



# SilverStripe's Guide to Digital Transformation

Whitepaper

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SilverStripe

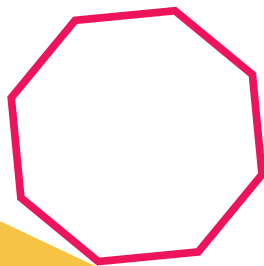
## Why digital transformation is important

Since the late 90s, new models and technologies have been impacting the value of products and services in the tech industry. These transformations are known as 'digital disruption'. They create a need for the market to re-evaluate their digital products and services, hence the term disruption.

Established organisations often struggle to compete with startups that enter the market with a fresh perspective. In the last decade of music and film, for example, we've seen that the winners are often the newest entrants. The same can be said for the tech industry!

But what does this have to do with digital transformation?

A digital transformation allows organisations to respond to the 'risk' of digital disruption from newcomers in the industry, such as startups.



## Why startups can be a threat

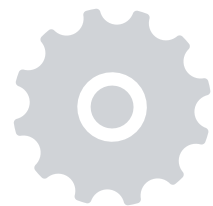
Startups typically lack market research, customers, history, people, and resources. Yet for established, complex organisations, they pose a serious threat. With such a fresh start, how can these smaller, newer organisations be a threat?

Startups are a threat because they can more easily start fresh, utilising new technology to provide the ideal customer experience. For example, in most industries, there are a few elements that make up a product or service:

- A customer desire. (“I want to listen to music”)
- A product or service that customers interact directly with. (“I buy a CD”)
- A complex set of parties that at one point were the most effective way of serving that customer desire via that product or service. (Musicians, record labels, recording studios, distributors, CD stores)

Startups that are successfully disruptive typically use a radically different way of serving that customer desire. On the other side, established organisations are often tied into the current way of running, and it’s more difficult to change. Examples include:

- Pre-existing knowledge & success blinding them to the possibility of the startup’s success
- Push-back from business units that will lose out by a radical change
- Third-party relationships that will be damaged by experimentation (e.g. a reseller network makes it hard to sell directly without alienating key partners)
- The risk of “killing the golden goose” on a long-shot idea—cannibalising primary revenue streams can be too risky
- The cost-structure of a larger organisation can make low-cost products & services infeasible



## What digital transformation means

One way to think of digital transformation is complex organisations delivering outstanding customer experiences. “Complex organisations” are those with enough people, history, and interconnected services and business units that the “clean-slate” implementation approach of a startup is infeasible.

What’s an outstanding customer experience? Ask yourself: if your customers could wave a magic wand, what would working with you ideally look like? How close can we get to that using the latest technologies?

A deep understanding of two things are important:

- What customers’ goals, needs, and context really are
- What the capabilities of new technologies are

From that basis, thinking from a clean-slate about what would be the best way of meeting

the customers, to get beyond any limitations implicit in the current way of doing things. Customer Experience Design and Service Design are sets of design practices such as Journey Mapping that can help explore these questions.

With this focus, it is easier to avoid the distraction of “glitter”: fancy new technologies that a lot of people are talking about. These might eventually be part of your solutions, but starting with those is not the best way to succeed.

Digital transformation is not a complex idea, but it requires overcoming all of the potential obstacles that we identified in the previous section. This requires that faster changes can be made sustainably, to product and services, and the teams that support them. Because of this, it’s a transformation of an entire organisation, and not merely the creation of a digital division.



# What digital transformation requires

There are myriad ways of approaching; these are 8 principles that we find help an organisation approach their digital transformation:

1

## Customer-led

You need to be resolutely focused on the context of your customers and the reasons that they choose to work with you. It's insufficient to think only about how to repackage existing products and services.

2

## Responsiveness

The culture needs to be supportive of experimentation and regular change. Without this, any transformation work is unlikely to be effective or sustainable.

### ● FOCUS & CULTURE

### ● PEOPLE

3

## Leadership Drive

It's critical that you have buy-in and active support from senior leadership. There will be people within the organisation who would be better served in the short term by avoiding the transformation. It's disruptive, and the leadership team will need to keep people moving towards the end-goal in spite of this disruption.

4

## Capability

It's not about a specific outcome, it's about the rate at which new ideas can be conceived, tested, and executed. Writing up a set of functional requirements and sending out an RFP won't create a systemic change. Internal capability and long-term partnerships are key.

5

### Distributed authority

It's important to be able to distribute decision-making authority in order to respond nimbly to new ideas or changes in the market. The right capability and culture in your team helps support this.

6

### Risk-management that supports experimentation

The nature of experiments is that some will fail. Ensure that you're managing the cost of failure, rather than the likelihood, by allowing small investments in experiments that you learn from. This may require that you review funding models and stage gates.

## ● GOVERNANCE

## ● ENABLERS

7

### Technology

Technology should be an enabler. It won't solve the problems of digital transformation, but the wrong technology might get in your way. In particular, to allow for experimentation, you want IT models that allow for frequent, low-risk releases to customers.

8

### Data-driven:

With distributed authority, it becomes important that everyone is acting in response to the same picture of reality. Access to timely, accurate, and relevant data is key.

## 3 key disciplines to get right

### Customer Experience design

How to design and scope  
new initiatives

### Agile software delivery

How to build new services

### Continuous Delivery

How to manage IT infrastructure  
and carry out releases

Contact our team at SilverStripe to see how we can help  
make digital transformation happen for your organisation.

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