

DIGITAL SOCIAL TRANSFORMATION: MANAGEMENT PERSPECTIVES

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ABSTRACT

Digital transformation is the application of digital technologies to fundamentally impact all aspects of business and society. While other factors have also played a role in changing people's lives in recent years, it is apparent that digitalization and its associated technologies are affecting established patterns of human activity and the human networks within which activities take place. Digital transformation is about more than digital products and services. It's also about the processes that create, enable, manage, and deliver them. Essentially, digital transformation describes the process by which a company forms a strategy to implement technology to improve business and meet the ever changing demands of the consumer. In a digital world, organizations operate as ecosystems—not self-contained entities—enabling them to quickly and constantly reconfigure themselves in response to ongoing societal, technological and market shifts. Some of the key technologies and applications that are driving the digital transformation today include: *The Smartphone, The Internet of Things, Big data analytics, Artificial intelligence, Block chain or distributed ledger technology (DLT)*. Many other technologies underpin the digital transformation that is currently underway, including open-source software like Hadoop, 5G, robotics, grid and neural computing, virtual reality, quantum computing, etc. Companies in all industries and regions are experimenting with — and benefiting from — digital transformation. Adapting quickly to this change is becoming a make-or-break proposition for many companies worldwide.

INTRODUCTION

Essentially, digital transformation describes the process by which a company forms a strategy to implement technology to improve business and meet the ever changing demands of the

consumer. The goals of a digital transformation can include broadening the company's reach, improving operational efficiency, transmuting the company's culture and image, or all the above.

Today, mobility is evolving to a broader set of digital devices that can be embedded in the customer products. To stay competitive and relevant to the customer, most technology companies are rapidly moving towards the digital engagement architecture supported by digital and social strategies and real-time collaboration among all stakeholders. It necessitates a pervasive social and cloud orchestration layer that spans many different system of records and departments with-in an organization. Digital transformation is necessary for businesses that want to remain competitive, but it is changing the landscape of work as we know it. New technologies are enabling capabilities and streamlining at more advanced levels for businesses, changing the relationship with how we interact with our workplaces and the tasks we need to perform. On the other hand, technologies are displacing human workers.

Digital and Social Business - Key Characteristics

Businesses are morphing from customer-product hierarchies to relationship-capability networks. Harnessing the disruptive force of social requires looking into the business functions holistically to create social strategy and an effective social organization models in which –

Everyone adopts and makes people productive

- Accelerate movement towards systems of engagement,
- Operating model change and,
- Digital and Social Innovation
 - Single-point-to-go-to
 - Layers with all systems of references – HR, IT, CRM, Finance, Sales and Marketing etc
 - Orchestrate social culture change across hierarchy
 - Technology to facilitate change and collaboration
 - Embed context for each moment of collaboration
 - Self-service system to learn adaptively from human experience
 - Social business policies, guidelines rolled-up into a co-created governance model and,
 - Leadership teams to exemplify shifts in behavior
 - Everyone adopts and makes people productive

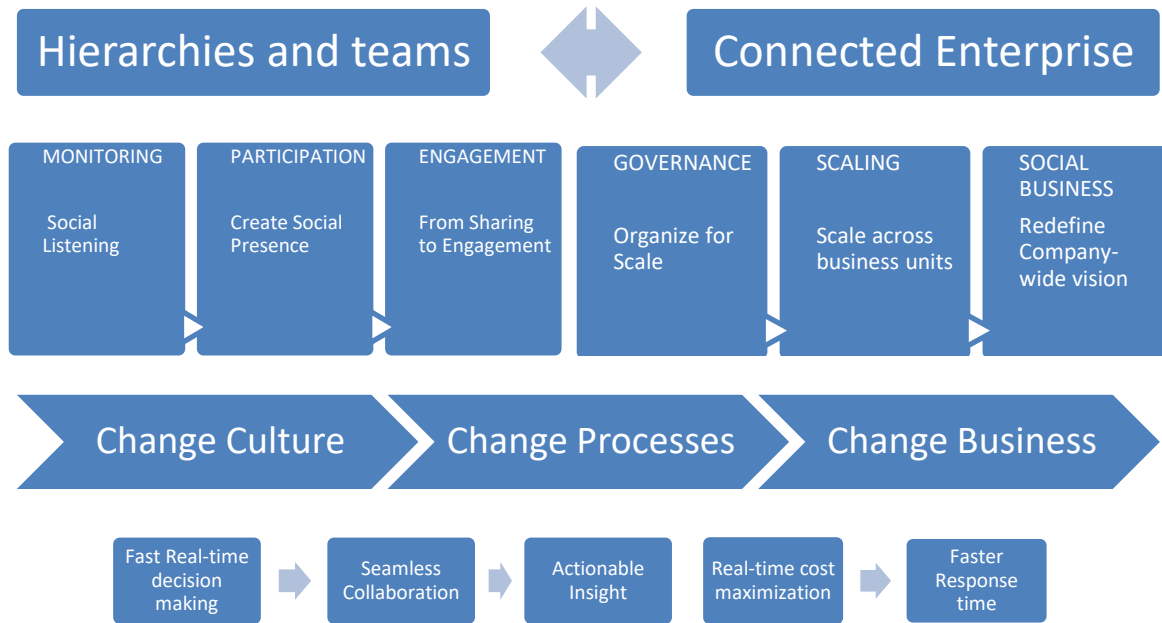
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Social Business Roadmap – Key Building Blocks

Social business transformation is centered on evolving social as a great systems of engagement where all stakeholders – employees, customers, partners and suppliers play a vital role in the co-creation of business value. Companies have begun to integrate social software and platforms into the core enterprise applications such as CRM, ERP, HCM and CMS. Socially enabling the enterprise is no more a dream but a strategic initiative that is being implemented by several enterprises today.

Transition from Social Media to Social Business

Fig.1 Social Business Transformation Roadmap



Source: https://www.researchgate.net/publication/281834402_Social_Business_Adoption_and_Digital_Transformation

The above figure illustrates how social business roadmap becomes a ground for organizations to move towards social transformation moving across various checkpoint stages. The key phases of above roadmap are given below -

- Monitoring – This phase creates the Social presence and helps to understand how customer use social channels by listening social Buzz on areas of customer interest.
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- Participation – It moves from “Sharing” to “Participating” Model using Social Collaboration platforms and social listening tools and link them to their business objectives.
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- Engagement – This phase leverages enterprise social networking platform and integrate social technologies into customer enterprise systems thereby setting rules and processes for engagement.
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- Governance – This phase defines governance for social and digital initiatives by creating right discipline and processes.
- Scaling – This phase focuses on integrating social business initiatives across the line of
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- Scaling – This phase focuses on integrating social business initiatives across the line of businesses (LoBs) and capture KPIs/metrics around them.
- Social Business - It fundamentally redefines organization-wide digital and social vision
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Less than 10 per cent of businesses globally have managed to build an intelligent enterprise capitalizing on new technology and service capabilities, according to PricewaterhouseCoopers' senior manager of digital intelligence, Tim Lovitt. Digital transformation is already underway, but is not proceeding at the same pace everywhere. According to the McKinsey Global Institute's 2016 Industry Digitization Index, Europe is currently operating at 12% of its digital potential, while the USA is operating at 18%. Within Europe, Germany operates at 10% of its digital potential, while the UK is almost on par with the US at 17%.

According to research from IDC, two-thirds of the CEO's of Global 2,000 companies will shift their focus from traditional, offline strategies to more modern digital strategies to improve the customer experience before the end of 2019 – with **34% of companies believing they'll fully adopt digital transformation within 12 months or less.**

The stages of transformation from 'doing' to 'being' digital

- ▶ Stage one is where businesses don't dabble much in social.
- ▶ With stage two, often there's a marketer in the organization that is pushing towards digital.
- ▶ Stage three is operationalization. Usually at this stage, businesses realize the value of social and they start to structure and build out functions to support those capabilities.

- ▶ Stage four is about distributor excellence, cohesive marketing and having a robust social practice. An outcome of effective integration is called “emerging automation”, which helps give customer an overall better experience. “Social may now be used for communicating with staff, rather than just customers.”
- ▶ Finally, the fifth stage is full engagement, which is a 360-degree view of the customer engagement DNA.

To understand how the businesses that embrace digital transformation can ultimately benefit, it helps to look at the changes in business models currently in process.

Some of the more prominent examples include:

- A focus on outcome-based models — Open the door to business value to customers as determined by the outcome or impact on the customer’s business.
- Expansion into new industries and markets — Extend the business’ reach virtually anywhere — beyond strictly defined customer demographics, physical locations, and traditional market segments.
- Pervasive digitization of products and services — Accelerate the way products and services are conceived, designed, and delivered with no barriers between customers and the businesses that serve them.
- Ecosystem competition — Create a more compelling value proposition in new markets through connections with other companies to enhance the value available to the customer.
- Access a shared economy — Realize more value from underutilized sources by extending access to other business entities and customers — with the ability to access the resources of others.
- Realize value from digital platforms — Monetize the inherent, previously untapped value of customer relationships to improve customer experiences, collaborate more effectively with partners, and drive ongoing innovation in products and services.

In other words, the time-tested assumptions about how to identify customers, develop and market products and services, and manage organizations may no longer apply. Every aspect of business operations — from forecasting demand to sourcing materials to recruiting and training staff to balancing the books — is subject to this wave of reinvention.

Some of the key technologies and applications that are driving the digital transformation today include:

- **The Smartphone:** The introduction of the smart phone in 2007 transformed computing by enabling constant mobile connectivity and providing individuals with access to a wide range of new applications and services. It has also enabled the development of the "platform" economy.
- **The Internet of Things:** The Internet of Things (IoT) comprises devices and objects whose state can be altered via the Internet, with or without the active involvement of individuals. It includes objects and sensors that gather data and exchange these with one another and with humans. The networked sensors in the IoT serve to monitor the health, location and activities of people and animals and the state of production processes and the natural environment, among other applications.
- **Big data analytics:** Big data analytics is defined as a set of techniques and tools used to process and interpret large volumes of data that are generated by the increasing digitization of content, the greater monitoring of human activities and the spread of the IoT. It can be used to infer relationships, establish dependencies, and perform predictions of outcomes and behaviours. Firms, governments and individuals are increasingly able to access unprecedented volumes of data that help inform real-time decision-making by combining a wide range of information from different sources.
- **Artificial intelligence:** Artificial intelligence (AI) is defined as the ability of machines and systems to acquire and apply knowledge and to carry out intelligent behavior. This means performing a broad variety of cognitive tasks, e.g. sensing, processing oral language, reasoning, learning, making decisions and demonstrating an ability to move and manipulate objects accordingly. Intelligent systems use a combination of big data analytics, cloud

computing, machine-to-machine communication and the IoT to operate and learn. AI is making devices and systems smart and empowering new kinds of software and robots that increasingly act as self-governing agents, operating much more independently from the decisions of their human creators.

■ **Block chain or distributed ledger technology (DLT):** Whereas most software protocols support information exchange, block chain or DLT enables protocols for value exchange, legal contracts and similar applications. It facilitates a shared understanding of value attached to specific data and thus allows transactions to be carried out. In itself, block chain is a distributed

database that acts as an open, shared and trusted public ledger that cannot be tampered with and that everyone can inspect. The combination of transparency of transactions, strict rules and constant oversight that can characterize a block chain-based network provides the conditions for its users to trust the transactions conducted on it, without the necessity of a central institution. The technology offers the potential for lower transaction costs by removing the necessity of trustworthy intermediaries to conduct sufficiently secure value, legal or other transfers.

Many other technologies underpin the digital transformation that is currently underway, including open-source software like Hadoop, 5G, robotics, grid and neural computing, virtual reality, quantum computing, etc. Some of these have applications in almost all sectors of the economy and can be considered true "general-purpose" technologies. Others have more narrow applications in specific sectors.

Digital Strategies That Transform

A digitally maturing organization follows a clear and coherent digital strategy and effectively communicates it to employees. The history of technological advance in business is littered with examples of companies focusing on technologies without investing in organizational capabilities that ensure their impact. In many companies, the failed implementation of enterprise resource planning and previous generations of knowledge management systems are classic examples of

expectations falling short because organizations didn't change mindsets and processes or build cultures that fostered change.

Several obstacles stand in the way of digital maturity; lack of strategy and competing priorities lead the list of speed bumps. Lack of a digital strategy is the biggest barrier to digital maturity for companies in the early stages. In digitally maturing organizations, nearly 90% of strategies focus on improving decisions and innovation.

When developing a more advanced digital strategy, the best approach may be to turn the traditional strategy development process on its head. As an example, the spice and flavor manufacturer McCormick & Company used digital strategy. Given the importance of personalization and digital technology's ability to provide it, McCormick developed FlavorPrint, an algorithm representing the company's flavors as a vector of 50 data points. Currently, McCormick uses FlavorPrint to recommend recipes to its consumers. But the vision is much bolder. McCormick thinks of FlavorPrint as the Pandora of flavorings, which has prompted the organization to see itself as a food experience company rather than a purveyor of spices. Eventually, all McCormick flavors will be digitized, and the company will be able to tailor them to regional, cultural and even individual personal tastes. Although all the needed technologies are not yet available, they likely will be in the coming years, and the strategy to take advantage of them is already in place.

How to Sell in the Age of Digital Transformation

Today the world is driven by digital and almost all aspects of the sales process are strikingly different. Perhaps most striking is the shift towards referrals. Studies suggest that 84% of B2B decision-makers kick start their buying process with a referral, while 65% of fresh business stems from referrals. To win on the commercial battlefield, companies need to embrace the power of digital and ensure their sales teams are active and proactive where customers are - online. When it comes to selling products, services or even concepts, the internet excels in developing and nurturing rewarding relationships. In addition to relationship building, it offers the opportunity to establish trust with existing and potential prospects, driving sales as a result.

By definition, social selling is a digital marketing discipline in which salespeople use the power of social media to connect directly with prospects. Sellers can offer unique value by answering questions, solving consumer problems and presenting thoughtful, targeted content to convert sales.

The presence of brands online hasn't gone unnoticed by consumers. PwC research found that 78% were influenced by social media in some form when making a purchase, while almost half claimed reviews, comments, and feedback on social media changed their buying behavior.

A cohesive social selling strategy can help your business:

- Cultivate new connections
- Source and target the most valuable leads
- Educate, inspire and nurture prospects
- Forge trusted relationships with potential prospects and clients
- Position your brand and sellers as experts in your field by answering questions and offering solutions
- Share meaningful content and valuable insights during each step of the buying journey

The future of digital selling

While social selling has picked up serious momentum amongst sales professionals across industries, digital selling in its entirety is still yet to be explored to its maximum potential. This fact alone offers enormous opportunities for businesses looking to excel in the digital world.

By developing an organizational structure around content and a creating an accommodating environment in which to measure its consumption, accurately measure consumer interest and buying intent to influence and convert sales will become all the more possible.

CONCLUSION

Digital transformation affects all areas of a business and in order to progress and thrive sellers need to have knowledge of and understanding of digital channels and avenues where they can influence, inform and engage customers. "In this fast-changing, complex world, if a company sees innovation as something incremental, it will be marginalized in the coming years."

Enterprise Social Business enablement has become vital for the success of enterprises in all industry sectors. Social Business mainly depends on the Business Leadership and their support to gain traction in the organization so that it would deliver benefits through strategic insights and execution. Digital transformation offers organizations an opportunity to engage modern buyers, and deliver on their expectations of a seamless customer experience regardless of channel or place.

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