WIPRO
Applying Thought

Digital Transformation Journey
Move Faster, Act Smarter, Predict Future

It could be 'a new way of working' to manifest agility; it could be 'a mindset' to ensure permeation beyond traditional business models; it could be a 'technology' to cater to the ever-growing demands for scalability and simplification; more importantly, it could be 'an experience' – which takes customers through their journeys as users, providing control and choice, understanding needs and demands, enabling help on the fly, and scaling them to navigate across contexts and channels for an unified and intuitive experience. 'Digital', in modern business parlance, can be perceived or absorbed in multiple ways.

Digital today is all about the experience customers will never forget - simple and agile, at the same time, engaging and enterprising - be it through customer - facing channels or simplification of back-end systems. It is evolving, and will continue to evolve without a finite direction as long as the needs and demands of mankind continue to dominate the business world. The ones who stand a chance in this digital race would be those who foresee the future demands of their customers and make the right effort to meet them.

The opportunity a Communication Service Provider (CSP) has today to attract its customers is through simplification of its interactions and channels, products and services without passing over the burden of technology to them. Today, customers are not worried about the underlying complexities systems carry, but are more focused towards applications and services that provide them quick response, context, speed and lesser transactional cycles. While this may sound simplistic at the fore, the effort required to execute this transformation demands astute strategies and planning. While some do, not all digital transformation requires an overhaul of back-end systems. This makes the task of finding the 'magic mix' (Figure 1) to deliver optimal experience to their customers more strategic than technical.
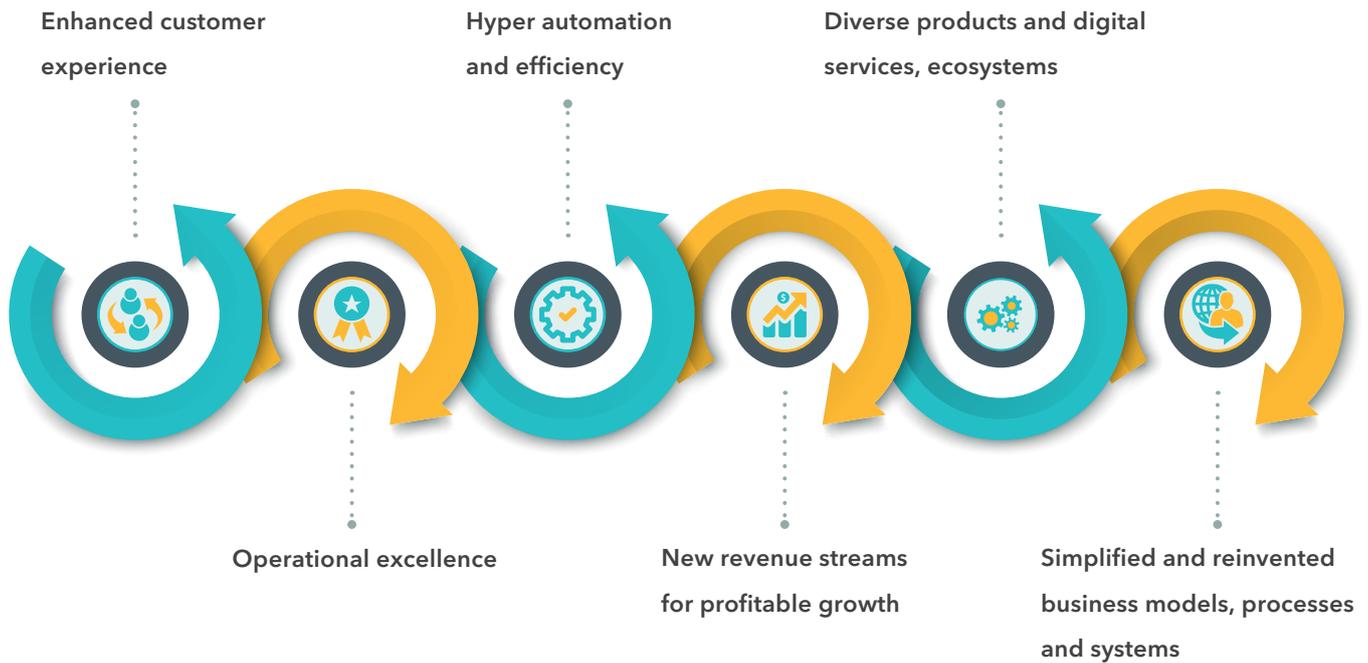
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Enhanced customer experience

Hyper automation and efficiency

Diverse products and digital services, ecosystems

Operational excellence

New revenue streams for profitable growth

Simplified and reinvented business models, processes and systems

Figure: 1 – Drivers for a digital transformation

Digital future: the tough road ahead

Defining the customer journey today is a more challenging but inevitable need of a CSP. Customers can begin their journeys from any channel, at any place, at any time, for anything! They can context-switch back and forth from one channel to other, making it a complex non-linear engagement. Customers are unhappy with leading players across industries as they lack a unified, contextual, cross-channel information retention and experience. CSPs, in-order to sustain the needs and demands, have to address this rising challenge through omni-channel platforms and an orchestrated framework.

There is a need to treat customers today as personas rather than identities since customers can have multiple personas within them for different needs, at different times, at different places. Having a persona-based customer experience will ensure CSPs to mature in their

markets, where customers will appreciate the fact that their entire needs and wants are now taken care of proactively by their operator. Based on an estimate, by 2020, there will be an estimated 50 billion active connected devices, and this itself is a stellar testimony to the perception that world is moving towards a connected,personalized environment where the needs and demands a customer might have tomorrow needs to be predicted today itself.

Along with the impulse fora transformation from an outside-in perspective, the instinct for survival is driven from within as well. The growing threat from over-the-top (OTT) players and other substitutes in the market which offer data and voice capabilities can lead to a potential 'dis-intermediation'. This is compounded with a looming but imminent entry of the likes of GAFA to the market to provide communication services. This can potentially raise a threat to the very existence of

contemporary communication providers, unless telcos move beyond boundaries to expand their business or rather expand within the contours to diversify their portfolios. Telcos not only need to be a part of an ecosystem but also have to start to own and lead one of its kind, thereby neutralizing the threats to an extent.

The need for partnerships and ecosystems, henceforth unleashes another major opportunity telcos must focus on today – need for new revenue streams and expansion to adjacent verticals. They need to provide digital lifestyle services and solutions like mobile payment, connected healthcare, connected home etc. The launch of new products and services demands immense market perception.

Exploring data monetization possibilities through advanced analytics provides immense control to CSPs over their customers. It positions them as 'lifestyle providers' by helping their customers with more hyper-personalized and localized services through 'contextual interactivity' and 'content of relevance'. It also adds value by reducing churn through predictive churn analysis.

Headwinds in the form of growing pressure of operating margins and cost-to-serve is a major concern today. Simplification of processes and the advent of hyper-automation could address this problem by enhancing the business resilience along with the launch of standardized self-service capabilities. Addressing cross channel retention and seamless information exchange through intuitive, self-guiding interfaces could not only add value to operational efficiency but will also enhance the experience and brand stickiness for a customer.

All the aforementioned challenges and counter measures culminates towards designing new business models. Realization of the benefits highlighted above demands faster, agile way of working that transcends boundaries of geographies and mindsets. A CSP will become a Digital Service Provider (DSP) only if it is ready to embrace risks and face challenges in a business world where the walls of competition are thinner than ever before. A strong organization with a strong urge to enhance its customer experience and an iron will to revolutionize the existing business models is guaranteed to achieve success and welcome the new frontiers digital will lead them to – a world of enchanting customer experience and business outcomes.

Digital transformation: where to start?

The degree of successful digital transformation relies heavily to an extent on a 'durable, well-envisioned, strategy which outlines a transformational roadmap to success for a CSP (Figure 2 – Critical factors for successful digital transformation). But strategy is a very subjective term and differs from operator to operator, geography to geography. T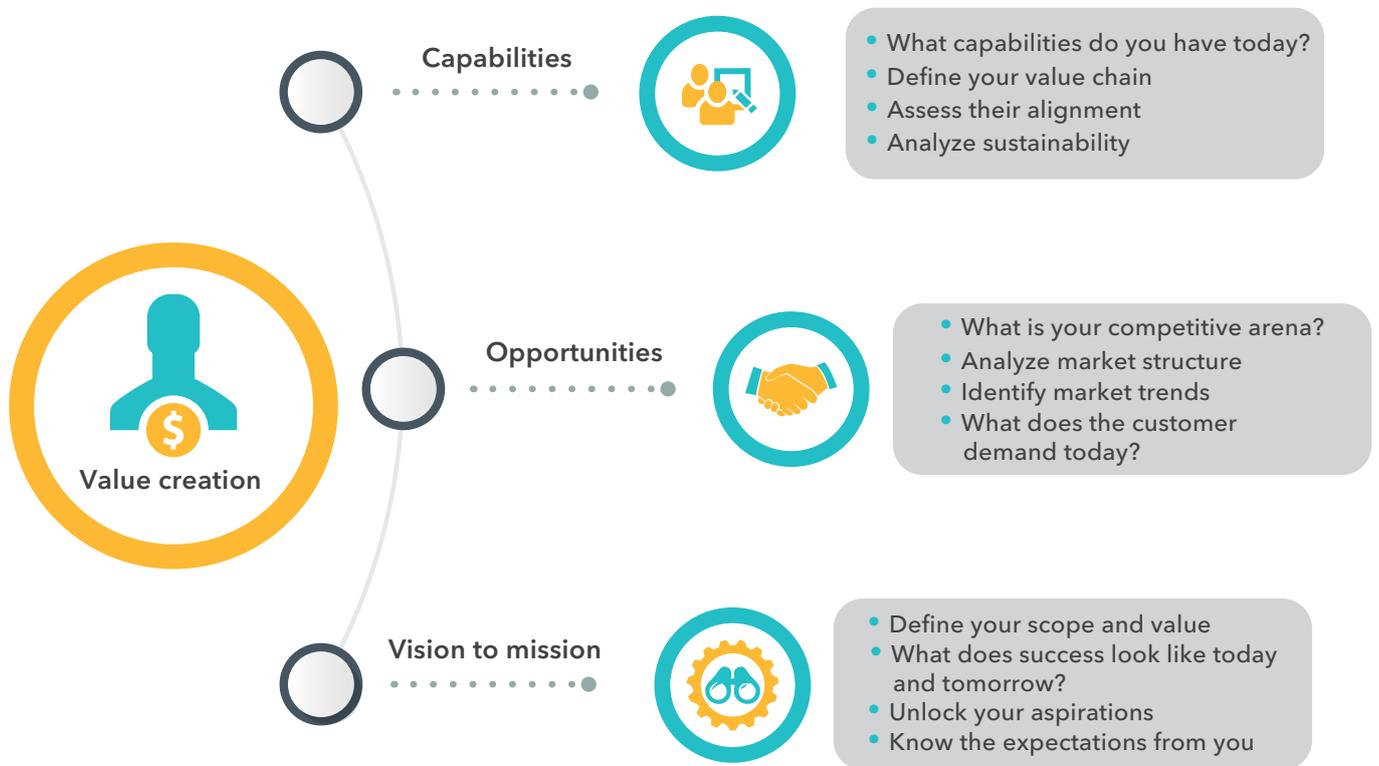he strategy should primarily withstand the ever-changing demands from the customer. No transformation is perfect without a perfect start, and building a strategy should ideally commence from understanding the current landscape of the CSP, cutting across its business, from technology to process to organization. It should encompass all facets of its business based on the current level of digital maturity.

Capabilities
- What capabilities do you have today?
- Define your value chain
- Assess their alignment
- Analyze sustainability

Value creation

Opportunities
- What is your competitive arena?
- Analyze market structure
- Identify market trends
- What does the customer demand today?

Vision to mission
- Define your scope and value
- What does success look like today and tomorrow?
- Unlock your aspirations
- Know the expectations from you

Figure: 2 – Critical factors for successful digital transformation

Having an end-to-end assessment of the current capabilities will not only lead to identifying strengths and weaknesses across portfolios but will also contribute towards defining standards and benchmarks which a CSP would like to target to achieve. It also paves the way for creating a strong vision and mission statement which is the stepping stone towards building a successful digital strategy.

CSPs need to continuously evolve if they have to be successful in addressing digital disruption (Figure 3). They have to undergo this evolution continuously over a period of time to ensure that they stay 'connected' and 'cater' to evolving customer aspirations. Failure to do so may pull them back to the old school and the entire value chain might look historic to them once again.
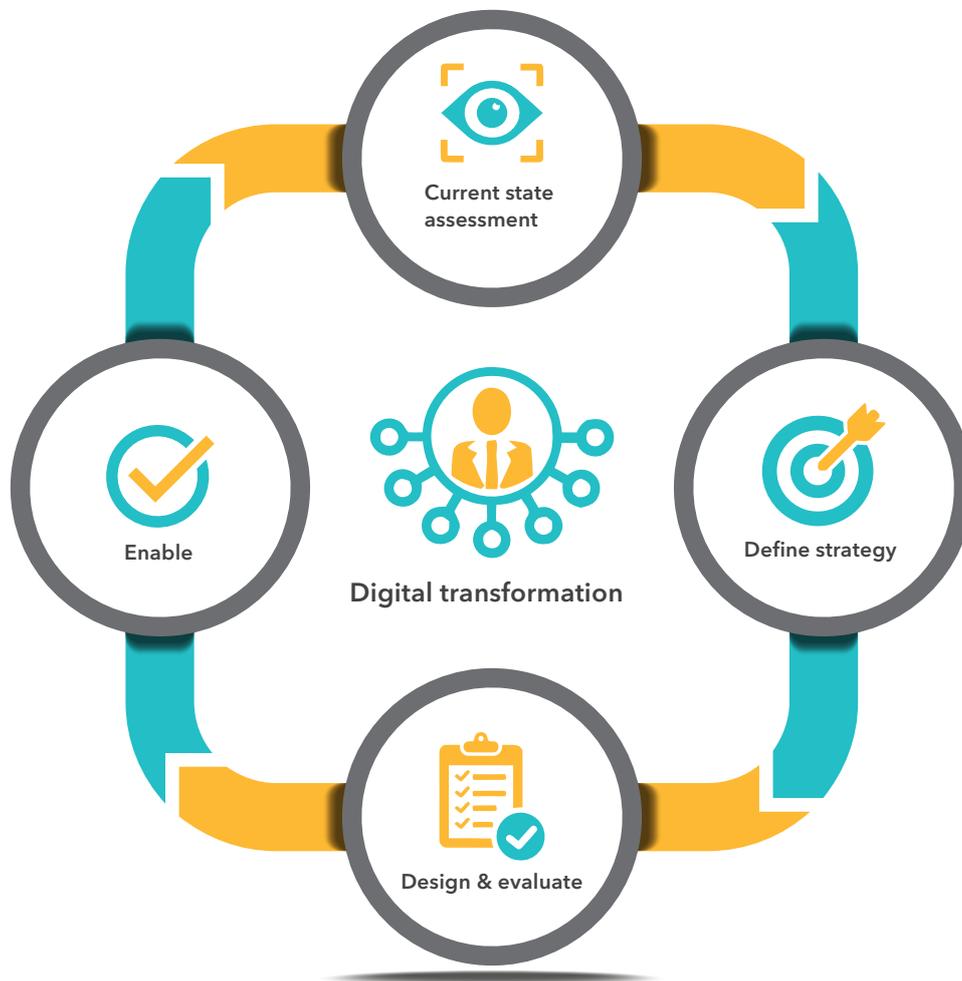
The most relevant question for CSPs is 'Will I be able to understand my customers in a way they want to be understood'. An answer to this will define digital for the CSP and will bring forward avenues to explore, fail, learn and evolve. In a fast-moving world, it is quiet expected from a customer to expect service on the move and it is this challenge that brings in a plethora of opportunities for a CSP to unlock the value potential of digital. Telecom operators need to bring in the pinnacle of trust and confidence in their customers by moving faster, acting smarter and predicting the future.

About the author

Swaminathan CN has more than 8 years of experience in providing business consulting services to world's leading organizations from multiple industries like healthcare, utilities, airline, and retail, among others. Currently the Principal Consultant – Communications at Wipro, he has specialized in Business Strategy from the University of Virginia. He is a sports enthusiast and loves to play badminton and cricket.

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