

A CMO's guide to digital transformation



Digital transformation isn't new. The mandate to modernize businesses and services by replacing manual or outdated processes with digital processes and technologies has been promoted for years.

What's changed? 2020. COVID-19 brought the need for digital transformation into sharp focus; paralyzing businesses around the world, shuttering brick and mortar stores, closing offices, and disrupting the global supply chain. Consumers who never shopped online before had no other option as lockdowns and occupancy limits came into force. No longer just a "nice to have,"

digital became a necessity – the only way to do business. That shift isn't temporary; the coronavirus permanently changed the way we live, work, and shop.

To stay competitive, organizations must adapt quickly, embracing their customers' online demands by taking a digital-first approach. The pandemic silenced any lingering doubts about digital transformation's role in business longevity. Wide-scale digital adoption is now imperative for all businesses – from the largest enterprises to the smallest and from long established businesses to new start-ups.



COVID-19 has put businesses on a new and accelerated digital trajectory. We expect to see digital transformation becoming one of the most significant determinants of competitive advantage as the recovery continues.

The Evolving State of Digital Transformation
Boston Consulting Group



digital transformation: a corporate infusion of new approaches

Digital transformation means delivering an infusion of technology into every facet of a business. It usually means a fundamental change in how organizations deliver value to customers and how internal operations create value. The outcome? Organizations that are well positioned for agility through responsive processes, can drive revenue growth by creating the ultimate customer experience. That all important competitive edge.

How do you achieve that? It's much more than cool apps. Digital transformation is all encompassing - influencing processes, people, and technology. At its core, digital

transformation is also a complete cultural change for the business. One that is constantly challenging the status quo, continuously evolving and experimenting. It might even mean walking away from foundational business practices and embracing radical new ways of delivering value to customers.

As [Forrester](#) explains: "Digital transformation is not just about technology. It's the necessary but challenging journey of operating digital-first with the speed and nimbleness to change rapidly, exploit technology to create lean operations, and free people to do more complex tasks."



97%

of executives say the pandemic sped up their digital transformation.

[Forbes](#)

the wake up call

There's probably never been as big a wake up call for digital transformation as COVID-19. International advisory firm, BDO, gets right to the point - "It's go digital, or go dark."

As executives assess COVID-19's impact on their business and work to recover from its effects, it's clear that digital transformation is now an urgent mandate. Gone are the days of pondering what digital customer engagement might look like, what realtime relationships or delivery on demand might mean to operations, and how you might manage the organizational disruption of rolling out new technology. The global pandemic is a reality check. For businesses reluctant to embrace digital transformation, it's a catalyst, and for enterprises who already had a digital strategy in place, now's the time to reimagine it with a post-COVID strategy.

When respondents of the [McKinsey 2020 Global Survey](#) were asked

why they hadn't implemented changes before the crisis, over half said they weren't a top business priority. It certainly is now. And nearly a third of the McKinsey B2B respondents stated that fear of customer resistance to changes was a barrier. Not anymore.

The question whether you take action or not is no longer valid. It's now about when. Taking action can mean very different things at different companies. Depending on your company's past appetite for risk and innovation, you might already be well on the way to profound change - or you might need to make a massive shift.

Usually, digital transformation requires that you design new capabilities and processes, built with digital at the core to deliver significantly improved customer experiences. It might even mean opening new revenue sources or designing new products. So how do you start?



In 2021, we expect to see an obvious separation of CMOs who are leaders – those who recognize that 2020 launched a new chapter for the way commerce works – from CMOs who are outdated – those content to run promotions, sales support, or media-buying teams. Companies without a CMO leader won't survive.

[CMO Predictions 2021](#)
[Forrester](#)



the CMO as the transformation leader

If you're the CMO, you've got to be the Chief Innovator. You can't sit back and wait for other C-suite executives to lead the charge. With the pandemic underscoring the importance of customer experience, no one knows customers, what they want, and how to reach them better than the CMO. Even before COVID-19 became top of mind, the CMO role was morphing into a more strategic and business-critical position.

If you have another executive who wants to collaborate with you, team up to push innovation in your organization. But, ultimately it comes down to you to drive digital transformation strategies

for the company. In this post-lockdown era, the organization's eyes are on marketing to lead the charge. Your time is now – don't wait.

According to [recent data](#), 70% of digital transformation efforts fail. However, 30% succeed and achieve the desired results. Be one of the 30%.

The rest of this ebook is a guide to support you in your journey.

elements of digital transformation

four key pillars to making massive progress on digital transformation

vision



resource



technology



data





1. vision: establishing the possibilities

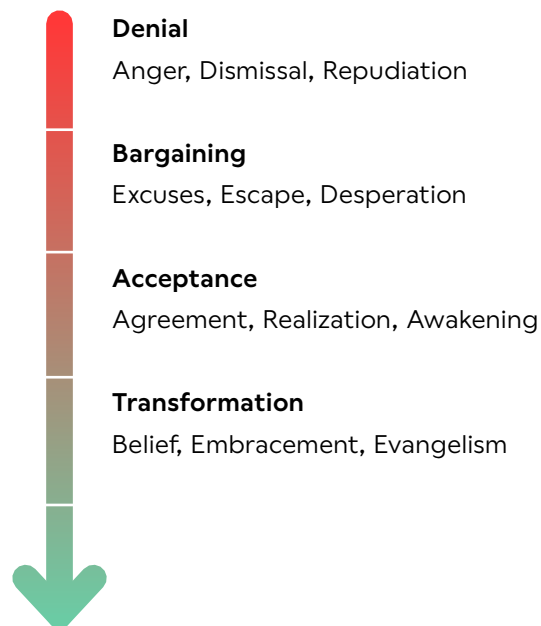
Creating a vision requires you to start by giving every stakeholder an understanding of what is possible. Now is the time to poke your head up from your role and get some broader perspectives. Establish a culture of change, and as Peter Drucker said, “Culture eats strategy for breakfast.”

As a leader in the company, it is imperative that you personally get involved in this effort. You cannot

delegate the vision of how you will undertake digital transformation.

Charlene Li’s great book, *The Engaged Leader*, describes the various emotional stages an engaged leader may go through (see chart below). The sooner you and your team move to acceptance and transformation, the faster you can set your company on the proper path.

development stages of engaged leaders*



*Source: Altimeter



85%

of consumers trust online reviews from strangers as much as personal recommendations from people they know.

[Want Customers to Leave Reviews?](#)
[Forbes](#)

listen to what your customers are saying about you

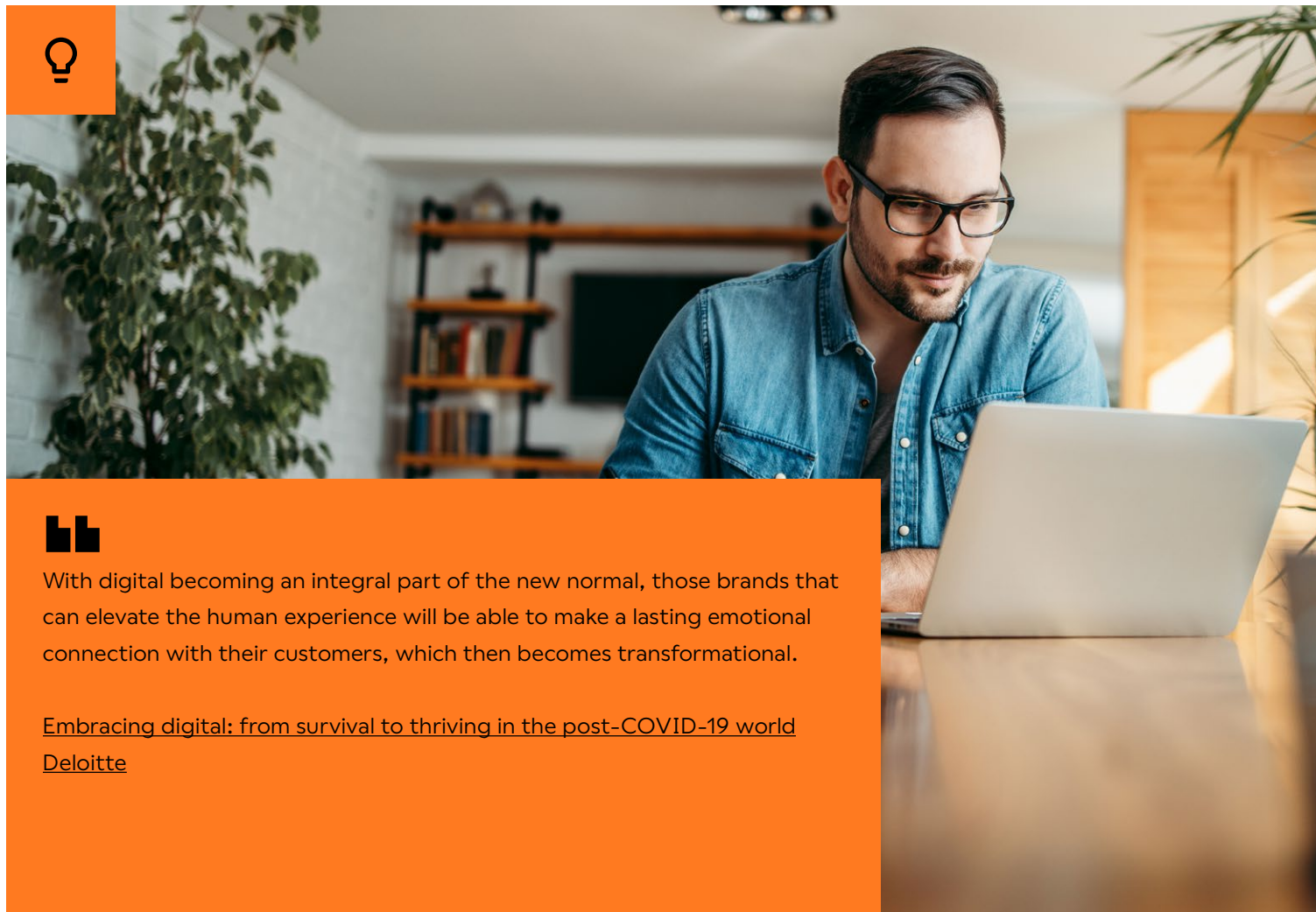
All digital transformation initiatives should begin with a listening program. Understand what your customers and prospective customers are saying about your brand and solutions. Use sentiment analysis to aggregate all of the unstructured social data to allow you to listen on a broad scale where needed. However, while looking at a cross section of social data is insightful, you never want to abandon the deep dive into individual feedback.

If your customers use Yelp, Amazon, or other social channels like TikTok, then go to these sites to see what you can learn. Better yet, let a digital shelf analytics tool do the hard work of collecting the data for you. Review your latest satisfaction survey data, including the comments, to see where you stand. It is important to look

at unsolicited feedback data as well and read both positive and negative reviews. It all matters and will provide insights you won't get elsewhere.

You may already be doing all of these things, but undertaking a thorough review as a precursor to embarking on a company-wide digital transformation initiative will help keep the customer at the center of what you are designing.

If you are the leader, you need to personally do the listening; it's about tuning into the channels that are already turned on. Don't be insulated from this process and don't rely on your team to sanitize or aggregate the feedback in such a way that it obscures what is really going on. When you are directly listening, your team will too.



With digital becoming an integral part of the new normal, those brands that can elevate the human experience will be able to make a lasting emotional connection with their customers, which then becomes transformational.

[Embracing digital: from survival to thriving in the post-COVID-19 world](#)
[Deloitte](#)

document your current state: from the customers' perspective

This is a great time to document your current customer experience, highlighting where you are innovative, anticipating customer and prospect needs, and identifying where you find gaps, problems, and room for improvement.

Invest in a customer journey mapping solution. Conduct a thorough exercise to document what customers are doing, where and when they are doing it, and how they are moving through a buying cycle. This powerful visual depiction of how your prospects and customers are interacting with your company (and your competitors) can help you identify critical bottlenecks, pain points, and even emotional states, giving you the insight you need to identify both short- and long-term digital transformation projects.

Next, think about what an optimal experience looks like. How can it be streamlined? How can you minimize problems, support calls, and errors? Where do you have organizational, cultural, or integration silos? How can you add in something extra special that makes you really stand out? What would it take to make more raving fans? Can more elements of the experience be delivered in a self-service model? Interview a few dozen customers (including those who love you and those who don't), surveying them to learn what gaps they perceive and what help they need.



You need to have the right competence and the right people to work on something which is not physically or mentally visual for the participants since day one.

Fedrico Castelli
ROCKWOOL

2. skillful resources: mind the gap

Without the right resources and skills to bring these new ideas to life, you'll be stuck in your present state. You'll continue to labor through a slow, methodical, multi-year project approach as you do with other corporate initiatives. Resourcing is a vital element to transformation, just as important as vision and data. Begin with an assessment of existing staff, a gap analysis of what is missing or needs improvement, and a list of possible ways to form a great team.

A few approaches to consider for resourcing your digital transformation programs:

1. Train your existing staff. Offer career incentives for people to step up to new roles and get involved in your transformation efforts. Set realistic expectations. Most digital transformations take years if done properly.

2. Hire new staff. Find the rock stars who know how to use new technology, leverage analytics, understand change management, and believe in the processes you want to put in place. You need the right team with the right skills and competencies.

3. Augment your staff with

contractors or freelancers. Good freelancers can be valuable to your digital transformation efforts. They offer an outsider's perspective, and their focus is not diluted.

4. Form a small core team of your best talent and empower them to act.

Work with the best and brightest from across all departments and divisions to make things happen. Take away their other duties; you might even consider moving them off site to minimize their interruptions and give them an aggressive schedule to move projects to the next phase.

5. Hire boutique agencies. These specialist resources have the experience to take on the things you need to get done. You might need an assortment of agencies, depending on the skills required for both the projects you undertake and your timeline for getting them live.



3. time for a technology assessment

This is your chance to break down preconceived notions of what technology can do and focus on a thorough understanding of the use cases, features, and benefits of your platform providers. Even if you are not involved in technology decisions on a regular basis, take this opportunity to get a briefing from every one of your core platform providers.


Your personal involvement in these reviews will signal to everyone in the company that this is a priority, that change starts at the top, and that you are fully engaged in leading your company into the digital age.

In addition to reviewing the basic features, ask vendors to demonstrate the capabilities that their most innovative clients are using. This process allows you to put together a gap analysis that shows where you fall short in your technology

adoption curve with the technology you already own. Don't leave this to others in your company. Everyone needs to understand the capabilities inherent in your systems. If there are other technology solutions you have considered in the past, invite them back to give you an updated demonstration on their new capabilities and coolest use cases.

If you rely on outside advisors, such as Forrester, Gartner, or other consulting firms, ask them to brief you on the technologies that the most innovative companies are adopting.

If you hear about a specific upstart technology being used in your industry, contact that vendor to ask for an informational briefing. You might learn about completely new paradigm-busting approaches that you hadn't even considered.



questions to help you assess your current technolog

- How old is the application?
- Is it an on-prem or SaaS solution? If on-prem, is the solution up-to-date, fully maintainable, and highly integrated to your other digital solutions?
- How accurate is it?
- What integration points exist to other solutions? Who is creating data and where is it being stored?
- Who within the company uses the solution?
- Can the solution or parts of the solution be used on mobile devices?
- Are people outside of your company using the solution?
- If so, who? (customers, partners, etc)
- Can or could customers self-serve what they need from your application?
- How secure is the solution?
- Can the solution be used with little to no training? (You never got training in buying things on Amazon or using Uber, two standout digital disrupters)
- What are people using spreadsheets for? How can these one-off manual bandaids be eliminated?
- Are you using or do you have a roadmap to incorporate IOT, virtual reality, artificial intelligence or machine learning into your solution set? How can these new technologies deliver more value to your customers?
- Is there anything in the near-term roadmap that you need to understand?



technology enables transformation

As you're scheduling and conducting technology briefings, you need to take another step. You need to thoroughly understand every core application or solution that runs your business. Here are a few questions to ask your IT, marketing, finance, and sale teams about the solutions that run your business today.

With the pandemic amplifying the adoption of new technologies, be careful to not let the current state of your IT portfolio hamstring your thinking of what you might need to fulfill your new vision. It is important to develop a clean sheet technology game

plan for your transformed enterprise. Remember to include remote working requirements into the mix, as it's likely that companies will employ a hybrid work model, even when employees start returning to the office full-time.

Hopefully your vendor briefings have given you some good ideas. Conferences, industry analysts, and consultants can also give you the input and inspiration you need. Once you've developed your plan, you need to design a bridge from your current technology state to your transformed one.



97%

executives say COVID-19 increased budgets for digital transformation.

[Forbes](#)

4. data as a digital transformation accelerator

The heart of most digital transformation means that the entire company makes data a strategic accelerant. Data is the fuel you put into your digital transformation tank.

This puts a priority on data transparency between departments and even with customers. The vision of complete 360-degree visibility to everything you need to know about your customers is absolutely possible and should be a priority.

It requires:

- Rapid, substantial investment in eliminating data silos and collecting new data
- Using data to inform product design and the creation of new business models
- New tools, such as artificial intelligence, to view your data in new ways
- Treating the data you do have with utmost care, securing and ensuring data privacy in the areas that matter

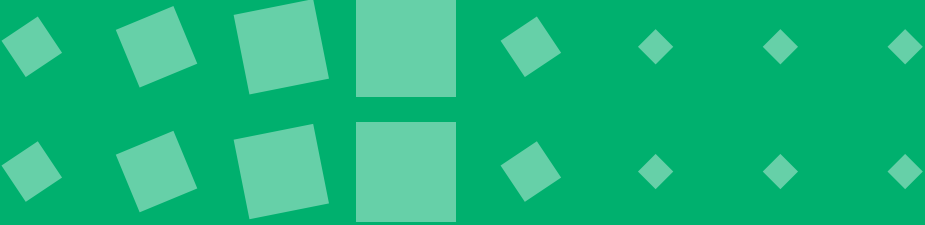


survey your existing data state

While you are surveying all your existing technology, it is a good time to do a data survey as well. First, come up with a list of questions for which you need to get answers.

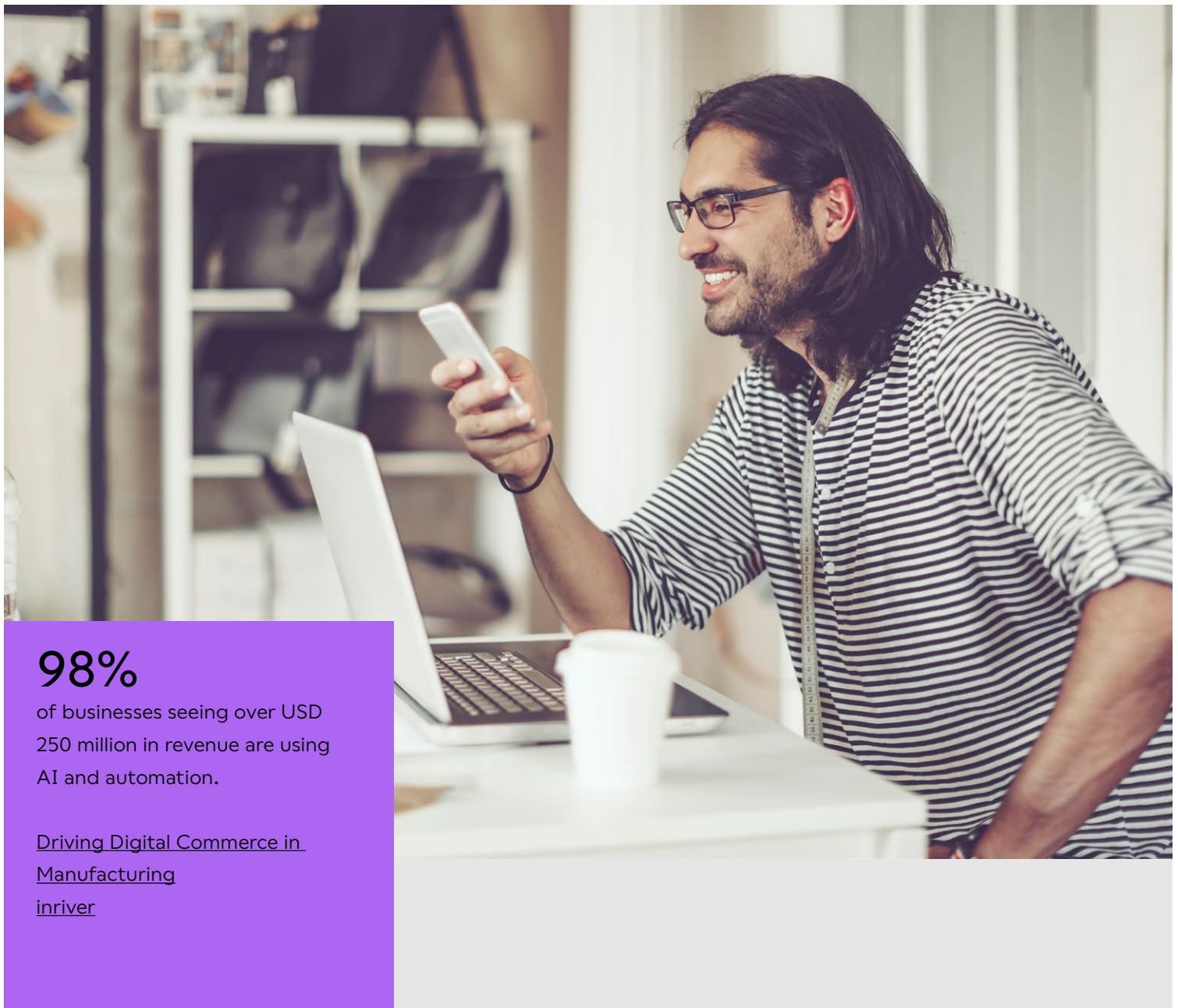
From the answers to all of these data-centric questions, you can document and communicate the key opportunities and threats to your digital transformation. It's actionable guidance that transforms the data into engagement intelligence.

Clear, prescriptive actions, such as developing some visual depictions of the data stores and data flows in your company and showing them to your colleagues, let you map out a path to drive revenue growth from your digital transformation. Data is one of the critical transformation elements that must be understood by all of the internal stakeholders, from the C-Suite to the individual contributors.



questions to help you assess the current state of your data

- What data do you have?
 - How complete is the data?
 - How accurate is it?
 - Where are the silos and what needs to be done to improve data integrations?
 - Who is creating data and where is it being stored?
 - Do you have multiple departments or people creating and maintaining the same types of data?
 - What additional data do you need from your customers and prospects and how will you get that data?
 - Could you benefit by creating partnerships with some strategic data providers to augment what you know about your prospects and customers?
 - Do you have a handle on your social data and the information about what others are saying about your company?
 - How about dark data – the large volumes of unstructured data found offline?
 - Could this be digitized and put to use in the organization?
 - If a General Data Protection Regulation (GDPR) audit was already conducted, review it to ensure the processes are still in place. If one has not been conducted, schedule it now. Data privacy laws can impact company revenue and reputation. Do not let data privacy and security protocol lapse for any reason.
- 



98%

of businesses seeing over USD 250 million in revenue are using AI and automation.

[Driving Digital Commerce in Manufacturing](#)
[inriver](#)

what about the next frontier?

Give yourself permission to think beyond software and mobile apps to newer innovations, such as drone technology, robotics, artificial intelligence, embedded technology (IOT), and virtual reality solutions.

While some of the newer technologies might seem way out there, there may

be some surprising use cases that could give you a leg up over the rest of your industry. If you haven't fully embraced mobile technology as a way to work with your clients, come up with a list of all of the possibilities for using the platform that everyone has in their pockets 24x7.



brainstorming re-imagined

Now that you've finished your assessments, walk into this phase of the process knowing that group brainstorming doesn't work. The talkers dominate the conversation, and insight from the quiet ones gets lost.

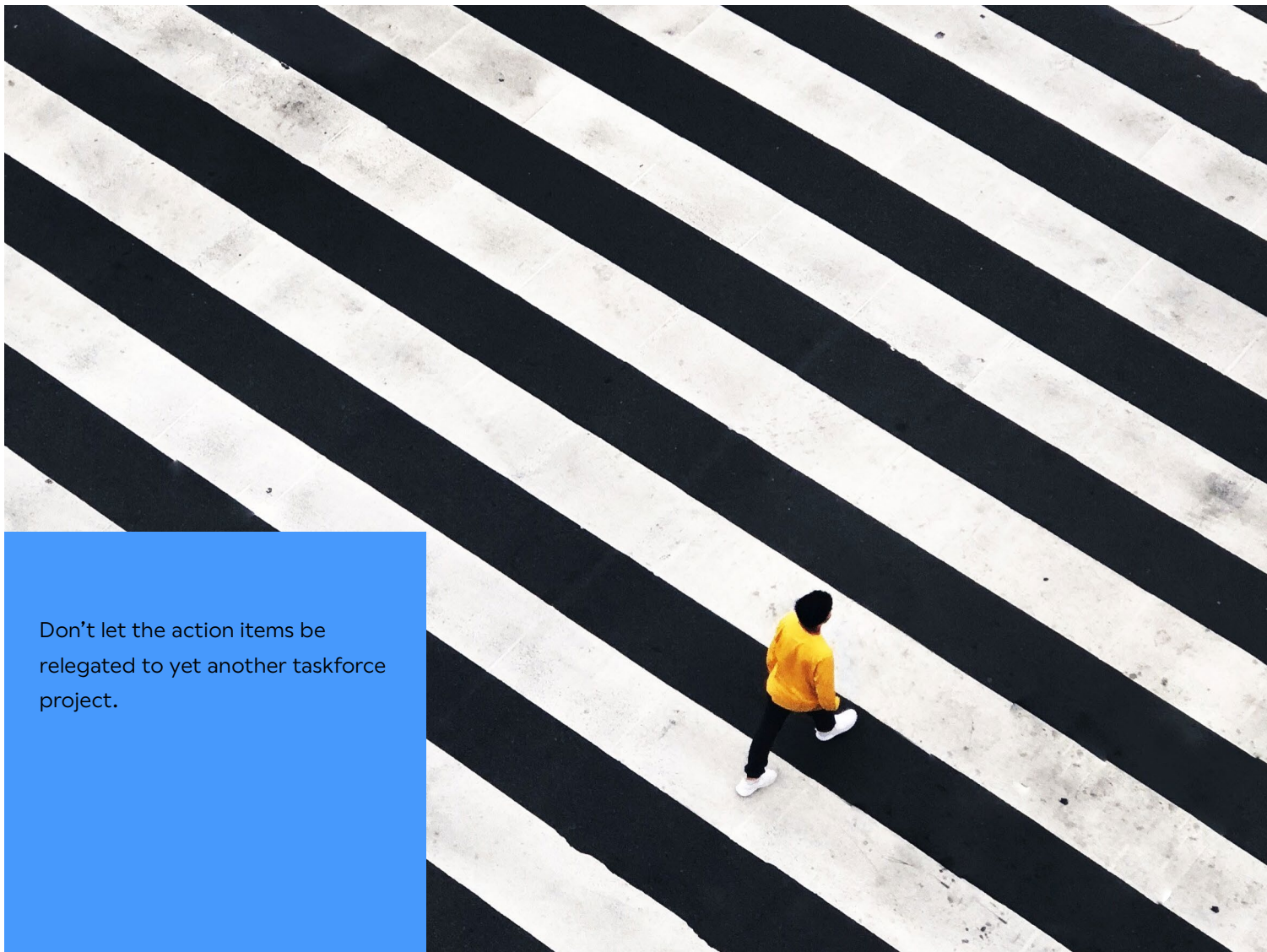
Of course you can pull everyone together to review the capabilities of your platform providers, but allow everyone to go off on their own to document current client experience processes, develop a digital transformation action list, and come up with radical ideas for new go-to-market strategies. Give everyone time dedicated to high quality thinking.

Encourage teams to list both their outrageous and basic ideas based on all that you've learned from the technology reviews and demonstrations, the customer interviews, and your customer experience maps. Perhaps have a no call, no email, out-of-office day to allow time for everyone to be thorough in their preparation.

Only after you've given everyone solo quality time to document and prepare, bring them together to share their creative ideas.

Book time with the team to consolidate all of the ideas. Combine duplicate ideas and discuss whether there are any you want to eliminate. From all of these ideas, you should have the input you need to establish a digital transformation vision for your team.

Rank the ideas in terms of do-ability and impact on revenue, market share, and income growth. Determine the investments required and the priorities. A hallmark of digital transformation is that you rapidly innovate to deliver value. If you establish a project that takes multiple years to get something new live, chances are someone else will get it done faster and leapfrog ahead of you. That doesn't mean you have to transform everything overnight, just that you need to decide what you can do quickly to make an impact and keep moving from there.



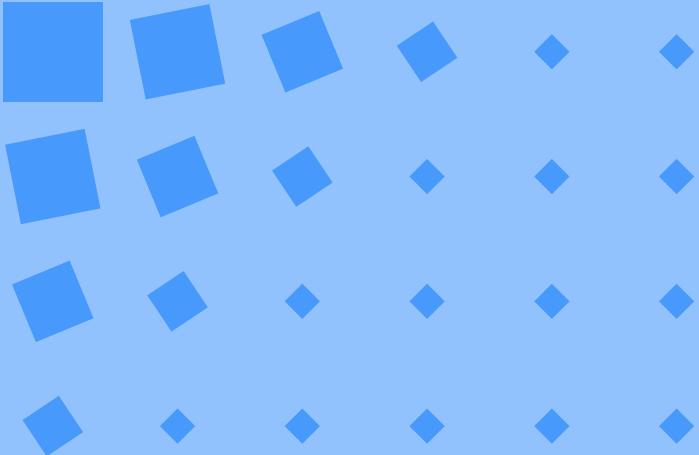
Don't let the action items be relegated to yet another taskforce project.

ban the taskforce approach

The best thing you can do it to simply start. Breaking into task forces to evaluate everything and build yet more business plans drown radical change. You are far better off starting, experimenting, and iterating your way to transformation.

Make sure the core team is focused on their transformation initiatives. These should not be sideline projects. They have the potential to re-invent your company! Don't let the action items be relegated to yet another taskforce project.

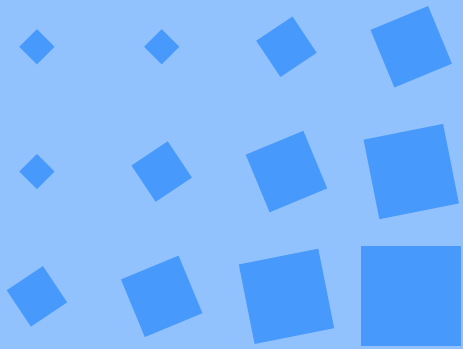
Of course, you still have to deliver on your regular commitments. But don't let the daily patterns of corporate management drown out the urgent need to undertake digital transformation at your company.



cultural factors in digital transformation

So far, we've discussed the four pillars of digital transformation: vision, data, skills, and technology. These pillars inform what you need to do, but not necessarily how you

need to tackle digital transformation, so below are a few elements you need to incorporate to make progress and drive breakthrough results.





agile for all

The Agile Manifesto was created in 2001 by a team of 17 software developers who came together to document new approaches to developing and managing software projects. Many would agree that agile techniques have revolutionized the way software is developed and improved. Some of the benefits of agile development include faster delivery of new solutions, higher satisfaction, and easier accommodation

of changes and user input. Now digital transformation presents an opportunity for companies to apply these methods to departments and organizations beyond IT.

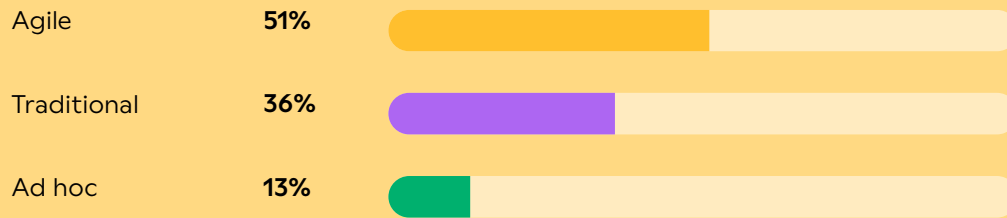
Fully embraced, agile may be a whole new way for your company to get digital projects launched quickly. The good news is that agile does not mean working longer hours. Rather, it is a new way of working.

Outlined are nine elements of agile. In order to really be effective, plan to adopt each item in the list. Cherry picking only a few techniques will not allow you to achieve the full benefits of agile methodologies.

- 1. Apply agile to a critical part of your transformation**
- 2. Isolate the project**
- 3. Define the outcome at the beginning**

- 4. Formulate small teams**
- 5. Conduct a daily stand-up meeting**
- 6. Assign a Scrum Master to avoid scope creep**
- 7. Put testing at the core**
- 8. Done is better than perfect**
- 9. Remember speed often wins and being first counts for a lot**

Which of the following most accurately describes your marketing team's process?

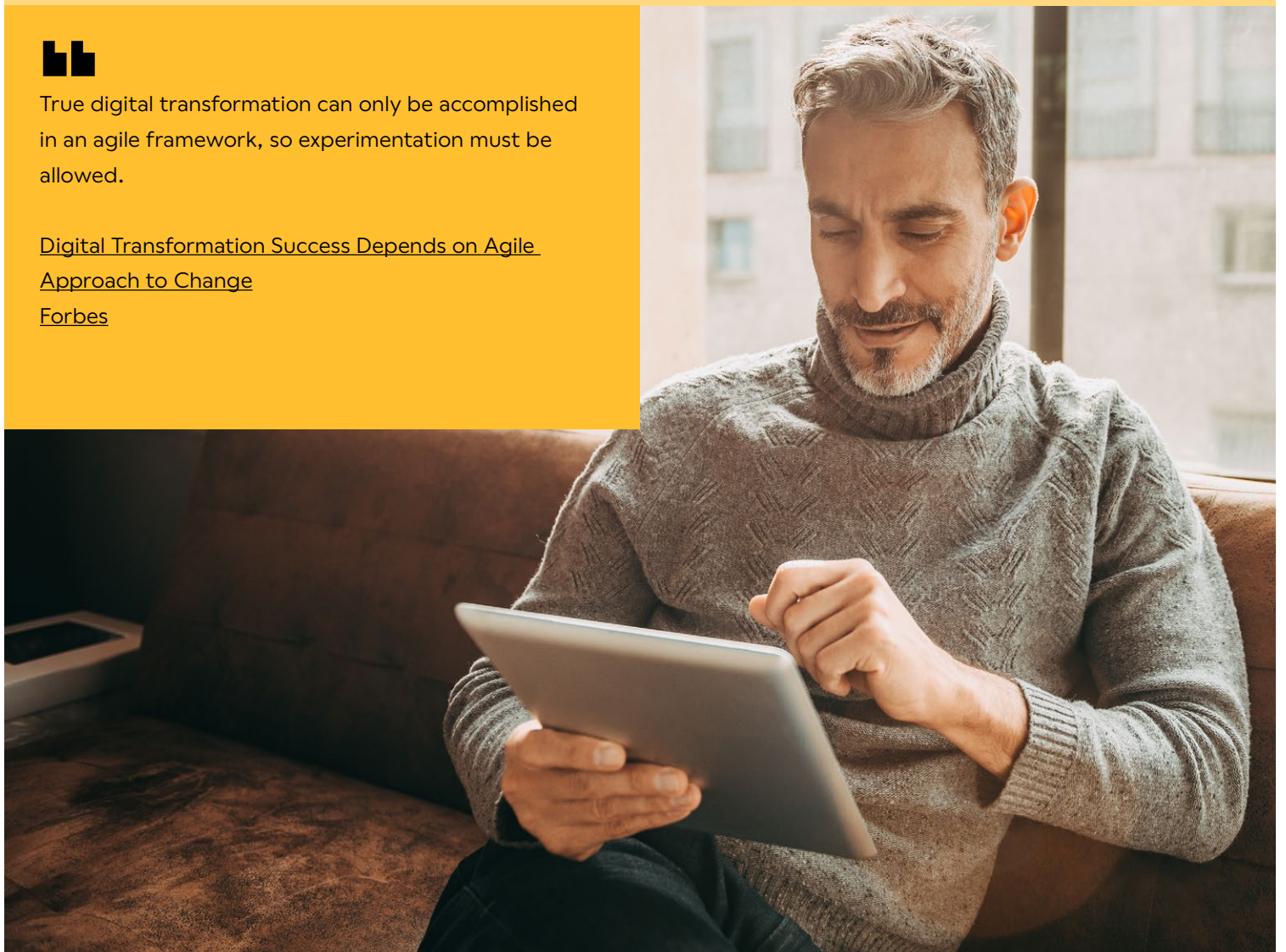


4th Annual State of Agile Marketing Report, Agile Sherpas 2021



True digital transformation can only be accomplished in an agile framework, so experimentation must be allowed.

[Digital Transformation Success Depends on Agile Approach to Change](#)
[Forbes](#)





<p>celebrate and communicate progress</p>	<p>With many small teams working closely together in an agile fashion, communication and teamwork is built in. As the leader, you need to make sure that you have great cross team communication. Give these teams</p>	<p>a platform to share what they are doing with other departments and organizations. The progress each team is making should be a catalyst for all employees in achieving digital transformation goals.</p>
<p>remove roadblocks</p>	<p>Be a trusted resource to the teams to help remove roadblocks so that they can continue operating at high levels. Stay close to your leaders so that you can nip any toxic culture or harmful politics in the bud. Because you are</p>	<p>moving quickly, your teams may make mistakes. Encourage your teams to move past any low points. They should be rewarded for testing and trying, not punished for failing.</p>
<p>practice essentialism</p>	<p>In Greg McKeown's landmark book, Essentialism, he instills the importance of paring your work (and your life) down to what is really essential. He reminds us that everything is a choice. If you're doing one thing, that means that you are (consciously or unconsciously) not doing something</p>	<p>else. As you embark on your digital transformation journey, make sure you are making specific decisions around what you (and your company) are going to do. And pursue them with all you've got, shedding those nonessential work habits.</p>
<p>is evil lurking in the wings?</p>	<p>With every transformation, there will be roadblocks. Your job is to squash and eliminate as many as you can for your organization and your company. Watch out for these five toxic roadblocks and move quickly to eradicate them:</p>	<ul style="list-style-type: none">1. Virulent politics2. Change resistance3. Poor misconceptions4. Legacy behavior5. Forgetting about the customer



the role of product information management in digital transformation

Digital transformation priorities are now center stage as the pandemic accelerated the need for digital commerce across all sectors and verticals. Businesses know that to survive, they must adapt – taking a digital-first approach.

A product information management (PIM) solution is one of the foundational solutions you must implement in the early phases of

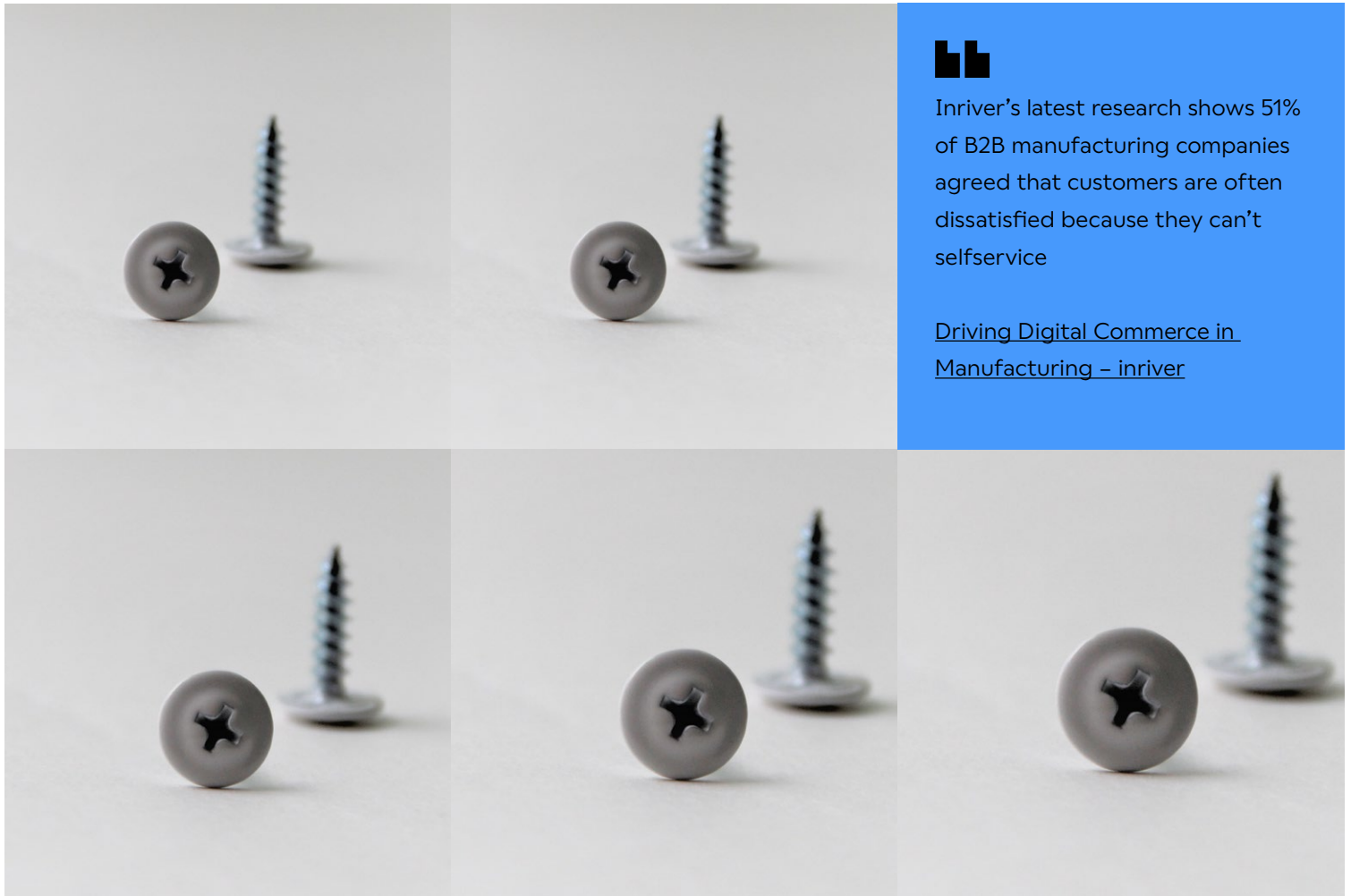
your digital transformation journey. Why? COVID-19 made e-commerce essential – online is now the first place consumers search – forcing businesses to make the shift to online operations. Consumers have more choices than ever before, so competition is fierce, and it is truly global. By optimizing your digital strategies and processes you can quickly pivot and adapt to changing business needs, whatever they may be, at scale.

The background of the entire page is a solid red color. It is decorated with a pattern of red geometric shapes. In the top half, there is a grid of small red diamonds. In the bottom half, there is a grid of red squares. Some of these shapes are tilted at various angles, creating a dynamic, abstract pattern.

what is PIM?

Product information management (PIM) provides a centralized hub to consolidate, manage, and enhance all of the information about your products, providing a centralized, up to date, and accurate repository of everything that everyone needs to know about your products.

A PIM solution provides for the automated collection and distribution of accurate product information throughout your organization - most importantly to the sales, marketing, and digital channels that need it most. Ultimately, it facilitates a great customer experience across all touchpoints.



Inriver's latest research shows 51% of B2B manufacturing companies agreed that customers are often dissatisfied because they can't selfservice

[Driving Digital Commerce in Manufacturing – inriver](#)

from legacy to transformed

For many, product information – one of a company's strategic assets – is dispersed across the company, from research and development to manufacturing and from sales to marketing. Every team is working in silos, creating their own version of product information, which causes massive duplication of effort. And worse still, there is no single version of the correct information. This can lead to inconsistent information and poor customer experiences.

A centralized PIM solution can become a linchpin for a digital transformation initiative by providing very important contributions to each of the four elements of transformation: vision,

data, skills, and technology. Those businesses thriving amid the pandemic are revamping processes, leveraging the right technologies, and driving sales across new and existing markets with PIM solutions.

A PIM solution provides the automated collection and distribution of accurate product information throughout your organization. It accelerates digital transformation because it saves staff time by avoiding duplicate entry and management. It provides consistent information for both the internal product development process and the external customer journey. It turns product information into strategic assets that drive revenue.

nine ways a PIM solution can be a core digital transformative technology for your company

1. Eliminating duplicate work across the entire corporate ecosystem – breaking down silos and fostering collaboration among departments.

2. Automating key tasks – automating product information updates and transfers enables you to re-design work and reallocate resources to higher value tasks.

3. Providing transparency across the organization – easily see product gaps, reducing costly lag time for new product launches.

4. Enabling self-service processes – lockdowns highlighted that product information is your key salesperson. Both B2C and B2B manufacturing companies agree that customers are often dissatisfied because they can't self-service.

5. Changing the role of sales and marketing – product information that is automated and readily available to a wide internal and external audience allows you to transform roles and duties in both sales and marketing.

6. Increasing agility – easily incorporate new technologies into the PIM solution, positioning your company as an innovator.

7. Enabling global initiatives – increased e-commerce means that competition is global and fierce. With a digital-first PIM solution, you can easily scale with product data syndication capabilities to reach new markets with your products, in any language.





As you evaluate your current technology stack, consider how a product information management solution creates a vital hub that transforms your company and provides valuable services to your

customers and employees. It's more than another technology solution. It provides a digital front door for your company, ensures product data accuracy, and improves the customer experience.



Learn why you should start your digital transformation with a PIM solution.

[tell me more](#)

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