



# Digital Transformation

*Keeping Canadian Businesses Competitive*

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Digital transformation is the adoption of digital technologies coupled with organizational, operational, and business model innovation. It is a continuous process of both adaptation and the creation of disruptive change through new business models, products, services, and customer experiences resulting in increased operational efficiency and organizational performance.

# Digital Transformation: Keeping Canadian Businesses Competitive

## EXECUTIVE SUMMARY

Starting to develop a digital transformation strategy today is critical for staying competitive: 59% of Canadian business leaders are expecting technology to disrupt their industry within the next few years and 78% of Canadian organizations are expecting technology to give them the opportunity to enter new market spaces. Digital technology is central to this competitive disruption and improving operational efficiency. The Canadian market is open to global competition that is ahead of Canadian business in digital transformation: in order to remain competitive Canadian businesses are challenged to not only keep pace with domestic competitors, but to build customer-centric organizations, operate at efficiency levels, and innovate in ways that are competitive globally.

In some organizations, a small change becomes the catalyst for gradual progress toward digital innovation while other businesses deliberately set out to disrupt their industry with a rapid organization-wide transformation. Regardless of the path – gradual progress or rapid transformation – a well-defined organization-wide strategy, empowered leadership, and integrated technology are the building blocks for success in the journey towards digital transformation (DX). In this InfoDoc, IDC discusses the process of DX, outlines strategies for businesses at all stages of digital transformation, and highlights examples of DX in Canadian businesses. You will see behind the scenes at:

- » Aldo Group
- » CIBC
- » Duha Group
- » National Bank
- » Wealthsimple
- » The Weather Network
- » Yellow Pages

## Introduction

Business leaders today are tasked with evolving their organizations, challenging them to move faster than the competition by remaking existing markets or creating new markets altogether. Disruption and digital transformation are the buzz words of the moment with even dominant organizations routinely looking over their shoulders for early warnings of the next market disruptor.

Savvy businesses are striving to drive this disruption, increasingly calling on digital technologies to aggressively facilitate it and improve operational efficiency. Systems of record, the information technology once relegated to the back office, are being transformed by leading edge organizations to become much more sophisticated systems of engagement, making IT pervasive across nearly every aspect of business and consumer life. As a result, technology-driven market evolution and aggressive disruption are becoming increasingly common.

This new technology landscape blurs the boundaries between internal business operations and the external business ecosystem of customers, partners, suppliers, and competitors. Leading businesses in today's technology environment employ integrated systems of engagement and couple them with organizational, operational, and business model innovation to create new ways of operating and growing in the age of the customer: this is digital transformation.

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“The appropriate structure, processes, systems and people are all necessary to support a digital company. Traditional legacy companies tend to have data silos but pure play digital companies are able to integrate or centralize their data and let it ‘flow’ to partners, suppliers, customers and employees from the receptionist to the CEO. It is a ‘data world’ and digital companies let data flow.”

— Darby Sieben, VP of Strategy and Partnerships, Yellow Pages (Canada)

## Defining Digital Transformation

Digital Transformation (DX) is an enterprise-wide change that links digital technologies with organizational and operational innovations, often driven by a customer-centric strategy shift. The technologies are often next generation tools including mobile, social, big data/ analytics, and cloud solutions, preferably integrated across the organization for the purpose of changing the way something is done.

While these tools facilitate DX, it is an underlying organization-wide strategy of innovation and disruption that drives the transformation through new approaches in creating, selling, delivering, or consuming products or services with increased agility, flexibility, and scalability. Familiar examples from global businesses include Facebook, Airbnb, and Netflix.

Each has created, disrupted and/or transformed markets through new operating models and novel ways of doing business, derived from their cutting edge application of digital technologies. They exemplify the definition of DX.



## Digital Transformation in the Financial Industry

Across Canada, IDC data indicates the financial industry is a leader in the adoption of leading edge technology. Whether it's a long standing traditional bank or a two-year-young investment firm, the financial industry is directly benefitting from improved operational efficiency, better customer service, and more informed decision making stemming from the adoption and implementation of technology.

“Salesforce provides the ability to increase operational efficiency, as well as improves the client experience by allowing us to be accountable and transparent to customers.”

# National Bank Investments

## The Age of the Customer – Commercial Insight

“A primary objective in the age of the customer is to create a seamless customer journey that is accessible, personalized, and holistic,” explains Annamaria Testani, Vice President, National Sales at National Bank Investments. “Our B2B clients require more in-depth information prior to meeting with our sales teams. Traditional sales practices involving piece-meal information are no longer viable which is why we embrace technology as an enabler that lets us engage more clients, distribute additional information, and track timely feedback. Technology allows us greater efficiency and effectiveness as a customer focused sales organization.”

“Salesforce provides the ability to increase operational efficiency, as well as improves the client experience by allowing us to be accountable and transparent to customers. When a client calls with an issue, we can track it, we can support it, and more importantly, we can coach the resolution. When one consolidates around a platform like Salesforce as the key denominator through which all sales and customer related activities are linked to, one can easily calculate the return on investment. We now know more about our clients’ interests and activities than we knew just four years ago. This in turn allows us to better control and manage risk for ourselves. For example, we don’t need as many analytical experts to crunch numbers to produce a sales report. Things like this can be done with a press of a button in less than 2 minutes now.”

“When we focus on the customer, we ensure happy clients; a happy client is a loyal client, feasibly selling more or referring others to us. The Salesforce platform transformed how we engage with B2B customers and ultimately lets us drive more business without increasing our sales management team. We are simply more effective.”

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Heavy investment in CIBC's online platform is also aiding in driving self-service for purely transactional items such as cheque cashing, cash withdrawals, bill payments and transfers between accounts producing significant cost savings for the bank.

## CIBC: Driving Digital

### **On the retail banking side, the Canadian financial services industry is heavily engaged in digital transformation initiatives.**

Digital representatives for investment advice, digital cheque cashing, and digital delivery of retail banking services are all examples of DX initiatives that are underway and targeting not just a change in how banking services are delivered to customers, but changes in the processes underlying banking services and customer engagement. CIBC CEO Victor Dodig has publicly stated that his goal is to increase customers' digital channel usage from 48% currently to 70% by 2018, and to increase the proportion of overall sales via digital channels to 18%, from 4% today. "[This is part of our] plan to compete effectively against the incumbent banks here in our own marketplaces... and to compete with the disruptors that will play a role in the financial ecosystem," said Dodig at the bank's third quarter 2015 investor day. Heavy investment in CIBC's online platform is also aiding in driving self-service for purely transactional items such as cheque cashing, cash withdrawals, bill payments and transfers between accounts producing significant cost savings for the bank. Meanwhile, savings associated with customers' shift to digital have been used to invest in strategic advisors at branches, improving the financial advisory services offered to customers (source: CIBC Investor Day Q3'2015).



**Heavy investment in CIBC's online platform is also aiding in driving self-service for purely transactional items.**

For organizations looking to digitally transform, Katchen offers the following: "I'd say this isn't something you do once. It's not a one and done project. Otherwise these efforts won't be successful in the long term."


## Wealthsimple

### Digital Disruption from Day One

Financial services disruptor Wealthsimple launched two years ago as a purely digital company with the aim of "making investing really simple," explains Michael Katchen, Founder and CEO. "Our entire value prop is based on the fact that we are a simple yet sophisticated technology platform that delivers a great service at a really low cost. We wouldn't be in business otherwise." While two years ago 95% of Canadian investment accounts were opened with pen and paper, Wealthsimple has been completely digital from the beginning. "We are not encumbered by any legacy. We are inventing and building our own technology, and constantly changing it."

Katchen continues: "Leading edge IT is what we do. Half of our team are software engineers. We see that as our competitive advantage. It's what we live and breathe every day." Heroku, part of Salesforce App Cloud, is the foundation Wealthsimple is built on. "The biggest technology we have used from day one is Heroku. We didn't look at any other options. We built an end-to-end platform for managing people's money: everything from the transaction layer to executing trades on an exchange, to reporting the data that represents people's assets, account and trade histories, and returns."

For organizations looking to digitally transform, Katchen offers the following: "I'd say this isn't something you do once. It's not a one and done project. Otherwise these efforts won't be successful in the long term. IT has a history as a cost centre versus as value driver and the longer you let your technology stay static the more it will revert to being seen as a cost centre. What you need to do is treat technology as a business value driver first and be prepared to invest in the constant development of your technology to keep it driving business value for you."



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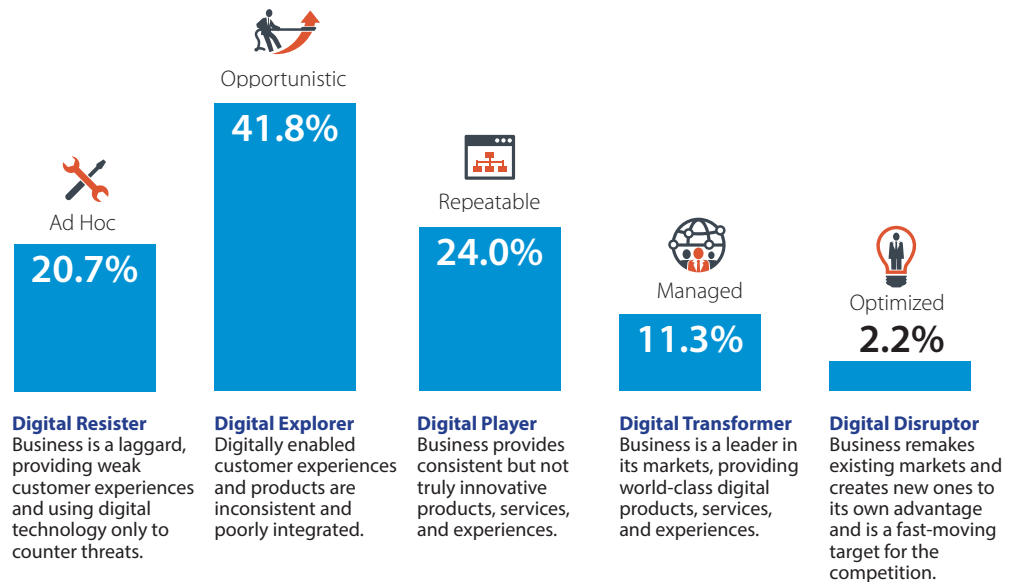
## The Five Stage Digital Transformation Maturity Process

For most organizations, especially those not “born in the cloud,” DX transformation is often gradual, moving through a series of changes at a pace and in a sequence most appropriate for the business. IDC has developed the DX MaturityScape to assist business and IT leaders in navigating this process. The model can offer guidance whether an organization is developing or refining its digital strategy, negotiating DX challenges, or identifying opportunities for its next stage of digital transformation.

Recent IDC research also helps pinpoint the stage of DX maturity of Canadian businesses. In the graphic below, it can be seen that most Canadian organizations are at an early stage of digital transformation with very few falling into the digital disruptor category, the most advanced of the five stages.

IDC suggests Canadian business leaders can use the DX maturity stages outlined in the graphic to assess their own organizations’ levels of DX maturity, then set near and mid-term progress objectives that can be used as base-level foundation blocks in establishing or refining digital transformation goals and objectives. In the course of this process it can be helpful to benchmark against both competitor/peer organizations and acknowledged DX leaders.

### Canadian DX IDC MaturityScape Benchmark 2016





While very few Canadian organizations are in the most mature stages of digital transformation, DX is definitely top-of-mind and a priority going forward. Fully 89% of respondents to IDC's Top Executive Survey consider their organization to be in at least the planning stage of digital transformation and 59% believe technology is poised to disrupt their industry, requiring a "re-think" for their organizations to remain relevant (IDC Canada Top Executive Survey November 2015).

## Digital Transformation in Manufacturing

Currently the Canadian manufacturing sector has a well-timed opportunity to accelerate digital transformation while enjoying what most other industries would view as an unfavourable exchange rate with the US dollar.

With capital cost being the top digital transformation inhibitor reported by 35% of respondents in IDC's 2016 Canadian Digital Transformation Benchmark Survey, favourable cash flow from exports can help minimize that challenge.



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## Duha Group: Celebrating the Moments

Duha Group makes colour paint samples, paint fan-decks and colour systems for paint companies across the globe. Duha Group also owns Colour Hive, a Colour Forecasting and Publishing Business at colourhive.com

“Our people were personally responsible for keeping customers informed and up-to-date on their order status but we have hundreds and hundreds of orders. Manually updating things like shipping status, alerts about delays, and so on was extremely inefficient” says Douglas Crabb, COO Duha Group.

“We celebrate those moments when we get past a manual process. First we integrated all the sales processes that we manually handled via spreadsheets into Salesforce. Within three weeks, we celebrated the end of 17 spreadsheets. And now, if you have a question about something going on with an order, it actually goes on the order via Salesforce Chatter or in a Salesforce social group. Ultimately we’ve eliminated 125,000 emails a year, yet we significantly increased communication with our customers.”

“Things snowballed from there because the Salesforce platform is so flexible. We were able to continually integrate more functionality encompassing everything from tracking orders to sending customer and factory floor notifications. Every department in the company has bought into Salesforce because we’ve been able to give each team what it needs. This has been the key success factor for us: the ability to easily deliver functional and operational efficiency to our teams and get their buy-in. With Salesforce the ease with which we can enter the system and make adaptations and changes is phenomenal. Even if we don’t have a programmer available we know we can be completely responsive to our teams and get in there and make the changes we want to.”

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“The administrative headcount growth is far slower than our sales increases which I think tells the story about the efficiencies we’ve gained on that side of things.”

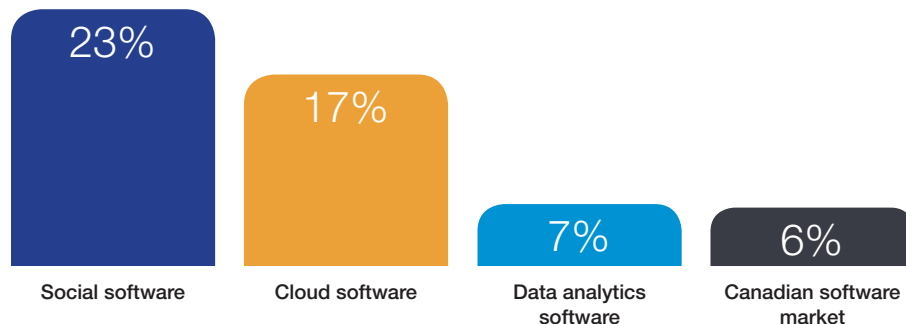
The benefits have been substantial, says Crabb: “Let me give you some examples. When we got our shipments integrated into the system, we started to have really good sales forecasting; to the day and to the dollar. We also have the ability to track on-time metrics and respond to events in real-time so that we’re proactive rather than reactive.” In addition, Crabb says, while sales have increased and manufacturing staff has grown to keep pace, “The administrative headcount growth is far slower than our sales increases which I think tells the story about the efficiencies we’ve gained on that side of things.”

Up next is the addition of FinancialForce: “The fact that we could take Salesforce beyond sales was exactly why we selected it. We have business units around the world and now we’re looking at automating processes beyond sales and manufacturing. This is a traditional industry and we’ve gained a competitive advantage by having the rapid ability to change things, virtually on the fly. We need to constantly work to drive our advantage because some day everyone else is going to realize what we’re doing and start trying to catch-up... and we want to stay ahead.”

## Digital Transformation Across Functional Areas

DX is more than a technology investment. Optimally, DX involves a synergistic use of technology in a way that is transformative or disruptive. Canadian adoption rates for leading-edge software solutions are projected to grow at a healthy pace ahead of the overall software market in 2016 — social software (23%), cloud software (17%), and data analytics software (7%) — while the overall Canadian software market is growing at 6%. Yet many of these implementations are undertaken as isolated projects. Bringing these technologies together, often via a single-platform implementation, increases their ability to deliver DX value to the organization through supporting improved customer and employee experiences, increased engagement, enhanced operational efficiency, and increased productivity.

### Canadian Software Adoption



Source: IDC, 2016

The few retailers that are embracing digital innovation are expected to enjoy increased customer satisfaction and a corresponding positive shift in earnings.

Although cross-department collaboration and integrated solutions produce the most powerful DX effects, businesses frequently introduce the technologies underpinning digital transformation in a more gradual process.

## Digital Transformation in Retail

The Canadian retail segment has surprised analysts this year by lagging in the adoption of digital technologies. The few retailers that are embracing digital innovation are expected to enjoy increased customer satisfaction and a corresponding positive shift in earnings. They will also be the leaders in shifting Canadian retail to a more customer centric digital shopping experience. Laggards will eventually try to catch-up out of competitive necessity but falling too far behind will inevitably have negative consequences.

## Aldo

### Driving Digital to Improve the Customer Experience

At Aldo, a 12 year old legacy system was a barrier to the organization's growth. Lance Martel, CIO at Aldo Group explains further: "We are improving the technology backbone of the organization and that will be an enabler of future growth for us. Through technology we are trying to find new ways to drive conversion and drive more business from existing customers. Salesforce is the perfect fit for this. It is our customer 'golden record' handling everything and giving us the ability to roll out multiple tools and multiple customer and business views to different parts of the organization."

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Another major benefit has been: "Allowing staff to help the business develop more innovative, forward thinking retail implementations."

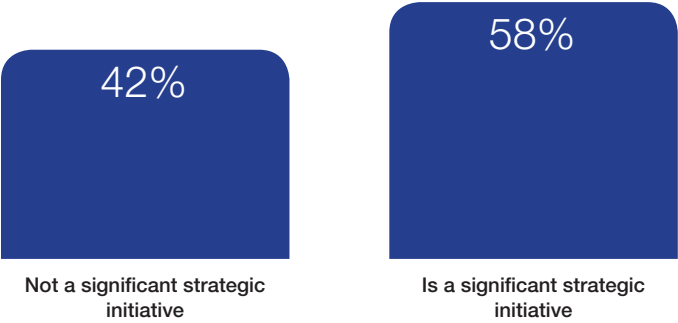
Benefits have been far reaching. For customers, Martel says they include: "Greater visibility to inventory, better service in our stores, and more self-reliance by giving customers tools to find product and stock information. Another major benefit has been: "Allowing staff to help the business develop more innovative, forward thinking retail implementations." In addition, he says "Salesforce has given the call centre a much more efficient set of tools and Marketing Cloud has significantly improved the efficiency of our marketing spend. For example, we're sending far fewer emails but the targeting is much better so we're getting much higher value. That's a perfect example of a great tool and illustrates the incremental revenue gains we're driving."

To other businesses embarking on digital transformation initiatives, Martel offers the following advice: "This isn't just a project you do and it ends, this is something you need to continually invest in. You need people who are thinking about how customers are acting and how you can improve on what you're currently doing. Start very small; conduct a lot of testing and set-up a culture of experimentation; acknowledge that you're never actually done, that you've embarked on a process that will continually evolve to meet and even anticipate customer needs. And from a leadership standpoint, there needs to be an identification of when these DX initiatives are producing good enough results to go large scale with them and the willingness to devote the resources to make this happen."

## Digital Adoption

Worldwide IDC research suggests that by 2017, DX will be a significant strategic initiative for more than half of the Global 2000 (G2000) businesses. Moving beyond the G2000, IDC expects 20% of the remaining businesses worldwide to proactively move in the direction of DX by 2017. Many others will follow in DX out of competitive necessity in the years following.

### Global 2000 Firms for Which DX is a Strategic Initiative



Source: IDC, 2016

IDC believes the French context of playing catch-up to more digitally advanced European countries is a significant driver for the country’s DX growth. Compared with the U.S., Canada typically lags in technology adoption and this is currently holding true for DX as well.

There are 52 Canadian businesses in the G2000. IDC expects Canadian businesses to be slightly slower than their global counterparts to initiate DX as a significant strategic initiative due in part to an uncertain Canadian economic climate at the beginning of 2016. Current adoption levels place the bulk of Canadian organizations at the opportunistic stage overall and across each of the DX dimensions. In contrast, digital adoption in France, with a comparable 61 companies in the G2000 list, appears to be accelerating despite, or perhaps in response to, that country’s own economic and political uncertainties.

IDC believes the French context of playing catch-up to more digitally advanced European countries is a significant driver for the country’s DX growth. Compared with the U.S., Canada typically lags in technology adoption and this is currently holding true for DX as well. IDC anticipates a similar “DX catch-up” with the U.S. will become a significant driver for Canadian DX growth over the next 24 months. Companies competing in the U.S. or against U.S. businesses in Canada are expected to lead their industries.

Like their global counterparts, Canadian organizations across industries are seeking increased revenue and profit growth. IDC sees accelerated levels of DX in the financial industry while Canadian-based retail has been slower to adopt. Meanwhile, Canadian industries like oil and gas can benefit significantly from beginning the digital transformation process as they strive to increase productivity with fewer resources, in part by leveraging technologies that optimize business processes.

## Digital Transformation in Media and Publishing

The media and publishing industries have been deeply disrupted by digital technologies. In the following section, we look inside Yellow Pages - an organization both disrupted and leading disruption, and The Weather Network - an innovator in using digital to create new business opportunities.



“The appropriate structure, processes, systems and people are all necessary to support a digital company. Traditional legacy companies tend to have data silos but pure play digital companies are able to integrate or centralize their data and let it ‘flow’ to partners, suppliers, customers and employees from the receptionist to the CEO. It is a ‘data world’ and digital companies let data flow.”

## Yellow Pages

### Strategic and Tactical Pivot to Go Digital

“Yellow Pages today is much more comfortable acting as a digital company than it has ever been. Today our IT, User Experience, Marketing, Data, and Strategy organizations all roll up under a single executive. Previously, they were all operational silos. Now, we have one person sitting across the core functions that drive digital innovation within our organization” explains Darby Sieben, VP of Strategy and Partnerships at Yellow Pages (Canada).

“If I compare Yellow Pages with digital pure plays though, we still have some work to do in certain areas of the business where the cultural shift to digital takes a little bit longer to achieve. The challenges are similar to what a lot of traditional companies are going through: legacy systems that need to be changed and modified to be more robust to better serve clients, as well as some legacy structure that isn’t as conducive to digital growth. But certainly when it comes to the impact of a platform like Salesforce, our representatives are absolutely spending less time doing administrative work within systems and have more time to engage with customers. Consequently they know more about customers and engage in more strategic conversations with them, and we definitely see that in their performance and results.”

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“Don’t try to boil the ocean. Have an overall strategy but decide on your broad priorities for digital and the customer and business impacts you want to drive.”

As other Canadian businesses begin their own digital transformations, Sieben outlines items to consider:

- » If you are thinking about DX and haven’t done anything, you are probably behind. You should start to move fast.
- » Make sure you have alignment at the senior executive levels.
- » Every company is limited by finances and people resources but you have to acknowledge that you have to do this. You can’t put your head in the sand and think it’s going to pass by or go away.
- » Build pockets in the organization that become digital very quickly and highlight them as use cases to other parts of the organization. Sometimes it’s more powerful when a peer group tells you or shows you how they are doing something and benefitting from it.
- » Don’t try to boil the ocean. Have an overall strategy but decide on your broad priorities for digital and the customer and business impacts you want to drive. Is it CRM, is it user experience, is it billing systems? It’s going to be different for every company, but you need to prioritize and know what you want to drive.”

## The Weather Network

### Creating New Business Opportunities

While providing nearly billions of weather forecasts every year, The Weather Network has transformed its advertising to better serve users with more relevant ads and to increase advertising success rates for its clients. Weather contributes to consumer buying behaviour from travel choices, to food purchases, to type of retail purchase and buying channel.

**The Weather Network has transformed its advertising to better serve users with more relevant ads and to increase advertising success rates for its clients.**



As a first step in understanding how DX can benefit their organizations, Canadian business leaders should understand where their organizations lie in terms of the DX evolution scale.

Using weather data and internal algorithms, The Weather Network has been able to predict many buying behaviour patterns, and use this predictive capability to provide supply chain and marketing advice to its clients. The results have included better stocking of consumer goods in advance of weather related buying shifts and location based advertising for users. Today, a significant portion of The Weather Network’s revenue comes from its digital operations (source: Canadian Business, February 2’15).

## Essential Guidance: Bringing DX to Your Organization

IDC has observed successful DX strategies encompassing the following characteristics:

- » **Cross-functional:** They cross all functional areas of a process or the entire business, extending beyond the organization to customers, shareholders, and suppliers.
- » **Beyond IT:** Within a company, the strategy extends beyond the IT department because the acquisition of technology must be coupled with cross-functional synergy for transformation to occur.
- » **Disruptive change:** The organization is willing to embrace disruptive change, and willing to misstep in the process. Business leaders who are knowledgeable about technological changes, supportive of business model transformation, and willing to accept responsibility for missteps in the adoption process are essential.

### Know your starting point:

As a first step in understanding how DX can benefit their organizations, Canadian business leaders should understand where their organizations lie in terms of the DX evolution scale. IDC’s five-stage DX MaturityScape is one tool that can help establish a baseline and lay out a path to DX that is appropriate for a firm’s market and industry. Other questions that may help are:

- » How can digital transformation affect and change the way we do business?
- » Where is our competition in terms of DX?
- » Where is our organization in terms of DX competencies compared to where we need to be to compete?

Executives who are empowered to take transformational risks while also being responsible for dealing with challenges when they arise increase the likelihood of significant transformation for their organizations.

## Embrace Risk Taking and Disruption

Strategic change is accompanied by risk. Successful digital transformation organizations recognize that missteps will happen and establish a company culture that supports risk, even when the effort falls short of objectives. Executives who are empowered to take transformational risks while also being responsible for dealing with challenges when they arise increase the likelihood of significant transformation for their organizations. It is not just the executives though, employees at all levels of the organization need to be supported in their efforts to transform, innovate, take a chance, and find new ways to collaborate. In more digitally mature organizations, 80% of employees agree or strongly agree that their company has a collaborative work environment while only 34% of employees at less digitally mature organizations say the same.\*

## Align Resources and Appoint a Dedicated Executive Leader

A critical step in the digital transformation process is the appointment of an executive leader who can develop and implement an organization-wide DX strategy that bridges lines of business and IT. Because successful DX strategies are often disruptive to existing business processes, they can require intense coordination across departments. For this reason, IDC encourages organizations to appoint a dedicated DX executive rather than expanding the portfolio of an existing executive. Globally, this is the most common model for successful digital transformation, although company and industry nuances may reasonably dictate CIO, CMO, or other CxO leadership. Data supports the dedicated DX executive model with digitally mature organizations being nearly twice as likely as less mature organizations to have a single person or group leading the DX effort.\*\*

## Develop a Clear Strategy

The DX strategy should focus on clear objectives aimed at driving specific business benefits through the implementation of a digital model for specific services/processes. IDC's Digital Transformation MaturityScope has identified core elements of digital transformation across five business areas. A recommended framework for getting started with strategy development is to address what the organization wants to achieve in terms of objectives and benefits across the five DX dimensions of Information, Operating Model, Leadership, Omni-

\*Source: MIT; G.C. Kane, D. Palmer, et al, "Strategy, Not Technology, Drives Digital Transformation," *MIT Sloan Management Review*, July 2015).

\*\*ibid

Optimally, the five dimensions are addressed simultaneously; however, each dimension can also progress at a pace independent of the others, often according to competitive requirements.

Experience, and WorkSource; the prioritization and timing of efforts to do so: and the specific services/processes that will be targeted.

- » **Information DX:** Transforms analytical systems to extract valuable information to enable managers and business leaders to make better, faster decisions to optimize business operations.
- » **Operating Model DX:** Defines “how” work gets accomplished by making business operations more responsive through better integration of digital connections between internal processes, markets and suppliers.
- » **Leadership DX:** This is a critical component of DX because strong leadership sets the tone for progress across the other dimensions. This dimension also addresses identifying opportunities for product and operational innovations by creating shared digital experiences that enable the business to gain more sophisticated knowledge of its enterprise ecosystem to better engage employees and customers.
- » **Omni-Experience DX:** An omni-experience, multidimensional ecosystem approach to product or service deliverables that transforms the way businesses communicate with their partners, employees and customers. IDC sees Canadian organizations struggling the most in this discipline.
- » **WorkSource DX:** The transformation of sourcing, deployment, and integration of internal (full and part-time employees) and external (contract, freelance, partner) resources to optimize productivity by leveraging digital interactions, collaboration, and tools like machine intelligence.

Optimally, the five dimensions are addressed simultaneously; however, each dimension can also progress at a pace independent of the others, often according to competitive requirements. With researchers at MIT reporting that “too many priorities” is a top barrier to DX maturity, the ability to break a digital transformation strategy down into more manageable pieces may actually aid in ensuring progress.\*

\*\*ibid

The ability to recognize when resource needs extend beyond the capabilities of the organization is advantageous. Fortunately there are multiple external resources available to Canadian organizations embarking on DX or pressing forward with a DX strategy.

Three points of understanding and consideration may also help with getting strategy development started or help refine initiatives that are already underway:

- » **Customer knowledge:** Do we fully understand the customer? Are there data points collected at various interactions that can improve and increase our knowledge of the customer?
- » **Employee enablement:** Do we fully understand our employees and their needs? Does our employee training, onboarding, and performance management support digital transformation? Do we have the tools to support real-time employee feedback and engagement such as employee engagement portals and collaboration tools?
- » **Understanding IT requirements:** Do we have the infrastructure to support digital models for the services/processes we are targeting?

### Leverage Existing Knowledge, Don't Be Afraid to Consult Advisors

IDC Canada research indicates that a lack of required DX skills is an inhibitor to the adoption of digital technologies for 30% of companies (IDC 2016 Digital Transformation Benchmark Survey). Additional research from MIT indicates that only 19% of companies in the early stages of digital transformation believe their organization can develop the necessary skills to actually carry out DX on their own. The ability to recognize when resource needs extend beyond the capabilities of the organization is advantageous. Fortunately there are multiple external resources available to Canadian organizations embarking on DX or pressing forward with a DX strategy.

- » Early adopters can share a tremendous amount of relevant experience to help make the process run more smoothly.
- » Software vendors are also a significant source of insightful information, especially in the early stages of bringing technologies together, ideally under integrated systems of engagement. In fact, 73% of Canadian organizations look to technology vendors and their partners to help them innovate (IDC Top Executive Survey, November 2015).
- » DX consulting support and IT implementation support are routinely utilized by organizations to help develop and maintain the overall strategic focus of their DX initiatives, especially when initiatives cross more than one, or even all five, of the DX dimensions discussed above.

**For More Information Please Visit Salesforce Digital Transformation at [www.salesforce.com/DX](http://www.salesforce.com/DX).**

## About Salesforce

Salesforce, the Customer Success Platform and world's #1 CRM, empowers companies to connect with their customers in a whole new way. For more information about Salesforce Canada, visit: [www.salesforce.ca](http://www.salesforce.ca).

## About IDC



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