**Collinson Grant**

# Digital thinking
## Adopting different ways of working

**23rd April 2020**

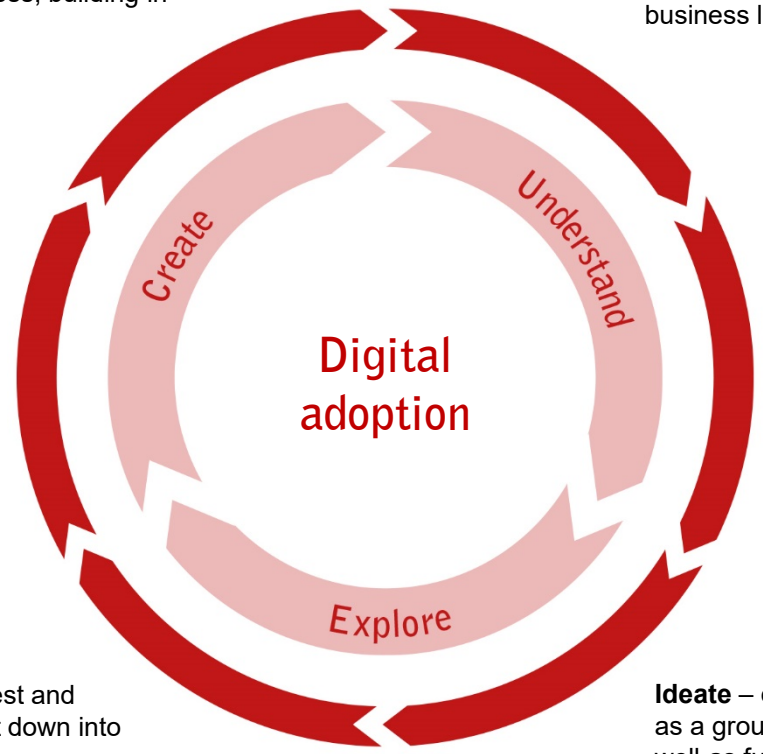
# Digital adoption

- **Digital** is not just technology, adopting it can influence every aspect of your business, and how you operate and behave
- We can see many examples today of how digital can be applied rapidly to an existing physical business:
  - bricks and mortar retailers setting up ecommerce in days to operate at the same capacity as their physical business.
  - large organisations moving thousands of people to home working in days with no loss of service
- Considering how it can change the way your customers interact and how employees work and behave can quickly become complex a complex topic. Today we will start the discussion on how to start the process, looking at:
  - a quick assessment of options to consider
  - what to consider when deciding what to pursue
  - how to make a start
- This can be a complex subject to fit into one short session, so we will follow up with more webinars on specific topics – additional content will be available for download
- Today we will talk about some of our experiences in this space, particularly how we succeeded by applying the wider business experience gained from carrying out many such assignments over many years in multiple sectors

# Our approach

**Reiterate** – continue the process, building in your learnings

**Empathise** – with the end user, 'walk in their shoes' what they are doing and how they fit into the wider business landscape (context)




**Define** – the needs of the users and the business, understanding the difference between success and failure

**Test** – through interactive end user interaction, listen to the feedback

**Prototype** – through development of test and learn initiatives, breaking each element down into achievable steps – learn quick!

**Ideate** – explore ideas as a group to make improvements and quick fixes as well as future states

# Dealing with business challenges – short and long term

**Understand**
The challenge that requires an alternative approach. Coordinate what you know about your own situation and fill any gaps in understanding

- Loss of revenue or a sales channel
- Breakdown or loss of supply chain
- Reduction of market share by competition
- Diversification or improvement
- Scalability, increase revenue and growth
- Merger or acquisition

**Establish a control function - virtually - to coordinate your thinking**
Quickly organise a cross-functional team to tackle critical business issues and monitor KPIs, clear ownership of responsibilities established, and members empowered to drive the response end-to-end. An approach will allow you to make the decisions more quickly than traditional methods

**Assess the current state**
How long can it last, what is required to keep it running? Look at your customers, internal operations and supply chain

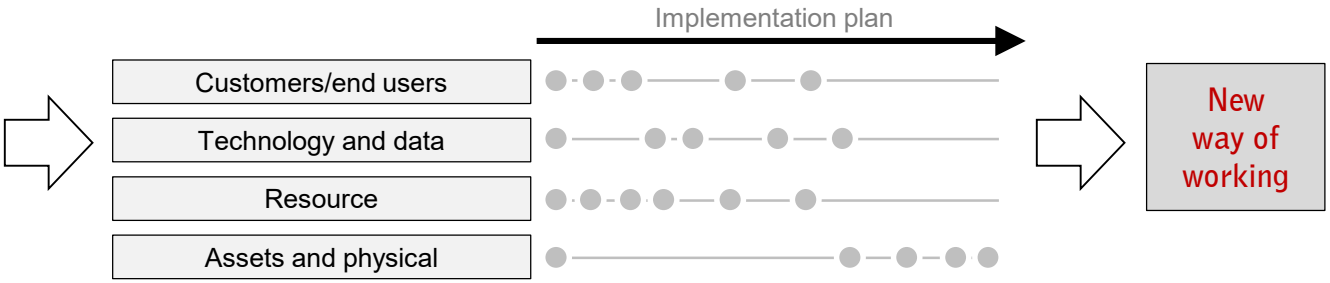
**Explore**
Design new ideas by exploring new ways of looking at your organisation

- Who is the end user?
- What are you offering (process, product or a service)?
- How will the transaction be fulfilled?

**Consider what you can do differently mid and long term**
Time is critical but not a constraint on outputs, so consider what the market or industry will look like when the lockdown is lifted. Will you phase your organisation back? How can you do this effectively? How will your market or industry look as a whole and how will the supply chain look?

**Create**
Develop plans to make the ideas and concepts a reality

- Strategic vision
  Executive and operation
- Roadmap and timeline
- Organisation design
- Documented processes



# Adopting different ways of working

Create a digital roadmap that fits your customers of end users' requirements as well as all those of your business. Ask the question:

- Can a transaction or engagement happen without any need for manual intervention?

Organisation proposition

Customer journey

Business processes

| Customer | Customer support | Resource and capability | Data and technology |
|---|---|---|---|

Create documentation that describes the requirements in the context of the end to end story, removing ambiguity and interpretation risks, everyone will be on the same page.

**Strategic vision**
Executive view

**Roadmap**
A plan of what and when

**Organisation design**
Capability and timeline

**Technology**
Digital development and/or improvement

**Documented processes**
Current and future

### Brand, Marketing and PR
Changes required to existing or adoption of new digital practices, dynamic marketing, loyalty programmes and partnerships.

### Organisation and operations
Develop the existing team to build new structures to deal with the changes in capability and skills. Change processes to match the requirements.

### Technical development and management
Initial development of the required technology platforms and integrations. Start small and learn quickly, but always keep an eye on the long term. Ongoing management can be separate, but should consider continuous improvement.

### Support
Build the capability to support in both offline and online channels for end users. But don't forget internal stakeholders, they will need access to the same journey and support.

Amazon started selling books online in 1994 from a garage, the business you see today has been 25 years in the making…

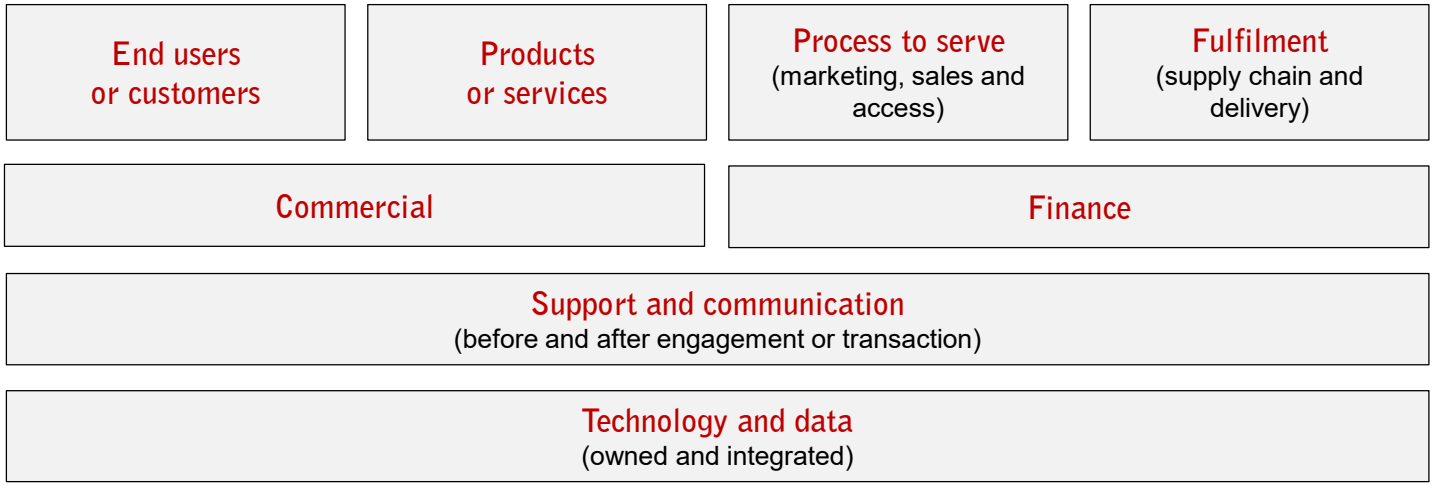
# A relevant example of adopting digital – e-commerce
# Step 1 – Understand what you have now with its strengths and weaknesses

To understand what you do today, ask yourself three questions:

- What do you do currently to attract customers to your business?
- What do you provide as a service or range of products?
- What does your organisation need to do to fulfil this demand (end to end)?

Then ask the following question:

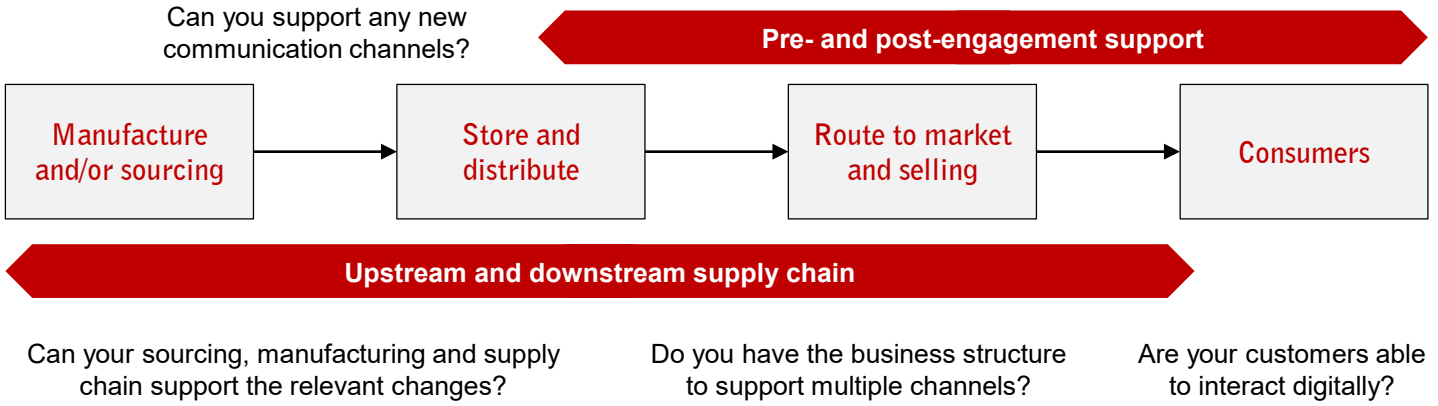
- Can a customer or end user do this without anyone in my organisation being involved?




This will provide a high-level view of what your main requirements will be to adopt digital for commerce

Incumbent or legacy technology, the type of customer you engage with and the products or service you provide will all influence how you create a digital version of the existing journey

The outputs of this process will also highlight any challenges you may have with the key drivers of your existing business



# A relevant example of adopting digital – e-commerce
# Step 2 – Explore what you can do with what you have and new concepts

- Start small, test and learn, develop what works
- Document all the interdependencies, a smooth process will not work if it requires offline contact and integration or manual intervention
- Design a process that can replicate the current offline success through digital channels with no or minimal direct contact or communication – while maintaining the essence of what makes you unique

## Current

### Customer journey
What do your customers do when they engage with the business and for what reason – can it be improved?

### Business process
What does the business do to fulfil the demands of the customer?
This includes any physical interactions, resource, suppliers or integrations with third parties

### Data and technology
What data and technology are needed in the process and how are they managed?
Include any integrations and external factors

## Customers

### Acquiring customers
Regardless of business to business or direct to consumer, a digital channel will increase the volume of potential customers. The challenge is to attract the right customers, aligning them with the right product/services that you offer – minimising the cost of acquisition

The key areas of focus in digitising marketing and sales are:

- Who are the audience, their location and what volume?
- How do you currently do this (the essence of your previous success)?
- What is required to attract them to the product/service offered online?
- What are they looking for in terms of a transaction? In other words what would convert them from general interest to a transaction?

## Meeting demand

### Digitising the business process
Take your current state and the new insight you have to design a process that minimises any direct involvement by your business. Can a customer transact with my business with a minimum of (or no) direct contact?

The key areas of focus in digitising the process are:

- Engagement – communication for brand, marketing, transactional and notifications
- Conversion – sales
- Order management and post-delivery support, transactions and fulfilment
- Finance – invoices and payment
- Operational efficiency – automate processes to improve and to accommodate growth

# A relevant example of adopting digital – e-commerce
# Step 3 – Create the requirements to make it happen

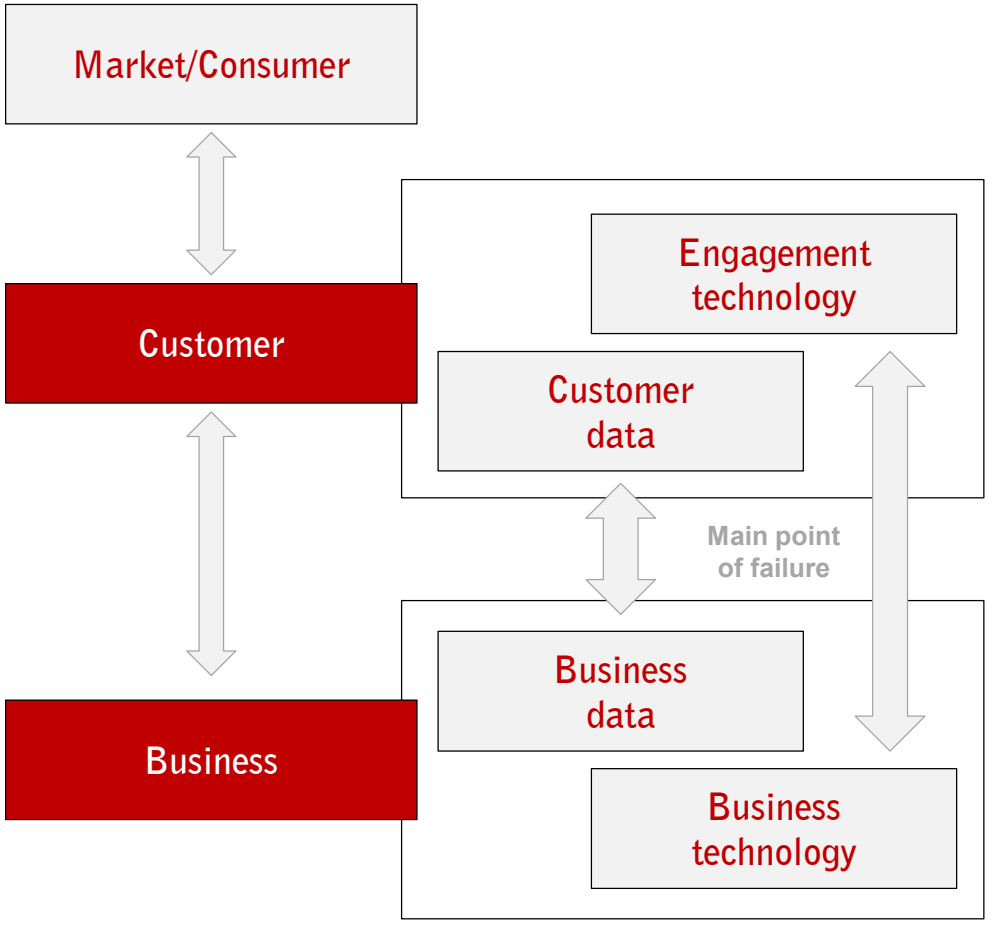
Develop a roadmap from the learnings in Steps 1 and 2 that is suitable for the potential opportunity, the business capability and available investment

The better the business capability and available investment, the quicker a digital channel can be realised. However, in most cases a business already fulfils a sales order process with customers. Building on what already exists can be less risky and allows a more gradual growth from incremental success

Technology can be simple and lean, look at the business process touchpoints and determine the minimum needed for the interaction (customer and business)

This will help create a requirements specification that answers the following questions:

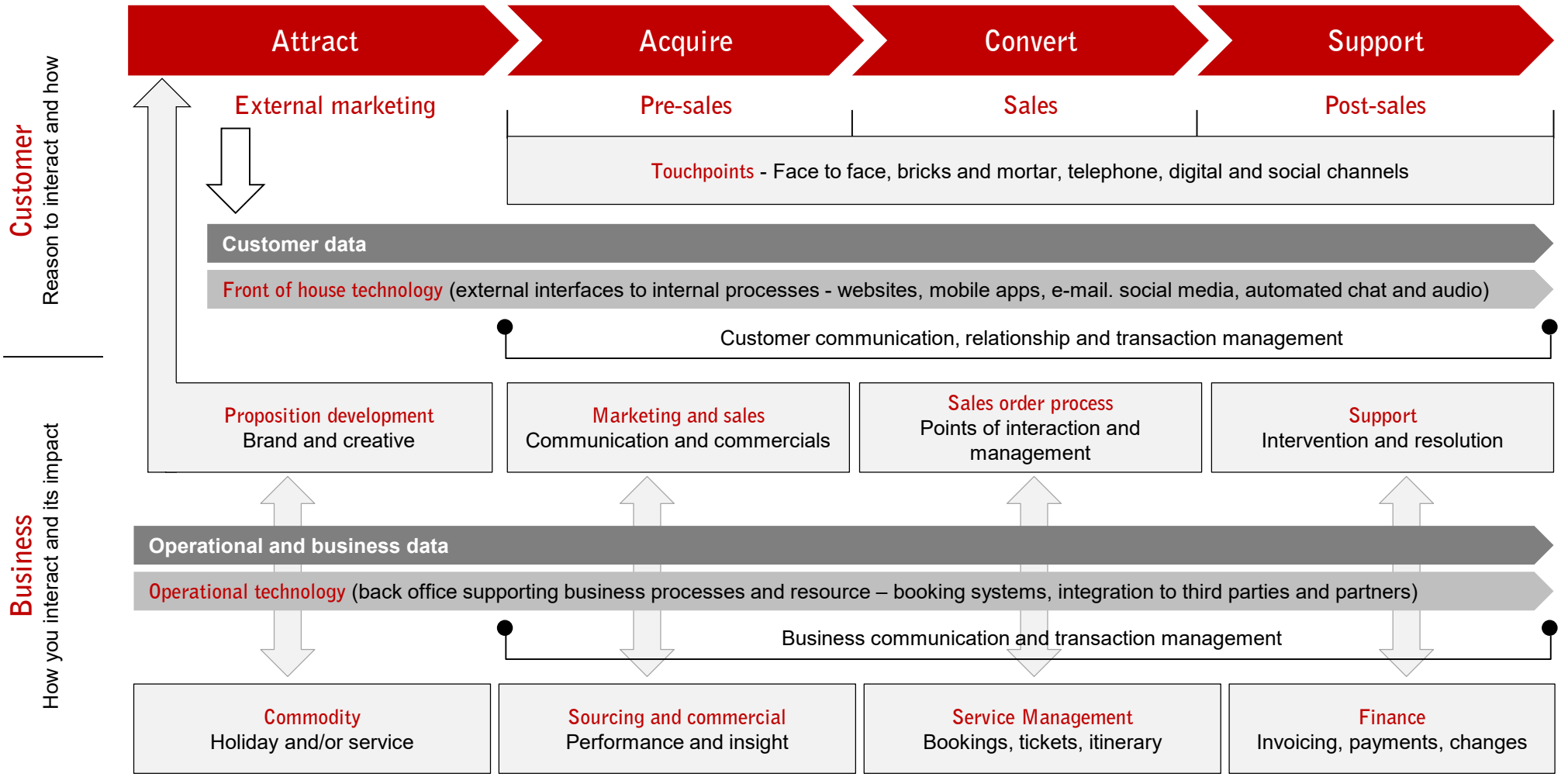
- What is the minimum that the customer needs to service its requirement?
- What is the minimum that the business needs to fulfil the customer demand?




Technology is part of your tool set, its not the complete answer. Review existing technology and ask:

- Do the processes need to share data?
- Can the customer or business deal with an interaction at the point of need – has it got the relevant/up to date information required?
- Are there any gaps in the integration or data and technology that require manual steps or time to pass information between processes?
- Can the end to end process be automated completely with no direct interaction?
- Can I have a stop gap solution while I wait for the ideal automated solution?

# A relevant example of adopting digital – e-commerce
# Step 4 – Outputs to drive rapid implementation



# Questions and answers

## Home truths: Some insights drawn from fifty years of management consulting

Physicists hold on to a number of ‘universal constants’. They are fixed and reliable – things that you can build on. Collinson Grant’s ‘home truths’ provide a similar sound platform for businesses and the world of work. First derived in the late 1980s and building on our direct observations of how companies are run and how managers behave, they attempt to capture some dependable thinking on management, profit, costs and people

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1 Profit should always be the first charge against sales. This determines the costs that the business can afford

2 Any business that does not constantly emphasise profit will ultimately make a loss

3 Any organisation, system, procedure or individual left undisturbed for three years will become inefficient

4 Managers should treat all overhead costs as variable. If volumes fall, overheads should be cut

5 People tend to elaborate rather than simplify their work

6 HR functions (tend to) cluster on tasks that have a minimal impact on profitability

7 Any activity managed only on technical criteria will be unprofitable

8 The optional extras demanded by people can double the costs and timescale for any development

Home truths are neither universal nor exhaustive. They were used in early managerial briefings for senior executives at Hanson plc

Ryecroft Aviary Road Worsley Manchester M28 2WF United Kingdom Telephone +44 161 703 5600 Facsimile +44 161 790 9177

Fort Business Centre Triq L-Intornjatur Zone 1 Central Business District Birkirkara CBD 1050 Malta Telephone +356 2776 1710

12 place Saint Hubert 59000 Lille France Telephone +33 66 88 09 75

Web www.collinsongrant.com