# Where do you stand on your transformation journey?

Operating model and technology are clearly key core drivers of business growth since they are fueling omnichannel customer experience, smart offerings, lean organizations, as well as emerging business models such as data monetization.

Many companies have started a transformation around those areas but are stuck in the initial phases of the journey. As a result, they lack the tools, processes and capabilities to leverage the full potential and therefore improve responsiveness to customer needs, enhancee business performance and revenues, and increasee TSR.

To fully exploit current and future business growth opportunities, companies should undertake a transformation journey considering the following aspects:

1.  Operating model should be product-led, highly automated and powered by best talents.
    -   Product-led organization - Being a product-led organization is about getting the best product into the customer hands. Such organizations create product teams (for instance on e-commerce, demand forecasting, warehouse management) that are staffed with cross-functional resources of different competencies led by business product owners to ensure a consistent focus on business outcomes.
    -   Automation - The implementation of automated processes and practices is essential in achieving next-level performance. Process automation streamlines a system by removing human inputs, which decreases errors, increases speed of delivery, boosts quality, minimizes costs, and simplifies the business process. It incorporates software tools, people and processes to create a completely automated workflow.
    -   Talent-driven transformation - Many companies rely on external partners on critical business aspects due to scarcity of skills on the market and difficulty to attract and retain best talents. Building, developing and retaining in-house teams can not only protect the company's know-how and intellectual property but also drastically improve delivery performance and time to market.
2.  Technology should enable the omnichannel experience, powered by data, and highly modular.
    -   Omnichannel customer experience - Deliver a consistent customer experience across channels by supporting all touchpoints with shared functionalities. Customers acquired in retail stores are converted to mobile-app users through a dedicated user journey in which they are engaged on personalized content and e-commerce and are incentivised to come back to stores.
    -   Data - Implement data platforms that enable automation and reuse over a set of defined processes to shape decisions.
    -   Modular solutions - Traditional technology architecture typically relies on monolithic and aging applications that hinder agility and upgrades while resulting

in higher overall costs. Moving to modular technology solutions enable organizations to achieve greater flexibility and scalability.

To start removing roadblocks and accelerate the transformation journey, companies can take several concrete actions:

1. Customer perspective – Start analysing the most relevant customer journeys and quantifying the value that could be generated through an omnichannel experience. Then comparing the customer journeys value with acquisition costs to effectively allocate resources.
2. Data management - Simplify the usage of data by introducing standard reports across functions and facilitating upgrades for the newest features.
3. Cross functional teams - Since organizational silos can be significant barriers, cross-functional teams should be created to promote collaboration, visibility and focus on the final product.
4. Systems - Many organizations still spend significant amounts of resources on legacy systems and processes. A review process to assess potential benefits by breaking up monolithic technology solutions should be introduced.

At a time when consumers are demanding greater flexibility, customization, and responsiveness, many organizations still lack the foundation to meet these expectations. Most of the time the answer is a comprehensive redesign of the technology architecture and operating model, and companies should take all the necessary steps to expedite the transformation. The benefits will be felt not only throughout the organization and on customer experience, but also on the bottom line.

I wish you happy Transformation journey.

Best regards,

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