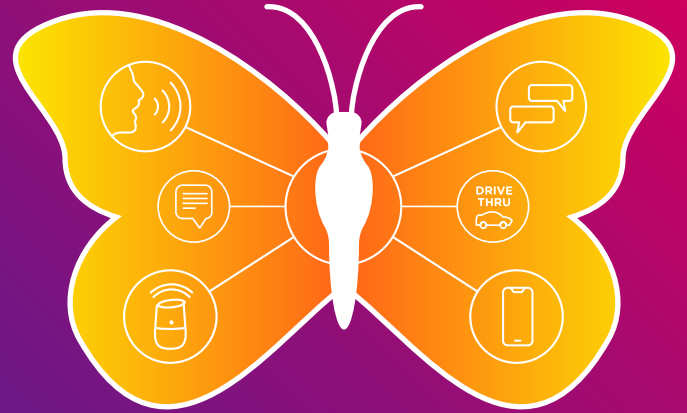# How to Achieve Digital Transformation Success in CX

interactions

INTRODUCTION

Digital transformation is (and should be) a top priority on every business agenda today. With rapid advancement in technologies, changes in the ways consumers communicate with businesses, and consumer expectations of 24/7 accessibility, businesses need to rethink how and where they meet their customers.

There is a growing consensus that the most important and impactful use cases for advancing digital transformation are in the customer experience space. Statistics support this—more than 60% of digital transformation initiatives and pilots focus on improving customer experience, engagement, and retention.[1] Artificial intelligence (AI) plays a large part in these digital transformation initiatives. Leading industry analyst firms Tractica and IDC both identify automated customer service as the number one use case for AI-enabled digital transformation.

But before you take a deep dive and begin to implement new tools and technologies, there are many factors to consider. You need a comprehensive strategy that will help you achieve your immediate goals and lay a strong foundation for future implementations. This will allow you to continue to evolve as your business and customers do.

[1] www.mckinsey.com/business-functions/organization/our-insights/unlocking-success-in-digital-transformations
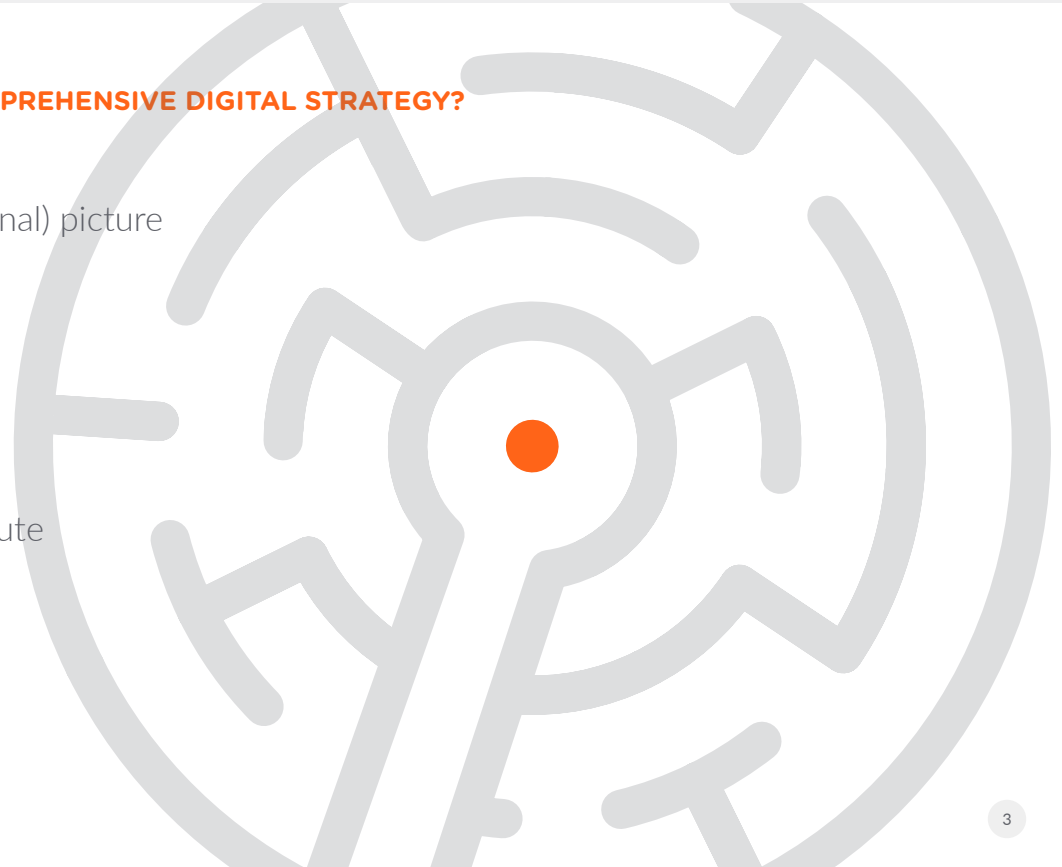
HOW DO YOU DEVELOP A COMPREHENSIVE DIGITAL STRATEGY?

Look at the big (organizational) picture

Ask the right questions

Involve the right people

Find the best technologies

Put it all together and execute

CHECKLIST FOR SUCCESSFUL DIGITAL TRANSFORMATION IN CX

Follow our checklist to make sure you exercise due diligence and avoid common digital transformation pitfalls that can delay or sidetrack your initiatives.

Step 1:
Set yourself up for success

Step 2:
Identify where to start

Step 3:
Secure buy-in across the organization

Step 4:
Choose a use case

Step 5:
Decide build, buy, or partner

Step 6:
Find the right partner

Step 1: Set yourself up for success

True digital transformation is a goal that is constantly being raised by today's digital native consumers, especially when it comes to customer experience. Customers dictate how, when, and why to engage with a brand—and what channel (or channels) to use when they are doing so. But digital transformation, and meeting your customers where they are, is not just about offering multiple, digital touchpoints. This often leads to disjointed channels that are not cohesive or productive to customers. Businesses must take into account the entire customer journey, including integration across all touchpoints.

Remember, there is never a true success "endpoint," since businesses must continue to evolve with their customers. Successful digital transformation requires constant measuring, adjustments, and growth to stay optimized and relevant.

Step 2: Identify where to start

This may sound simple, but with the pace at which today's digital native consumers are moving, it can seem overwhelming. Based on where you are in your digital transformation journey, will affect how you think about funding, securing talent, and scaling.

Focus on the following building blocks when considering your digital transformation initiatives:

Direction of your business, including digital strategy

Solution/technology that enables you to get there

Potential for disruption to your business model

Change management necessary to achieve strategy

Step 3: Secure buy-in across your organization

Engaging a cross-functional team is crucial to achieving digital transformation success. There should be collaboration across the organization towards a comprehensive corporate digital strategy. For example, if customer experience is a focus, realize the many divisions that affect the customer journey, including those who choose technologies, and involve them all in planning, decision-making, and execution.

If each division and department pursues its own strategy, the result will be a disconnected customer journey. If you do not have an executive, such as Chief Digital Officer or Chief Customer Experience, who is driving a cohesive digital transformation across the company, it is important to involve key departments from the beginning.
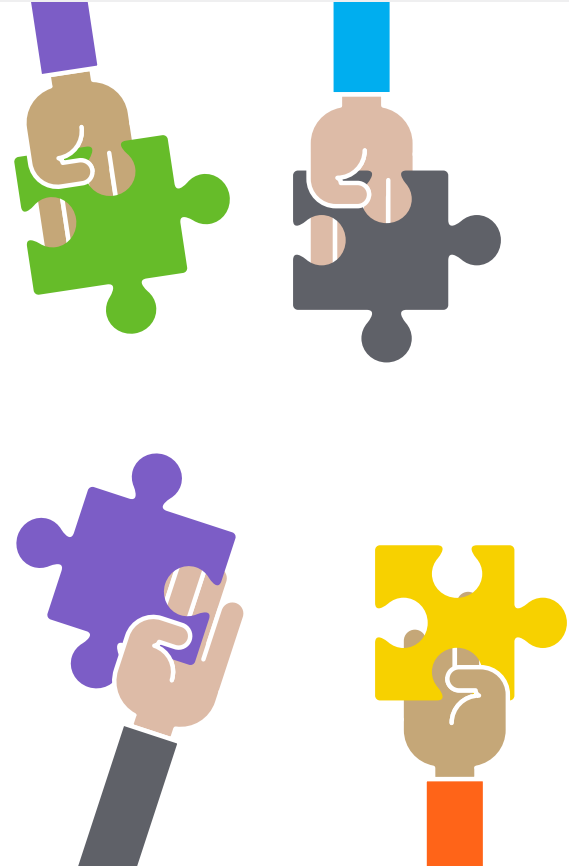
Step 4: Choose a use case

Superior customer experience is the modern way to differentiate from competition and create customer preference and loyalty. It's no wonder that, according to Seagate, two-thirds of global CEOs will focus their digital strategies on improving customer experience. Customer experience is an ideal use case because it has benefits that can be targeted, measured, and constantly improved through an iterative data-driven process. Conversational AI is increasingly being used to enable digital transformation projects by enabling easier communication between businesses and their customers.
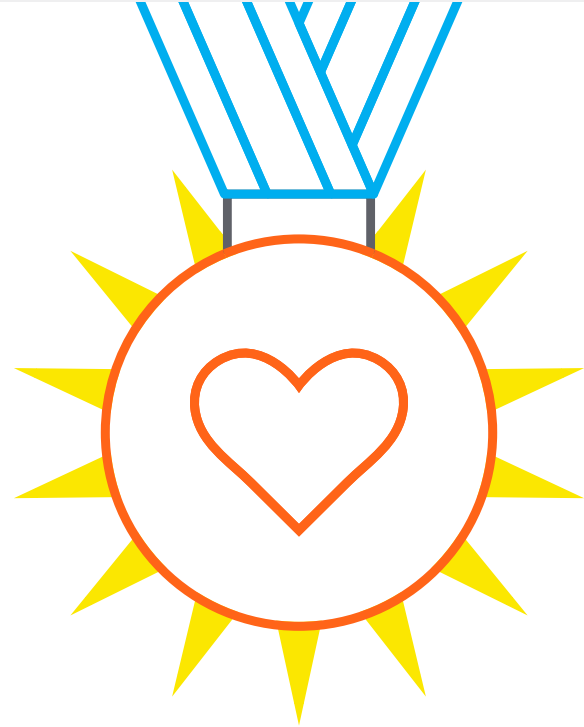
Step 5: Decide to build, buy, or partner

Choosing the right technologies and applications to support your digital initiatives will play a large part in your success, as will deciding to buy, build, or partner. There are major differences between these options to keep in mind when making a decision that is right for your current digital transformation goals and evolving needs.

Build

- Allows you to highly customize application to brand/business requirements

- Offers complete control of what application will offer/deliver to customers

- Requires hiring additional resources and expertise for initial build/continued upkeep

- Application may soon be irrelevant with the rapid pace of technological innovation

Buy

- Requires fewer internal resources

- One-size-fits-all solution may not meet all your business needs

- Support often disappears after you buy

- Vendor may have technology expertise, but not the niche expertise of your digital transformation initiative (e.g. Customer Experience)

Partner

- Works with you to create optimal application

- Completely customizes application to your business

- Utilizes the best technology and expertise, without the burden of time and resources

- Supports you through lifetime of your application

- Meets all requirements of "the right partner"

Step 6: Find the right partner

Finding the right partner, if you decide to go that route, is key to accelerating digital transformation. When looking at potential partners, especially when it comes to customer experience, you should look at their capabilities, proven experience, ability to demonstrate economic benefits, and engagement methodology.

HOW TO CHOOSE THE PERFECT DX PARTNER? FIND A PARTNER THAT...

...shares in your success

Look at pricing models to determine if your vendor will be in it for the long run. Vendors that require only a one-time upfront fee for their application or offer volume-based pricing are red flags. Vendors with a success-based pricing models only get paid if you are successful and therefore have a high stake in making sure that the application is operating to its highest potential.

...will grow with your business

Find a partner that is at the forefront of innovation in the space and evaluate the vendor's background to see if their technology is something they believe at their core, or if it's just an ad-hoc project that may or may not be a priority in the future. For example, if you are implementing AI-enabled customer care, make sure you find a partner whose mission is focused on AI and has a track record of constantly innovating in that area.

...has done what you are looking for (and at scale)

Remember one of the most important parts of digital transformation is meeting today's goals while planning for tomorrow's. A vendor may claim to have a great technology but it doesn't mean that it can be applied successfully or at scale. Choose a vendor who has successful deployments in your particular industry, or for the use-case that you are looking to solve. Some industries have particular requirements that only an experienced vendor would be familiar with. A good track record is essential to achieving measurable results and an overall successful solution.
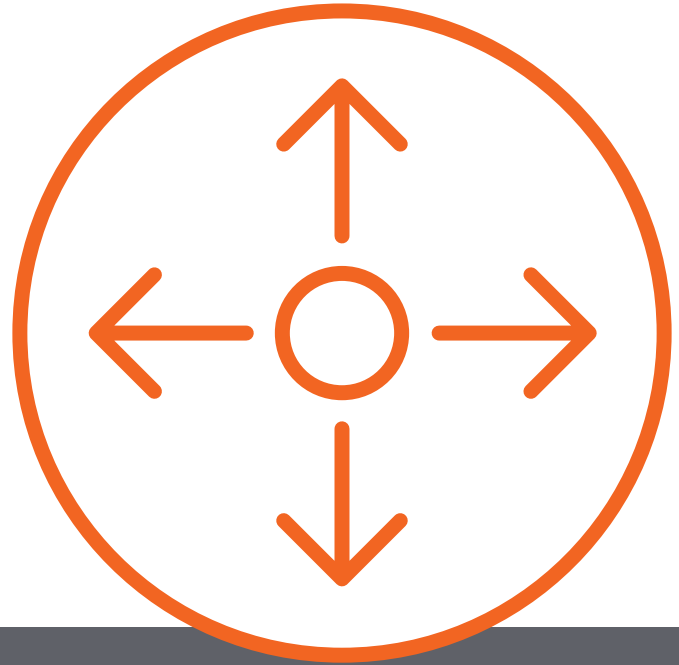
STEPS TO A SUCCESSFUL DIGITAL TRANSFORMATION STRATEGY

- Understand where you are in your Digital Transformation journey and the challenges and decisions associated

- Make sure you have buy-in not only from your team, but from stakeholders across your organization

- Choose a use case where economic and other outlined benefits can be targeted, measured, and constantly improved

- Decide if you want to "buy, build, or partner" and understand the pros and cons of each

- Understand how managed services can help provide a solution that is specific to your current business needs and can evolve as these change

- Choose a partner based on capabilities, proven experience, and ability to demonstrate economic benefits and engagement methodology

CONCLUSION:

Taking on digital transformation can feel daunting, but if you break it down into small steps, you can build a strategy that will not only support your short-term, but also your long-term goals.

Businesses who use Conversational AI, specifically Intelligent Virtual Assistants (IVA), are seeing an immediate impact, both in improving customer experience and reducing costs. To ensure these results, it is important to find the right partner by looking at their full offering, pricing, and experience.

Remember, digital transformation is a journey, not a one-and-done type of project. It requires constant measuring, adjustments, and growth to stay optimized and relevant.
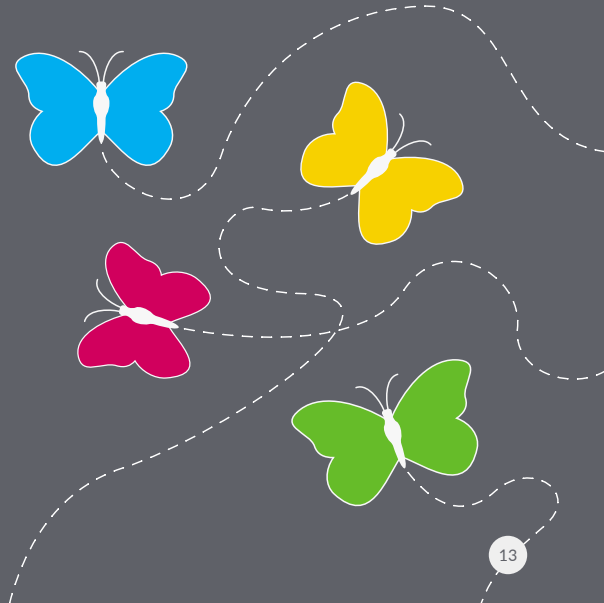
About Interactions

Interactions provides Intelligent Virtual Assistants that seamlessly assimilate Conversational AI and human understanding to enable businesses to engage with their customers in highly productive and satisfying conversations. With flexible products and solutions designed to meet the growing demand for unified, omnichannel customer care, Interactions is delivering unprecedented improvements in the customer experience and significant cost savings for some of the largest brands in the world. Founded in 2004, Interactions is headquartered in Franklin, Massachusetts with additional offices worldwide.

For more information about Interactions, contact us:

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