learn new skills and share them outside their own team.
- ✓ When hiring, consider the new skills a person brings to the company, not just the position.



Strategy:

Be Proactive in Managing Organizational Culture

Culture issues are often listed as a top challenge for transformation. Office politics, leaders who are too risk-averse, lack of urgency, or overreliance on what worked in the past can make it challenging for pioneers to introduce new ways of working.

Change management programs can help alleviate fears and reinforce traits that help individuals embrace change.



Strategy:

Align Technology to Business Goals

Adopting new technologies because other businesses are using them is tempting, but choosing technology that's the right fit for your business goals and capabilities now, will help you move faster in the long run.

- ✓ Think about how technology can solve a business problem or deliver more value to customers.
- ✓ Look for places where business and customer value overlap.
- ✓ Enable people to do more with existing technology through training and skill development before investing in new tools you may not need.
- ✓ When you do invest, focus on API-first tools that empower you to build a custom tech stack.



Strategy:

Reduce Technical Debt

Legacy systems slow transformation by placing high demands on budgets and developer skills. We often see this materialization as interdependency between content and engineering teams.

Changes that could be completed in days or even minutes can take weeks. Marketers and editors are left frustrated by the slow pace, while developers are held back from bigger projects by a queue of requests.

STAGE TWO:

Unification

Signs that a Company Is at the Unification Stage

- Strategy, teams, budgets, and technology are all aligned on building digital-first experiences.
- Digital capabilities extend into all functional areas of the business. Modern technologies, agile workflows, and team structures help attract and retain top talent.
- ✓ The business is unified by a flexible stack with integrated technologies that empower
 faster innovation and shipping.
- ✓ The company culture is customer-focused, data-driven and forward thinking.

Align Efforts with a Formal Digital Transformation Strategy

At this stage, companies are seeing more people using technology to work smarter and faster. This is the time to start scaling successful changes across the organization and formalizing digital strategy and leadership.

A unified digital transformation strategy helps avoid the pitfalls of too many disconnected or redundant tools. Digital leaders can learn from successes and failures across teams and use that information to optimize the growing digital ecosystem across the business. A unified plan is also a first step toward realigning the organizational structure to facilitate new ways of working, break down silos, and bring builders together on cross-functional projects.

This requires a high level of executive support and a commitment to change management. At this stage, some individuals and teams might be resistant to change. Business leaders need to lead by example, cultivating a culture that is data-driven and comfortable with accepting failure as a means of learning and succeeding faster.

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Prioritize Enterprise-Wide Initiatives with Measurable Impact

Forward-leaning organizations can accelerate their progress by balancing technology gains with strategies that help individuals and teams adapt and align on organizational goals. It's easy to mistake change for progress, but those individual changes should be coalescing into a larger strategic plan. This is the time to prioritize enterprise-wide initiatives that pull siloed teams together. Focus on the big picture and keep measuring the impact of changes against your organizational goals.



Strategy:

Build Broad Support for Transformation with Big Wins

Politics, egos, and fear are the main obstacles to achieving the collaboration and solidarity needed within companies to make the changes digital consumers want. Fear and risk-aversion at all levels can slow progress.

Companies need to gain executive support while also creating a culture where it's safe for builders to fail as they try new technology. Implementing solutions that touch as many parts of the business as possible engages more people in transformation and helps them see direct benefits.

We'll talk about the benefit of choosing an enterprise-wide function as a focal point in the last section of this paper.



Strategy:

Use Agile Methods to Accelerate Decision-Makingwith Big Wins

Teams should replace long planning and procurement processes with agile methods. Traditionally, businesses used long planning and procurement processes to minimize risks. Now, the greatest risk can be moving too slow.

Accelerate the pace of change by empowering teams to move faster, experiment with new technology, and embrace failures as part of the process.

Ongoing change management should focus on underlying reasons for resistance, including fears around skill gaps and changing career paths.



Strategy:

Choose Integrated Technologies to Connect Siloes

Businesses should focus on how technology can connect silos, integrate systems, and enable data and insights to flow freely across business units. As the business moves toward a modern tech stack, the organization needs to seek tools that make it easy to tie the stack together.

Even if teams use different technologies, they need to be integrated into a core infrastructure to prevent silos. It's much harder to go digital-first if a business is still held back by a traditional, all-in-one digital experience suite.

Despite being positioned to deal with larger amounts of content and channels, most legacy digital experience platforms (DXPs) are not able to easily cope with new changes or channels.



Strategy:

Start with the Customer, Not the Technology

Don't forget why you're seeking to transform in the first place. Simply throwing more technology into customer experiences doesn't cut it. Think about your end goal:

A better customer experience driven by engaging products, leading to increased revenue and a larger share of the market.

Digital products should be created with customer expectations in mind. Otherwise, you're just adding complexity with no clear return on your investment, and your customers will run off to your competitors.



STAGE THREE:

Transformation

Signs that a Company Is at the Transformation Stage

- Strategy, teams, budgets, and technology are all aligned on building digital-first experiences.
- ✓ Digital capabilities extend into all functional areas of the business. Modern technologies, agile workflows, and team structures help attract and retain top talent.
- ✓ The business is unified by a flexible stack with integrated technologies that empower faster innovation and shipping.
- The company culture is customer-focused, data-driven and forward thinking.

Celebrate Your Ability to Continuously Adapt

Reaching this stage is something to celebrate — you're likely enjoying increased speed, efficiency, and a culture that embraces ongoing change.

At this stage, you'll also realize that digital transformation isn't an endpoint. It's the process that takes you from a slowly evolving traditional organization to an agile, tech-enabled business that can quickly adapt to opportunities and threats.

These are businesses that push the boundaries of what's possible and are viewed as leaders in their industry. They continue to evolve their digital strategy, supported by a flexible infrastructure and a resilient, innovative culture. They don't just focus on the future; they set the course.



Apply the Skills and Technologies You've Gained to Go Even Faster

Companies at this stage have the people, processes, and technology to pursue bold ideas that might have seemed impossible before. It's time to start flexing those muscles with strategies that accelerate development, delight customers, and secure your position as a future-ready, industry leader. We included some examples with these strategies for added inspiration.



dormy

Delight Your Customers with New Products and Experienceswith Big Wins

Having the right skills and tools in place is key to staying ahead of evolving customer needs. That's why Dormy, one of Europe's largest golf retailers, partnered with Avensia to transform their digital commerce experience.

By rebuilding their e-commerce platform with a modern, composable architecture and Contentful's CMS, Dormy unlocked the flexibility to launch new products faster and tailor experiences to each customer.

The result? A future-ready platform that keeps golf enthusiasts engaged and coming back for more. <u>Discover how Dormy hit a hole-in-one on their internationalization journey.</u>







Choose Future-Ready Technology You Can Build On

You've come all this way. Make sure that the tools you're investing in grow with you — no one wants to replatform. Modular, API-first tools enable companies to start small and build agile technology stacks that evolve with them.

Svenssons, one of Sweden's oldest and most successful furniture companies, embraced a new approach by adopting the Avensia Excite composable solution, incorporating Contentful as a modern alternative to their outdated monolithic platform.

Their previous website struggled with poor performance, limited functionality, and an overdependence on manual processes, resulting in missed sales opportunities and poor customer experience.

By transitioning to the composable solution, Svenssons was able to build a website tailored to their customers' needs, leverage best-of-breed systems for enhanced performance and flexibility, and significantly reduce development time and resource usage. Read more about how Svenssons adopted a modern commerce approach.

Choose a Focal Point to Accelerate Digital Transformation at Any Stage

Digital transformation requires companies to improve individual business functions. Choosing one function as a focal point can help businesses move through the stages faster.

Focusing on one area in the exploration stage creates a safe place for experimentation and encourages teams to develop their own best practices that can be applied to broader transformation efforts. It can also make it easier to measure progress and build momentum.

As companies move from exploration to unification, a focus area provides a logical point from which to build cross-team support for larger transformation efforts. In the later stages of transformation, successes in one enterprise-wide function can be scaled up and extended to other areas.

Focusing on one area in the exploration stage creates a safe place for experimentation.

From Silos to Synergy: Coop Norway's Content Transformation

Coop Norway partnered with Avensia to future-proof their digital presence using Contentful's composable content platform. As one of Norway's leading grocery retailers, Coop needed a solution to manage content across 1,200 stores, 2 million loyalty members, and multiple digital platforms. Their ambition was to deliver consistent, localized, and personalized content experiences while boosting operational efficiency.

Coop's previous on-premises setup was both resource-heavy and inefficient. Launching a new campaign meant creating and publishing content separately for each channel. Content couldn't be reused or repurposed, which led to duplicated efforts and increased time and cost. Thanks to the new solution, Coop has unified its content creators and web editors into one collaborative team, breaking down previous silos. Now, editors work together across all channels, creating content that's structured, tagged, and easy to find.

This case illustrates how a composable approach, powered by the right tech and expertise, can transform digital content operations in retail. With Avensia and Contentful, Coop has built a scalable solution that aligns with modern commerce demands. See how Coop Norway created an engaging web experience by implementing a headless CMS.



Why Content Is a Good Focal Point for Transformation

Content impacts every corner of the organization, delivering value far beyond brand awareness and engagement. It plays a strategic role in aligning messaging, data, and delivery across customer-facing teams. "This can be done by utilizing digital asset management systems, customer data platforms and campaign collaboration tools, which are likely to already have been installed", Altimeter's "The 2023 of Digital Transformation" report states.

Altimeter found that using customer-related data to personalize messaging and content has become standard practice. While most companies have reached this level, successful digital transformers have gone further. They're using Al to analyze data, generate smarter recommendations, and optimize performance in a continuous feedback loop.

At the same time, focusing on content operations can start or accelerate digital transformation for companies that struggle with unwieldy, legacy content management systems, multiple CMSs, and siloed content. Improvements in content management and delivery provide wins that are measurable, visible, and applicable across multiple products and business functions.

Content operations include editors, designers, developers, marketers, product managers and others who contribute to the distribution of content through different digital products and channels. This makes it a good choice for early transformation efforts, as it engages a diverse group of people in the process. It's an opportunity to forge a strong alliance between marketing and IT, the two teams most likely to lead digital strategy. Content challenges can also unite different product teams. A win on one product can readily be shared with other product managers, to help build support for enterprise-wide adoption.



Empowering with a Modern Content Platform

A modern content platform empowers editors, product managers, marketers, and developers in two important ways.

First, it frees up resources. Instead of spending time on manual tasks, content creators can focus on building engaging digital experiences that make businesses stand out. Developers can move away from being gatekeepers for every content update and instead drive innovation, developing new digital products and features.

Second, it enables people to do their best work. A modern content platform provides intuitive tools that allow marketers and product managers to launch campaigns and manage content efficiently without relying on developers. Meanwhile, developers can work with the programming languages and frameworks they prefer, seamlessly integrating content via APIs instead of dealing with time-consuming migrations. This not only streamlines workflows but also helps attract and retain top talent.

At Avensia we partner with <u>Contentful</u> to help businesses build scalable, future-proof digital experiences. By combining Avensia's expertise in commerce strategy and technology with Contentful's powerful content platform, we enable seamless integrations between content management, personalization, and omnichannel customer experiences. Together, we help companies accelerate digital transformation – whether starting with a proof-of-concept or scaling enterprise solutions.

With over 20 years of experience and a global team of 300+ modern commerce experts, Avensia collaborates with leading B2C and B2B brands across Europe and North America to drive long-term success. We challenge ourselves and our customers to push the boundaries of what's possible, ensuring they stay ahead in an ever-evolving digital landscape.





