Getting the measure of digital transformation

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"Digital transformation" is an abstract concept, existing in a world where data and analytics can turn every business and consumer interaction into something concrete.

Travel businesses like to measure everything, so if digital transformation is so important, how is this measured?

This was one the questions asked of six panellists at DataArt Question Time event in London this week. The responses varied, reflecting the different segments of the travel industry on stage, but the general consensus was that measuring the efficacy of a digital transformation strategy was a combination of the relatively concrete "speed to market" and the relatively abstract "corporate culture".

Joanna Dobson, senior director for UK & Ireland at Carlson Wagonlit Travel, talked about its appointment of a chief technology officer prompting the business "to adapt the same values as a tech company" in terms of product releases, which now happen quarterly rather than annually.

Part of the new tech-y approach is becoming better at and more confident in test, learn and release. "There's a danger that you can test something so much that by the times it's ready it's out of date," she said.

CWT is a legacy business and has had to change from traditional desk agents and call centres to self booking tools and tracking apps. Whitbread is having to manage a comparable dynamic in terms of its own digital transformation – with its chief technology officer Phil Scully noting that "digital transformation can't stop at the URL."

Whitbread's biggest brands are budget hotel chain Premier Inn and Costa Coffee, so Scully's take on its digital transformation is dictated by having "a significant physical estate and we can't lose sight of that."

It has to be able to connect with customers "from the street to the pillow."

Mapping the customer journey is a means of identifying not only the immediate demands such as self-service check-in or new ways to order coffee but also the long-term brand extensions such as hub by Premier Inn. "Speed to market" in this context can mean different things.

Another business looking at digital transformation across a diverse range of brands is Dnata Travel whose UK B2C brands include Gold Medal, Travel Republic, Travelbag and Netflights. Its IT director Adam Gill said that Travel Republic was leading the way within the group in terms of its "test and learn" approach.

He turned the idea of digital transformation on its head by talking about customer transformation. "Why are we still thinking about revolutionising the funnel?" he said. "We should let the customer define the map." He prioritises Dnata's ability to respond to how customers want to interact with the brands, rather than how

well the brands manage the relationship with customers in a funnel they have been forced into.

Conversations around digital transformation often bring in questions around how businesses handle risk in this speed-to-market-driven, constantly changing, ever disrupted world. Gill pointed out that Dnata – which owned by Emirates Group – has a different corporate perception "because you have to be careful about risk when you're flying an A380."

Financial risk is an important factor in dictating the C-suite buy in to digital transformation. Paul Saggar, who is chief information officer at Capita Events and Travel, revealed that it earmarks a proportion of its budget for new projects which it knows are risky and which it is prepared to take a hit on, making the valid point that this approach "is no different from research and development – not every research and development project delivers hard dollars."

Accepting that not every digital transformation initiative will work is part of having a digital transformation strategy.

Skyscanner is different beast altogether from Capita, CWT, Whitbread and Dnata. It has never not been digital, a digitally native business if ever there was one, but is certainly aware of the theory and practice of digital transformation. Hilary Roberts, its senior product manager for flights, talked about "constant revision", about its desire "to be on the front of the wave" of all the digital changes taking place. Specific examples were offered, such as having to respond to its constantly increasingly traffic by moving its data centre to the cloud, or making its marketing department see themselves not as part of the advertising world but as growth hackers.

But perhaps the most interesting aside is how Skyscanner sees and measures its own digital transformation credentials comes from the HR department, where staff are assessed on their "entrepreneurialism".

It appears that within Skyscanner digital transformation efforts are focused around the culture not the product. Although the cultural component can also relate to the product innovation, according to Alex Shchedrin, vice president of DataArt.

He said that one of the most effective ways to reinforce the benefits of digital transformation is to talk up internally "the early wins", to give employees a concrete example of how new initiatives are benefiting the business, so that everyone from the boardroom to the shopfloor "understands the sense of urgency" when it comes to change.

However, a caveat to this, not unrelated to the comments around risk, was his suggestion that it is good "to allow the changes to settle," essentially giving the early wins time to become ingrained into the corporate mindset before the next project, because if the next project fails, then it's back to square one.

In a world where so much is changing so quickly there is no time to retreat. Digital transformation is a delicate balancing act with many moving parts, and those parts are becoming more complicated and moving more quickly.

Original article can be found here: https://www.tnooz.com/article/getting-the-measure-of-digital-transformation/