

BLOG POST



TOPIC: DISRUPTIVE TECHNOLOGIES

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Disruptive Technologies

Disrupting Technology in the Equipment Finance Industry?

Digital transformation may sound like the latest word in buzzword bingo, but it is one of the most important initiatives facing businesses today. Digital transformation is about creating new customer value propositions, more intimate customer relationships and transparency within your business, your processes and your organization. Digital transformation is not just an IT strategy; it touches every aspect of your business.

The digital transformation process requires addressing disruptive technologies (defined as new ways of doing things that disrupt or overturn the traditional business methods and practices).

Every business, regardless of geography, company size or industry, will have to address the same five disruptive technologies:

- Social media
- Mobile computing
- Business analytics/Big data
- Cloud computing
- Risk intelligence

Each of these disruptive innovations is technology-focused and rapidly evolving, and each of them has the potential to significantly impact business.

Understanding Disruptive Technologies

Social Media

A social media strategy has become a must for all enterprises. With over one billion individuals logged on to various social networks, people are now using social media to research companies' products, services, philosophies and strategies. Companies are much more transparent to their customers, and companies need to develop a strategy to monitor and react to their social media status.

Mobility

Mobile devices have changed the way people access digital content. Smartphones and tablets have brought added convenience and rich, digital content to the fingertips of customers. Enterprises need to access their business to determine if there is a need to jump on to the mobility bandwagon, and if there is, ensure that their applications are mobile ready.

Analytics

Every year, companies and individuals generated billions of gigabytes of data. Data, that when properly analyzed, can create a tremendous competitive edge. Enterprises need to recognize this opportunity and adapt their IT strategy to capture and analyze this information.

Cloud Computing

Cloud computing has become an accepted technology, and companies need to recognize the tremendous opportunity it presents for fostering innovation and improving productivity.

Risk Intelligence

Risk intelligence is the ability to identify the risks that must be avoided to survive, by preventing loss or harm, and the risks that must be taken in order to gain a competitive advantage. Risk intelligence affords companies the ability to translate these insights into informed decisions and practical actions that strengthen resilience to adversity, and improve agility for seizing opportunities.

Navigating the Digital Transformation Process

Contrary to what you might think, successful digital transformation doesn't just come from implementing new technologies. It comes from transforming your business to take advantage of all the possibilities technology has to offer. This means a technology and methodology shift to re-envision and drive change in how companies operate. Companies will need to become more agile and dynamic to change, have the ability to bring products and services to market faster, be context aware about their industry and competition, and be well connected with their customers, partners and suppliers.

The Digital Transformation

The most important thing to understand about the digital transformation process is that there isn't an end game; it's a continuous journey. Businesses need to constantly be evaluating their processes, looking for ways to improve operational efficiencies and customer service across the enterprise.

Companies are beginning to address the digital transformation process with digital advances, such as analytics, mobility, social media and smart devices—and improving their use of traditional technologies, such as enterprise resource planning (ERP)—to evaluate the three main areas in the digital transformation process: the customer experience, the operational processes and the business model.

Transforming the Customer Experience

Successfully transforming the customer experience requires syncing and analyzing all existing data to better understand the customer's behavior, and mapping customer touch points to ensure a seamless and intuitive customer experience.

This can be a challenging exercise. Today, the customer journey is typically linear in nature, with each step being managed by different groups that may not collaborate with one another. The problem typically arises when these disparate groups are asked to come together to provide a seamless customer experience. These behaviors, and the politics that often surround them, tend to create hurdles that obstruct or delay the process. To address these nuances, many businesses are forming specialized organizational teams to lead their digital transformation efforts. Without the appointment of a designated and focused team, tearing down silos to create a unified approach for optimizing the digital customer experience is nearly impossible. In fact, not having a project evangelist usually results in a

disjointed customer experience that causes friction and frustration that ends with abandoning the process before the desired tasks are completed. Over time, this actually leads to digital degradation and the failure to be competitive.

Transforming Operational Processes

Although the customer experience is the most visible component of the three main areas of focus, businesses are also realizing significant benefits from transforming their operational processes.

Historically, companies have used automation to make processes more efficient and scalable. ERPs, for example, have enabled significant efficiency and quality gains in core transactional processes. Today, however, new technologies are extending benefits far beyond process efficiency. Companies are now building agile business processes, making their processes more flexible and responsive to the ever-changing market demands. Agile process design also adds transparency to the business by providing additional transactional data and deeper insight into processes, markets and customers. This data and insight gives decisions makers a much deeper understanding of their business, allowing them to make more intelligent strategic decisions.

Transforming Business Models

Business leaders understand that customer expectations are influencing the way they set their strategic direction and run their organizations. The challenge is that businesses have to manage to existing and often traditional offerings and operations. This makes it difficult to address the requirements to incorporate information and interactivity quickly without significantly driving up costs and complexity.

So how do businesses best address this shift in their business models?

Transforming business models should begin by answering some important questions: How can our business best respond to the shift in customer expectations? How can we take advantage of the opportunity to innovate, differentiate and grow? And how can we do all this cost efficiently, leveraging and optimizing the newest information and technologies as part of our overall physical operations?

Successful business model transformation also requires integrating business activities across the entire organization, and optimizing how the data related to these groups is managed, tracked, analyzed and shared. This requires interaction with customers across every phase of the business—not just sales and marketing. Engaging with customers at every touch point will go a long way in shedding light on how the business models need to evolve. These efforts are also what differentiates a customer-centered business from one that isn't, which can be a huge competitive differentiator.

Conclusion

In conclusion, digital transformation is not a fad or a trendy moniker. Businesses in every industry are under pressure to leverage disruptive technologies to reshape their value proposition and transform their business models to be more effective, efficient and innovative.