

Digital transformation is real and it's urgent

By  Juanita Pienaar

10 Nov 2017

Lillian Barnard, director for the Public-Sector at Microsoft SA, addressed an audience at the Visions of Africa stage on the last day of AfricaCom, which was held at the International Convention Centre in Cape Town (CTICC) from 7-9 November.



Lillian Barnard from Microsoft SA giving us some insight on digital transformation at AfricaCom

Here, Barnard discussed the urgency of digital transformation, gave pointers on how companies can start to embark on their digital transformation journey and shares some of the benefits of doing it before your business gets left behind.

She started off her presentation by stating: “Technology has actually changed the world since the invention of the wheel.” Continuing on, Barnard said that technology is omni-present and that this is fundamentally shaping the way businesses think about innovation and how they think about growth in their own markets. So, when businesses and government fully capitalise on the power of technology, they can run more effective and efficient businesses as well as transparent and productive businesses.

There are three points that are fundamentally changing the way business works today:

1. **Availability of volumes of data.** Today companies have volumes of data available at their disposal. But the key here is that you have to make sure that you can get intelligent and actionable insights from the data. And that is the only time that this data will actually become powerful to you.
2. **The right of cloud computing.** Cloud computing will put limitless compute power, limitless storage capabilities and capacity in the hands of any organisation of any size. It will allow them to innovate but it will also increase the amount of competition. If we look, for example, at machine learning and artificial intelligence – it will allow companies to actually scale and do so quickly.
3. **The explosion and ubiquity of mobile computers.** The power of mobility affects all of us. It has increased productivity and it promotes collaboration. This whole notion of anywhere, anytime you have access to your data, means we no longer have to be office bound. What this is actually doing is, it's changing the way customers think, what customers expect from us, as well as what they expect we should deliver.

The industry has gone through tremendous change and this is brought on by digital transformation and digital disruption. We often see that digital transformation coming from existing firms, whereas disruption comes from new entrance into the market. This means digital transformation is real and it's **urgent**.

Digital transformation is real

According to a *Harvard Business Review* study, leaders are actually recognising that their industries will be digitally disrupted. 80% of them say they recognise that it will happen to them. 86% says they recognise it as an opportunity instead of a threat. 47% declares that their business models will actually become obsolete in the next three years. 44% says that they have a fully formed digital transformation strategy. 40% says they are actually doing this because they want to give their customers a better customer experience.

... and real in Africa

Barnard says that at Microsoft they've commissioned an ITC study and the questions they're hoping to answer with this study is, "Are companies moving fast enough and are they transforming fast enough?" This is to make sure that they're actually keeping in pace with this whole mobile-first, cloud-first world that we now live in, which is characterised by disruptive innovation. She says Microsoft has found that typically companies that have decided to transform are:

- able to engage their customers,
- able to empower their employees by giving them productivity tools,
- and able to optimise their operations as well as transform their products and services.

According to their research in South Africa 44% of companies say they have a digital transformation strategy and that they are going through the process. In Nigeria it is also 44% and in Kenya it is 39%. Companies that said that they are still evaluating their DT process is at 28% in South Africa, 30% in Nigeria and 38% in Kenya. Companies that are not transforming because of a lack of funding: 8% in South Africa, 26% in Nigeria, 23% in Kenya.

How do you go about developing a DT strategy?

Barnard shared some more points that came out of the study and gave tips on how companies can embark on their own internal digital strategies:

- It must start from the top. It must be driven by the CEO.
- You must start with the end in mind. You need to start envisioning your digital future. What does the outcomes look like for your business, your employees and your customers?
- Your data matters. Make sure you can take actionable actions from the data that you're drawing from your systems.
- Create a digital culture. Become a company where you don't know it all but you actually learn it all. Create an environment where people feel free to make mistakes and see those failures as an opportunity to learn.
- Start now, start quickly, otherwise you're going to be left behind. Start with what you have and ensure that you have the right skills within your company as well as the right technology.

Four pillars of digital transformation strategies

Barnard ended off by also sharing four pillars of what the team at Microsoft believe digital strategies are hinging on:

1. You need to create a new experience for your customers and in the case of government, you must engage your citizens.
2. You must empower your employees.
3. You must optimise your operations because this is where you're actually will start getting a cost-benefit.
4. You need to transform your services and your offerings.

ABOUT JUANITA PIENAAR

Juanita is the editor of the marketing & media portal on the Bizcommunity website. She is also a contributing writer.

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