Digital
transformation

As an ambitious business owner, you're always looking for new ways to help your business develop, improve and grow, no matter how successful.

ILUX®

About the author

James Tilbury, CEO, ILUX

James is a graduate in Computer Science specialising in software engineering. He has worked in various IT-related roles, including a global healthcare manufacturing business supporting the systems and infrastructure.

IT is part of James' DNA. His father was the founder of Tangerine Computer Systems who developed the TAN1648 VDU kit and the Microtan 65, a forefather of home computing in the late 70s.

James has worked around the world, both in a software development role and performing major infrastructure enhancements and is widely recognised as one of the leading experts in digital transformation.

Having identified a need for enterprise-quality IT support and project management for SMEs, James founded ILUX to focus on IT supporting business growth.
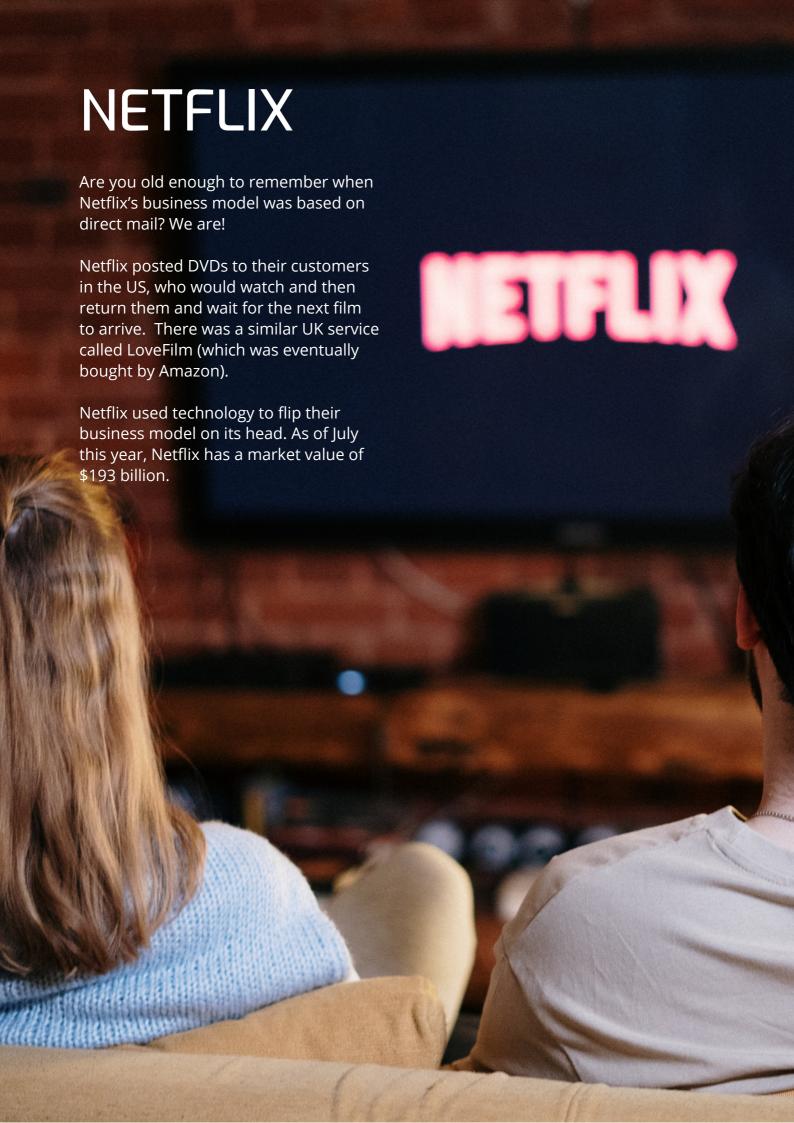
What is digital transformation?

Digital transformation is the process of using digital technology to create new — or modify existing — business processes, culture, and client experiences that meet changing business and market requirements.

It is not about traditional roles such as sales, marketing or customer satisfaction; It is about how you engage with your clients, staff, investors and suppliers. It is something that transforms your supply chain and improves your business.

It involves a complete reassessment and overhaul of your technology with a single goal: improving the efficiency and delivery of your products or services.

On the next page are a few examples of how businesses you have probably heard of have used digital IT transformation. But just because these are big names doesn't mean they aren't relevant to you.

Digital transformation can be successful in all organisations, no matter the size.

NETFLIX

Are you old enough to remember when Netflix's business model was based on direct mail? We are!

Netflix posted DVDs to their customers in the US, who would watch and then return them and wait for the next film to arrive. There was a similar UK service called LoveFilm (which was eventually bought by Amazon).

Netflix used technology to flip their business model on its head. As of July this year, Netflix has a market value of $193 billion.

LEGO

Believe it or not, in 2004, Lego was on the brink of bankruptcy. They started a digital IT transformation journey, which is still ongoing today.

The first step was to digitise their supply chain processes giving more insight into production delays and manufacturing costs.

Then between 2008 and 2016, the company centralised its HR applications, moved to a digitised shop floor system, and streamlined its decision-making processes.

To improve customer experience, Lego added mobile apps, games and even movies to its products. The first Lego film generated an additional £354 million in revenue (off a production budget of £45 million).

KODAK

As the digital revolution took hold at the start of the century, cameras evolved from using film to storing photos digitally.

Kodak held firm with film (despite inventing the first digital camera!) under the impression that launching the digital camera would cannibalise its existing business. Their failure to digitally transform at the right time led to the company declaring bankruptcy in 2012.

Kodak took the step towards digital photography, but it was too late.

There are four main areas of transformation to consider:

1. Process transformation

This is most appropriate if your business needs radical transformation.

Process transformation can modernise your ways of working, integrate new technology, and save money. It allows you to incorporate your core systems whilst drastically changing your business.

Before you begin, and to help decide whether it's the right step for you right now, you should ask yourself what your goals are for transformation:

- Do you need to upgrade your systems?
- Will you need to bring in new technology?
- Will you change your processes to a new structure?

Setting objectives
It's essential to set baseline metrics when deciding on process transformation. These will help you understand if the transformation is a success.

As well as setting new KPIs (Key Performance Indicators), you should also set some baseline metrics on your expectations of the new structure and the typical results of your old structure, such as time lost, costs, errors and downtime suffered.

You should involve your team in this process. Ask for feedback on how your current system is working, it's benefits and drawbacks.

Research what's working and not working
Ask the people using the systems how they would make improvements, and how their jobs could be made simpler. What would they like to see in a new system? How can they see new processes improving their role and making them more productive?

This kind of feedback gives you the most valuable insight into how your systems should be working to make the biggest improvement.

Before you embark on process transformation, you should create an ideal workflow path.

This will help you identify the areas that you need to focus on first, and to really understand both the system tasks that take place, and the human element too.

2. Business transformation

As you read in the case studies, it is possible to adapt or completely reinvent your current business model and open up new growth opportunities.

This is even more evident post-pandemic which changed the way we think about customer experience and the digitisation of products and services.

We were all forced to make quick decisions and digitally transform practically overnight. There has, without doubt, been some tweaking along the way. We learnt a lot about the barriers often in place to prohibit change and those we place there ourselves - you just need to look at the way the healthcare industry quickly overcame privacy concerns when it shifted to virtual appointments.

Not every business model transformation needs to be at the level of Netflix. It could mean something as simple as using data to offer customers add-on products and services that complement what they already buy and the needs they've communicated to you.

Case study

PIR International

PIR International bring over 100 years of combined life science executive search experience partnering with the world's most advanced scientific, clinical and healthcare businesses.

PIR needed a fast, reliable solution that promoted collaboration between a team of people that work in the office, from home and across the world. Their staff needed to access data, work on projects together and collaborate with partners and clients easily, securely and cost-effectively.

ILUX migrated PIR's whole IT infrastructure into the cloud. This solution delivered several benefits:

- No need for physical space in their offices in central London
- The business can make significant cost savings
- No hardware/capital investment will be needed in the coming years
- It enables all their staff and consultants to work from anywhere, regardless of location
- Any issues are resolved quicker as the ILUX Service Desk can access systems much more effectively with less need for on-site engineers
- No disruption to business operations. The complete migration was handled outside of office hours leaving the team to focus on day-to-day operations

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The difference and productivity to the business has been astounding from day one."
Jayne Fergusson,Project Director, PIR International

PIR
INTERNATIONAL
Search & Interim For Life Sciences

3. Domain transformation

This is not necessarily the most commonly used area of digital IT transformation, but it's worth consideration.

Incorporating new technologies can transform the way you provide your products or services. A good example is how Amazon moved into a new domain with AWS (Amazon Web Services), now the world's most popular cloud service provider.

It was an unlikely move for Amazon to dip a toe into the cloud computing industry. However, it was able to leverage services it already used - in this case, massive storage capacity - to create an entirely new offering to its customers.

Lego also did this with its expansion into film and gaming.

Think about the products and services you already offer. Is there anything you currently use that could be leveraged to offer another product or service?

4. Organisation transformation

If your business spends time and money updating technology and designing new processes and products, your internal values and behaviours must evolve to mirror this change too.

Failure to get buy-in from your people could result in the complete failure of your transformation, even if everything else is primed to work. A small amount of resistance can mean adoption of your new technology is slower than it should be.

Make the time to communicate your vision for transformation. Do this regularly. Involve your people in the processes, and ask for - and, importantly, listen to - their feedback along the way. Everyone should understand the risk and why it's worth taking.

Regardless of your sector or industry and your current infrastructure and systems, any digital IT transformation strategy has three very important rules:
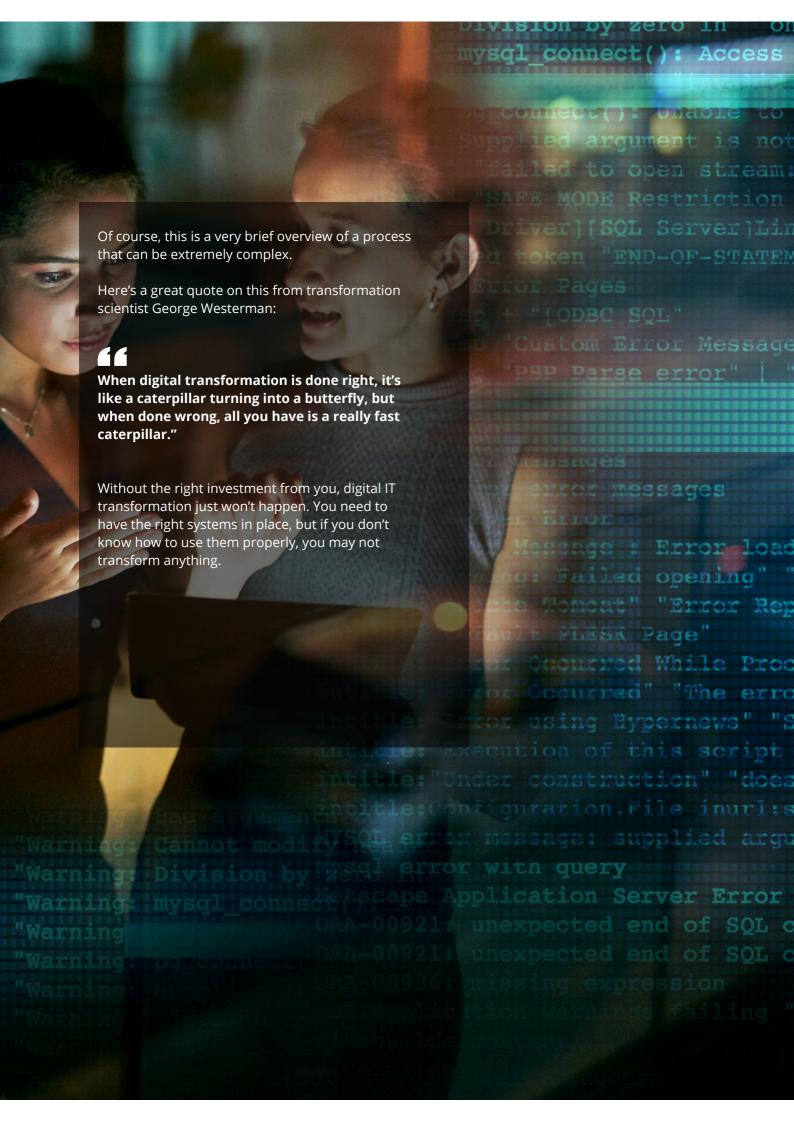
RULE 1:
You need to invest in updating your existing critical IT infrastructure if you want to increase efficiency and your management overheads.

RULE 2:
Automating your IT processes will reduce risk and accelerate the provision and deployment of applications. This includes automating the delivery and use of IT services.

RULE 3:
You must transform your IT processes and operations if you want to align your IT goals, your staff and their roles.

Of course, this is a very brief overview of a process that can be extremely complex.

Here's a great quote on this from transformation scientist George Westerman:

"

When digital transformation is done right, it's like a caterpillar turning into a butterfly, but when done wrong, all you have is a really fast caterpillar."

Without the right investment from you, digital IT transformation just won't happen. You need to have the right systems in place, but if you don't know how to use them properly, you may not transform anything.

Ready to transform?

We hope you've found this guide useful, and it's covered many of the questions you've had about digital transformation and what it can do for your business.

We'd really love to talk to you about how we can help.

Get in touch today and you are on your way to better processes, performance and profit.

ILUX®

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Case study

Diaverum is one of the world's leading renal care providers and Europe's largest independent service provider. Its operations currently span 20 countries worldwide and serve a patient base of more than 29,000 people.

ILUX works with the organisation providing full-service IT support and consultancy.

We developed a digital transformation programme for the business introducing the Diaverum Treatment Guidance System (TGS), where a tablet is installed into every dialysis machine. This displays patient information, including prescriptions and allows the nursing staff to enter data at the bedside.

TGS automatically downloads data from the dialysis machines. This saves time when clinicians record observations and other treatment information, as the system's fields are populated on demand.

"

ILUX has really helped us to gain some competitive advantage with our overall business strategy using technology."
Lisa Jordan, Managing Director

DIAVERUM