EPCGroup
Enterprise Innovation

A GUIDE TO DIGITAL TRANSFORMATION IN THE POST-COVID WORLD

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Introduction

Two years back, not many businesses considered gearing up competencies in crisis management, enterprise agility, cost management, workforce resiliency, innovation, or cash-flow management. Today **the game has changed**.

Before the onset of the COVID-19 global Pandemic, most businesses were moving steadily towards a digital future. Since the term 'Corona virus' dominated our conversation, 'Digital' might have been the hottest topic of our discussions. It took us a Pandemic to understand that when we apply 'digital' to its fullest potential, the result is a data-driven, agile, customer-centric, future-proof enterprise, that empowered people and made leaders capable to lead teams through competitive markets.

Organizations that were paving the way towards digital transformation with a focused strategy, need to reimagine their approach.

COVID-19 interrupted everyone's plan to adopt digital transformation. The unprecedented threat and unexpected lockdown pushed many global organizations and their leaders into waters that were unfamiliar, if not totally uncharted. Hurried decisions to implement digital solutions for facilitating remote workforce, shifting customer engagement from physical to online, and reducing operational costs was the primary motive for many.

However, the positive side which we saw during this pandemic was the incredible dedication shown by enterprises to adopt technology and tools to meet customer and employee's needs in a virtual environment. Apart from that, the downside showed us how much underutilized technology tools are. Well, technology and its adoption had limitations all along, but during this Pandemic, it became more visible. Therefore, the pre-COVID digital transformation strategy must be reimagined.

At EPC Group, we predict that successful companies will shift their mindset permanently and innovate ways of working that will suit the new normal. The technology transformation that tool place acknowledging the COVID-19 will last longer even after the pandemic.

Here are some notable changes we identified and are going to stay beyond Pandemic,

- The exponential shift in consumer behavior is supposed to stay forever leading to an accelerated shift in digital consumer engagement.
- Actionable intelligence driving real-time visibility in financial and operational data will enhance its pace in the coming years.
- Enterprises willing to move ahead with proven technology solutions will retain the reconfigured supply chain developed for addressing the disrupted global logistic demand.
- The digitalized processes customized to meet the
- demands of the remote workforce will stay and enhance in the future to meet the new normal.
- Many organizations will continue remote or hybrid working environments and will come up with innovative ways to use offices ensuring the future of work is an impending reality.
- The shift in highly critical skill sets and jobs will continue to

make an advancement in the future impacting society and people.

No wonder, COVID-19 pandemic has substantially accelerated the demand for digital transformation.

Digital transformation is a strategic approach to the adoption of digital technologies to create new or improve existing processes, services, and customer experiences.

The Changed Journey of Digital Transformation

The unprecedented need to transform business digitally has taught us that the journey to an effective digital transformation will not be easy or quick. Many organizations have experienced the endless loop of doing things digitally or launching customized digital products and reaching nowhere. All these things are illusions – far from the reality of being digital. Pandemic has made it painfully clear.

In 2021, if you want to hop on the digital transformation bus, you need to have critical changes in business/operating models and the process has to be gradual in focused stages of maturity.

The early stage of maturity starts with companies relying on digital technologies to launch new initiatives and leverage digital tools to enhance capabilities. However, they do so by focusing on the existing business models and never hurting its fabric.

At the end of the maturity stage, companies get digital by reimaging business, operations, and customer models that are significantly different from where they started. It will bring not only fundamental changes in the ways of their working but will also change the culture and entire business DNA.

A carefully strategized digital transformation approach will ensure the company is future-ready. It empowers the organizations to innovate quickly and bring new offerings, skills, and expertise to the market rapidly, successively, and at scale.

Fearless Attitude to Go Digital

The journey from adopting digital to going digital is not of much hassle although it consists of few relatively easy and some bold initiatives. Many times, bold initiatives are hard to take because the old business model is the primary inhibitor in making the transition successful.

Therefore, digital transformation in 2021 is going to be critical. Nevertheless, it is going to accompany those having a fearless attitude and capable to take risks for exploiting and optimizing the current versus exploring and scaling the business models for the future. Such a fearless attitude is possible business. A strategy that focuses future and a culture where intelligence and talent are cultivated and attracted. If you are not ready to take a fearless initiative be ready to lag.

Accepting Digital

One of the major inhibitors of adopting digital to going digital is a poor understanding of what DIGITAL is.

Digital transformation rightly achieved impacts the entire organization. Right from value proposition to customer engagement, from core processes to operations, and from talent to how work is done. For complete digital transformation, enterprises need to address all the elements by realizing the full potential of digital.

Legacy IT infrastructure is considered as one of the prominent hindrances in digital transformation. It not only makes the process complex and inefficient but also makes it hard to simplify processes and policies. A legacy IT infrastructure often prevents organizations from eradicating bureaucratic structures and adopting effective working methods.
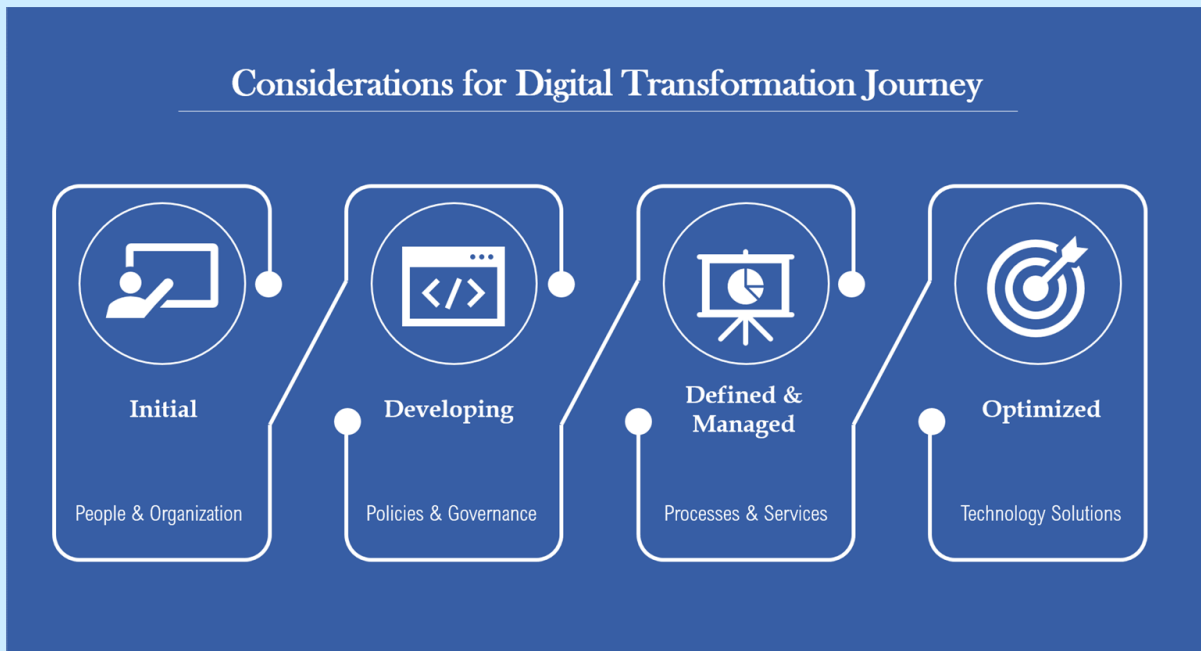
The journey to digital transformation must be accompanied by strong leadership, a visionary approach, and a fearless attitude to tackle deep issues in the (technology and organizational) architecture and ways of working.

The COVID-19 pandemic has forced many organizations to experience some degree of digital transformation by allowing their employees to work remotely without hampering their productivity. No wonder, digital transformation has become a way of life and a necessity to survive – everybody is doing this. The question is how many of us are doing it correctly.

> IT leaders can prepare and play a pivotal role in leading their organizations towards a digital future by understanding key considerations and the next steps for advancing digital organization.

Digital Transformation

Often the primary stage of digital transformation is reactive, IT-centric, and operation-focused. Yet, not many organizations recognize it as an important step towards the digital journey, instead, they focus on improving efficiency by providing paperless or paper-on-request processes. Nevertheless, after reaching a more developed and refined stage of the digital journey, organizations ensure their efforts are more inclined towards transparency and customer-centricity.

Considerations for Digital Transformation Journey

Initial

People & Organization

Developing

Policies & Governance

Defined & Managed

Processes & Services

Optimized

Technology Solutions

It is high time for organizations to begin planning, evaluating risks, and developing digital strategies to explicate their transformation efforts and design their digital roadmap.

The best thing is many organizations have developed a workforce that relies on collaborative tools, digital documents, expanded bandwidth, and enhanced cybersecurity as employees work remotely. Indeed, technology has changed the way global businesses used to operate, but this is only the beginning.

Salient Considerations for Digital Transformation

IT leaders need to access the current situation and identify the needs suiting the current environment to successfully plan and implement a thorough digital transformation.

Leaders familiar with digital technologies play a dominating role in change efforts. Leadership commitment is the key to success. Engaging a Chief Digital Officer (CDO) who is more digital savvy has more chances of achieving transformation success.

People and Organization

Digital transformation is about change – a change that takes place at all levels of the organization. Therefore, the impact of the

transformational change on customers, employees, partners, and stakeholders must be considered. When you are aware of customer expectations at the

beginning of the digital transformation journey, you can substantially improve the customer experience and minimize costs. Similarly, you need to understand employees' concerns related to the change and how they see the change impacting their roles. Even if digital transformation is meant to enhance their contribution and productivity and not replace them. It is always better to have a change management plan ready before starting the journey to address all the concerns and issues employees and stakeholders might have. It will help make a transition positively.

Policies and Governance

Business leaders must be aware of the laws defining parameters for the digital journey. Depending on it, they must identify and implement policies and governance strategies. Besides, policies and governance must be updated in some areas supposed to be affected by emerging technologies. For example, biometric verification or fingerprint verification is dominant these days. Therefore, implementing seamless authentication ensuring users can securely conduct their business using mobile applications. Additionally, while working remotely, organizations have allowed their employees to access data from multiple devices and multiple systems. Addressing policies and governance in this area is pivotal to achieve successful digital transformation in 2021.

Processes and Services

To start going digital, business leaders must understand the processes and services that are ripe for transformation. Here are some processes that work well with transformative technology solutions,

- Processes that are already calibrated, well-documented, and follows
- standard operating procedures.
- Processes that rely on the predictive rule or standardized decisions and need minimum human intervention.
- Manual and repetitive processes having multiple transactions and run frequently (daily, weekly, monthly) and involved manual work that is prone to human errors.
- Processes having low exception rates, restricted variations, and has versatile handling procedures.
- Processes with high costs but string ROI potential that is intended to offer cost and time savings so that workers can

focus on mission-critical activities.

Apart from the transformable internal processes and services mentioned above, business leaders must identify more services and processes that can be transformed using cutting-edge technology to better meet customer expectations.

Technology Solutions

A focused approach and diligent planning enable organizations to choose the best and cost-efficient tools. Business leaders must retrospect the automation requirements within the organization and then look for solutions leveraging shared services and ready-to-use applications. However, considering emerging technology solutions like Artificial Intelligence (AI), Internet of Things (IoT), and Robotic Process Automation (RPA) is a must.

Nevertheless, before integrating any product, it is mandatory to check its compliance with security, accessibility, and other standards. The way in managing data also needs to be checked.

Digital Transformation in 2021 Represents a Roadmap to Recovery

The COVID-19 Pandemic gave us a crash course in managing disruptions. What we learned from 2020 will help us define our success or failure in moving ahead on the digital transformation journey.
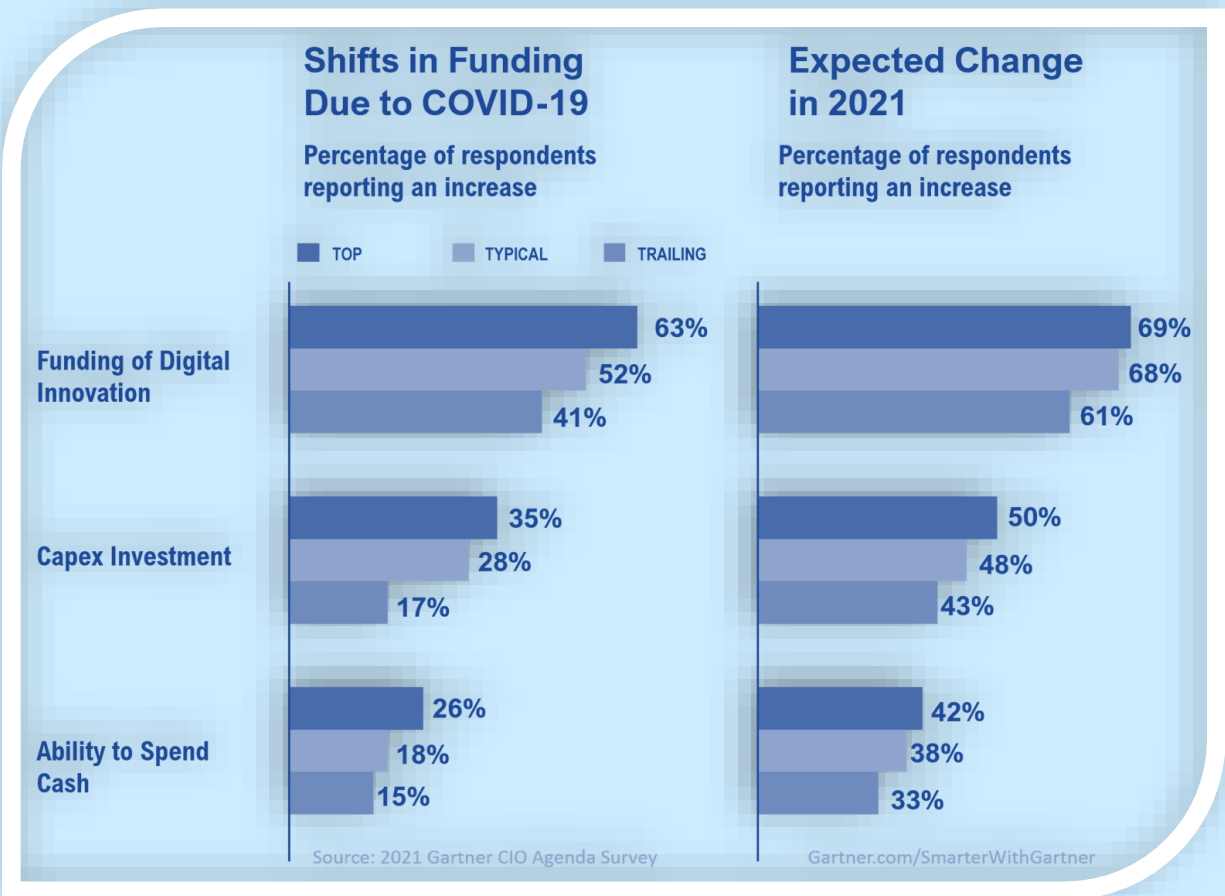
Accelerating digital transformation initiatives is probably the only good thing that happened during the Pandemic. By enabling remote work, it forced many organizations to shift their focus from innovation to business survival.

However, with great efforts, signs of economic recovery started appearing on the horizon. Considering the painful efforts every organization took to survive; business leaders are emphasizing investing in digital transformation to greet the future with optimum preparedness.

According to a Gartner Report, 202 will witness an average 2% increase in IT spending by business leaders. Whereas the board of directors plans to increase the spending on technology by an average of 6.9%.

performing organizations plan to further increase spending on digital infrastructure in the coming years.

Organizations that delayed their digital transformation initiatives due to the COVID Pandemic in 2020 are

Shifts in Funding Due to COVID-19

Percentage of respondents reporting an increase

■ TOP   ■ TYPICAL   ■ TRAILING

Funding of Digital Innovation
- TOP: 63%
- TYPICAL: 52%
- TRAILING: 41%

Capex Investment
- TOP: 35%
- TYPICAL: 28%
- TRAILING: 17%

Ability to Spend Cash
- TOP: 26%
- TYPICAL: 18%
- TRAILING: 15%

Source: 2021 Gartner CIO Agenda Survey

Expected Change in 2021

Percentage of respondents reporting an increase

Funding of Digital Innovation
- 69%
- 68%
- 61%

Capex Investment
- 50%
- 48%
- 43%

Ability to Spend Cash
- 42%
- 38%
- 33%

Gartner.com/SmarterWithGartner

These figures illustrate the hard lessons we learned in the last year. Gartner also reveals that organizations that spent an increasing amount on digital innovation despite the Pandemic are more likely to emerge as top performers. About 69% of such top-

expected to open their pockets in the second half of 2021 – resulting in an investment surge. How quickly your organization ramps up with the initiates will depend on your ability to maintain pace with the competition and that way you

capitalize on anticipated economic shifts.

For example, organizations that invested in new business models or digital products and services to emerging from the Great recession back in 2010, we're positioned to thrive during the recovery. The organizations that failed to make a shift and struggled to survive all those years might have been knocked off existence completely or by the end of this Pandemic.

The changes brought about by the Pandemic were unique in source and scope. The end of the Pandemic will by no means represent the end of disruptions. As a result, the first lesson we all learned during the COVID Pandemic is – *Change is Constant.*

Organizations acknowledging the importance of constant evolution and responding rapidly to change will be better positioned to not only survive but also capitalize on disruptions. Digital Transformation Protocols in Post-COVID World

To become a change-capable enterprise, you need to embrace the mindset, processes, and tools that empower leaders and the workforce to manage uncertainty. To achieve business agility, you must have a collective

understanding that change is often painful but always necessary, and you need a commitment to stay focused on the future rather than the transitional state.

Business leaders must understand that with monumental changes they need to prepare for addressing some unique challenges. However, attaining transformation in incremental stages, both strategically and financially always proves beneficial. Smaller and manageable steps simplify iteration towards larger goals. It helps enterprises to remain agile enough to react to new changes.

Finally, the eternal truth that we learned in the past year – everything IT is not true digital transformation, it spans beyond that. Although technology is a key component that helps an organization to identify and respond to the evolving business and customer needs, even the cutting-edge technology solutions are only as effective as how they are being used. Supporting the human side of the change by establishing a culture change proves epic to drive long-term adoption and sustainability.

Therefore, when you want to set goals for the new year, it is critical not only to embrace best practices

for digital transformation but also to learn from past experiences.

With the key identifications and understandings, you can take these five steps forward to attain digital transformation in the post-COVID world.

PROTOCOL ONE Digital Transformation is More Than Technology Adoption

A sudden change that forced a swarm of workers to remote platforms brought about many changes that were not possible before. Companies rethought and redesigned their supply chains, automated manufacturing, used predictive maintenance to gain insights into the factory floor to avoid disruptions and more. All these changes were not temporary. Adaptability became a mandatory business competency and an accelerated pace of innovation has become a new normal.

The COID-19 Pandemic accelerated the pace of digital transformation in a true sense. Many organizations were complete with the technology adoption that previously shown resistance. Besides, before the onset of the Pandemic, many organizations distrusted technologies, their capabilities, and doubted the skills of their employees. However, during the pandemic, all these doubts and distrust vanished without leaving any traces.

It was nice to see organizations of small sizes relied on tech platforms and the corporate teams using them kept on delivering exceptional results. It's not like, those tools were suddenly invented, but they were already in use but used at the fullest potential for the first time. Previous barriers to adopt, integrate, use those technology tools were shoved aside and those who moved faster experienced immediate results.

The COVID-19 forever altered how global organizations used to operate. Organizations and IT business leaders become more trusting of how people, processes, and technologies are capable, resilient, and adaptable for a long-term change.

PROTOCOL Two The Power of People

Digital transformation initiatives are hard to succeed if you lack strong and visionary leadership. During the COVID—19 pandemic, we understood the two vital dimensions of digital transformation – employees are as valuable as your customers, and a digital-ready culture is mandatory to

survive in today's hypercompetitive world.

Business leaders will now be tasked with another opportunity alongside finding new digital tools – motivate, train, and inspire people to embrace the change that comes with the digital culture. Digital transformation in the post-COVID world is about working through the people by providing the tools, energizing them, and listening to them.

Investing in the latest devices and most advanced technologies is surely the most common misconception amongst business leaders. Although it brings new capabilities to the business, it won't solve problems if your employees are not skilled to use them. It's easy to fit the needs around the equipment but equally hard to empower employees. Incorporating demos, pilots, training, practices, and design processes help in facilitating a greater understanding of the new technologies. It allows receiving and offering feedback a seamless process.

As employees interact with processes daily, their inputs are more valuable. They can guide on what's working and what's not. With every technology adoption, it's

people who are going to be impacted the most; hence, involving them at every stage of change and adoption is very much necessary.

A digital transformation process must be perceived to make people's life easier and more productive. People resist the too-much-too-fast approach as they consider technology as their immediate replacement.

Involving people right from the start and conveying the message transparently throughout the transformation plays an important role in successful digital transformation.

Adopting digital tools largely centers around employees and customers, like workforce training and customer experience management.

The changed customer behavior is expected to continue even after COVID-19, therefore, customer experience management with "improved customer service" will be the epitome of digital transformation in the post-COVID world. In addition to that, employee well-being is among the highest priorities for many businesses.
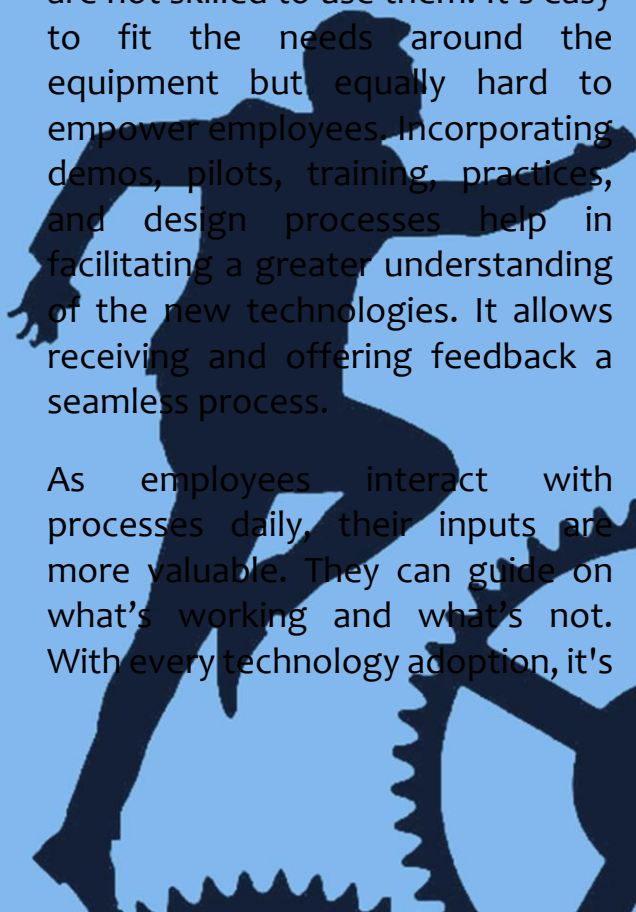
PROTOCOL – 3
Prioritizing Process Automation

The COVID-19 pandemic shook many businesses at its core and forced them to deviate from their original status quo. Yet, businesses started prioritizing the development of new, automated processes to address the realities of COVID-19.

In those challenging times, businesses faced new opportunities and by re-analyzing processes, they tried to grab them. They prepared a new course of approach by deploying technologies throughout digitization projects to reduce costs and achieve leaner operations. Using technology to automate activities right from copying and pasting content from one system to another, right up to cognitive solutions that can 'think', learn, and reason like humans.

Robotic Process Automation (RPA) was a strongly emerging technology before the pandemic. In the post-COVID world, RPA will gain more momentum and will find a place to be embedded in several intelligent automation suites that enable digital transformation.

No-code machine learning will become mainstream. In the post-COVID world, AutoML will

dramatically fats-track the development of machine learning models. Traditional coding platforms will take a back seat and no-code platforms will witness enhanced adoption. In simple terms, AutoML will significantly amplify the impact of digital transformation post COVID.

Many companies will stick to the remote working model or adopt the hybrid working model after the COVID pandemic. It means almost three times the workforce is likely to continue working from home. Therefore, organizations need to implement new technologies and automated tools to support their remote workforce. Support in terms of intelligent automation to handle line-of-business, document automation, and automating customer experience and service.

In the post-COVID world, organizations will start applying AI, automation, and other technologies to make workflows more intelligent and automated. Henceforth, the focus will be on automating the supply chain, processes, and workflows.

PROTOCOL Four
Increased Investment in Cybersecurity

The global COVID pandemic not only disrupted business operations in the

short term but also influenced how businesses will behave in the years that follow. The COVID-19 for sure caused a widespread disruption in cybersecurity operations, which is supposed to impact strategies, investment, and priorities in the post-COVID world.

Remote working was a particular issue that increased the risks of incidents like phishing and data theft. Larger corporations comfortably got away from the storm, but mid and small size companies are still fighting the hovering dilemma. Even though, expenditure on cybersecurity is expected to rise in the coming month's data privacy will continue to remain a pressing issue for many businesses.

Various businesses have been affected due to loopholes in data security. The extent to which those businesses were affected varies according to industry, size, and geography. Mid-sized companies suffered the most due to higher network and employee disruption, with an equally higher number of cyber-attacks.

Identity, access management, data protection, and privacy are considered prime areas of spending. It is expected that in the post-COVID world expenditure and investment in data protection, privacy, risk, compliance, and resilience will increase.

In the new normal Disaster Recovery Planning (DRP) and Business Continuity Planning (BCP) will be an ongoing focus.

Migrating on-site computing to the cloud has become a synonym for cybersecurity. In the coming years, it is expected that organizations will invest more in cloud security such as dual- or multi-factor authentication and digital identity management. Henceforth, it will become a priority to implement enterprise-wide dual- and multi-factor identification tools, encourage employees to use a certified password management tool to protect their information, and reiterate the very real risks related to sharing passwords and digital information in general.

"Defense is the best offense" – it's true here in a way. Out-of-date cybersecurity can be one of the biggest growth inhibitors during digital transformation.

Errin O'Connor, *Founder and CEO of EPC Group*

> "*Technology is nothing. What's important is that you have a faith in people, that they're basically good and smart, and if you give them tools, they'll do wonderful things with them.*"
>
> **Steve Jobs**

Errin O'Connor is the founder and chief architect of EPC Group. For the last 24 years, O'Connor has been assisting in managing EPC Group's corporate strategy. He architects the proven methodologies around business intelligence, collaboration, enterprise content management, and custom application development. PC Group has completed more than 5,000 Power BI, SharePoint, Office 365, and Microsoft stack-related implementations, including efforts around business intelligence (BI), custom application development, hybrid cloud strategy, Microsoft Azure, Office 365, SQL Server, Microsoft Intune, Amazon Web Services (AWS), and Microsoft Project Server.

O'Connor is a frequent speaker at Microsoft Power BI, Office 365, and Microsoft SharePoint events throughout the United States and Canada.

For more information about O'Connor and EPC Group, visit **www.epcgroup.net**.

EPC Group has a long history as one of the leading Microsoft Power BI, Office 365, MS Teams, and SharePoint technology consulting and software integration firms in the country. We leverage our time-tested deep expertise through proven "From the Consulting Trenches" strategies that serve as the foundation for our solutions and services for thousands organizations.

EPC Group has designed this document to help companies advance digital transformation and enhance customer experience, regardless of where the organization is on its digital transformation journey. It recognizes key considerations for digital transformation, outlines five-step process for advancing the next generation of digitization in post-COVID world, and identifies scope for technologies, resources, and trends facilitating digital transformation.

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