Mistakes businesses make on the way to digitalisation

The era of digitisation revolutionises the way businesses work and keep up with their growth. Hundreds of organisations worldwide ambitiously set off and begin their digital journey. This increasingly automated, even robotised way of cooperation is seen as our near future.

Temps de lecture : minute

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But today, as we are still trying to figure out all the specs of implementing digital business projects and making virtual efforts, there is something that keeps them away from success. Regardless of the company's size and budget, there are very common challenges that beat their stability out. Let's see what are these common mistakes businessmen make during such a digital transformation.

1)   Inadequate business planning

Let's face it, you need a clear strategy.

You need to have a real vision and goals to give your digitalisation attempts a purpose. Many businesses are aiming at growing too quickly than it is possible naturally due to the horrible _forecasting and planning_. In order to achieve the desirable outcome you need to find the most perfect execution approach that goes beyond all organization and planning aspects. Everything should be taken into consideration including digital marketing, promotional plans, detailed breakdowns of costs on technology and profit predictions.

The reason why it is important can be clearly remarked with the GE digital transformation in 2011. The company expected to develop its own digital industry with new embedded sensors into the products, as well as new software platforms, which was partly successful in the very beginning but failed afterall. If the company used a secure _VironIT_ software, things could have been better for them.

However, the _pouring billions of dollars into GE Digita_l resulted in a sharp stock decrease worldwide, damaging the shareholder wealth. Soon, the stock has slowly reached its minimum so much that on June 12, when it closed at $28.94 GE got stuck in its own transforming business model for the industrial offerings.

STOCK PRICE CHANGE SINCE 2010

S&P 500
139.7%

GENERAL ELECTRIC
−7.0%

SOURCE: S&P GLOBAL
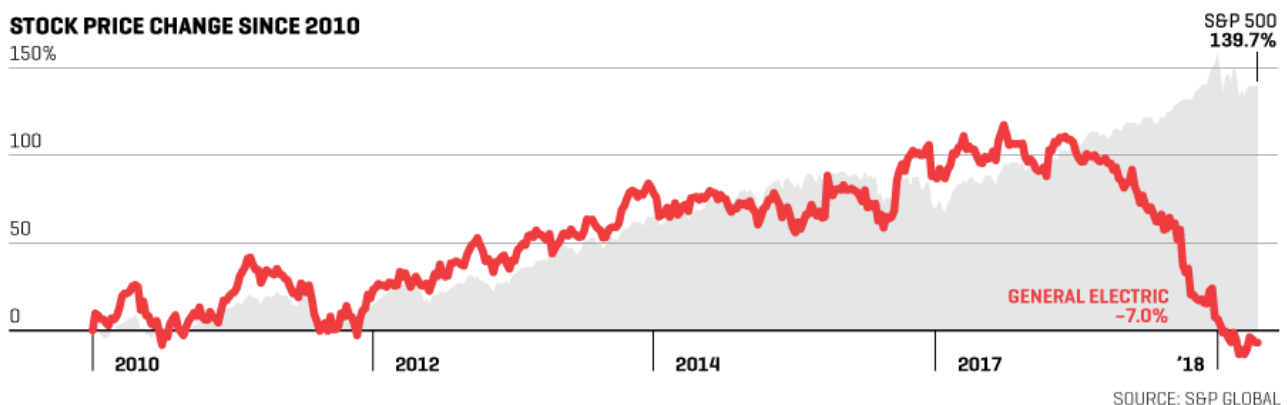
That's when the company's digitalisation attempts completely derailed the whole business. And the main problem is with a poor _business plan_. Very often, businessmen can't even articulate an effective strategy to manage digital transformation. They focus a lot on receiving the gains, while forgetting about the importance of having a clear business outline. Eventually, their performance is in deep waters and with no potential. The chance to adapt technology and sustain challenges over the long haul is very slim.

2)   Zero knowledge about the competition and imminent economy crash

No matter how massively the business world is changing towards digitalisation, we still observe many failed transformations of quite lucrative companies. In fact, the figures show that nearly 80% of organisations epicly cease to function or fulfil their full potential, and less than one in five companies actually prosper on their digital transformation journey.

LESS THAN ONE IN FIVE:
Companies that are 'very effective' with digital transformation

63%

18%

19%
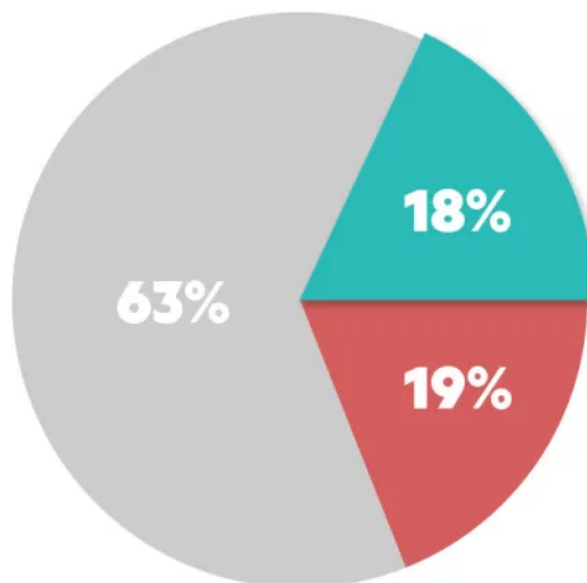
● Not Effective / ● Moderately Effective / ● Very Effective

Source: Harvey Nash/KPMG CIO Survey 2017, *Navigating Uncertainty*, p. 26

Many leading businesses are making the best use of advanced modern technologies. Yet, they seem to put a foot wrong when operating with the

methods that are easier for them. Whereas, other competitors step up their digitalisation game and apply tools that are more effective and valuable. For example, _Procter & Gamble_ has not reached tremendous prosperity despite the digital efforts that were more targeted to its existing products and processes, because they didn't pay attention to the industry, competitors and economy whatsoever.

Consequently, the conclusion we are drawing here is that companies need to really learn the market before setting up digitally. Indeed, to ensure digital transformation success, companies without any expertise have to seek advice from external experts. Only this way through distinctive segmentation algorithms, testings, web personalisation, and other methods they will be able to gather data about your audience or competitors.

3)   Failure to make technologies more human-centric

When a businessman stops sitting on the fence and makes decisions on starting his or her digital journey sooner or later the question of reengineering will come. Just to give you some numbers, _76% of executives_ agree that the organisations' should not only set the technology and forget it, but apply more people-centric tools to it.

Actually, by saying that a company plugs something new into its industry, it doesn't necessarily imply we are talking only about technologies. Digitalisation is a much broader and complex process. It requires

mixing people, IT systems and AI-powered tools along with the thorough monitoring and transforming. The bitter truth is that only a few brands can deliver it all to the customers and _fulfil their brand promises_.

In order to deliver a real sustainable growth of digital transformation and

business, in general, you are very encouraged to seek new solutions, share data in a new way and focus on people. But, it doesn't have to do with customers only. The common mistake is when a company similarly forgets about the teams and _organisations working across or tearing down_ the company's hierarchies and silos.

If you don't demonstrate all the exponential benefits of working with your digital tools to each member of your business squad, as well as clients, it will be quite impossible to enable their workforce and customer base.

To sum up, the introduction of a new digital culture into your business can be a hard nut to crack. Many businesses we have discussed today proved to be easily resulted in epic failure. Actually, there is a long way to go before certain companies can go for a digital transformation. The main aspects that we don't count into consideration are planning, process, and people. Firstly, it is very vital to ensure technologies evolve correctly as the company grows within the appropriate time and significant resources. Secondly, digitisation can substantially reduce governance and empower people to increase the capacity for creativity and purpose. Thirdly, going digital means more social involvement and interaction between employees and customers. Thus, if you work on these 3 key dimensions and ensure this triangle isn't diabolic, where one or even every side suffers, your digitalisation transformation efforts will bear fruit.

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