

★ Digital Transformation and the COVID-19 Crisis

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What should businesses do with their digital transformation programs at the unprecedented crisis unleashed by this lethal virus?

Before attempting to answer this question, let us examine the impact of the crisis on those organizations that have gone 'digital' in a big way versus the ones who have been a little slow.

Software companies, such as Extentia, have been able to transition to a distributed collaborative model with minimal disruption to service delivery. Of course, technology companies are rather exceptional, because most of the order-to-cash cycle can be done digitally – as we can deliver our work product digitally.



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What about businesses such as retail and healthcare where the goods or services must be physically delivered to the customers? How much would a mature digital transformation program have impacted their ability to provide such services to their customers during this crisis? Let us go back to the definition of digital transformation to answer this question in an enlightened way. (At the moment, there is no empirical data to measure correlation between the maturity of digital transformation and the ability of a business to adapt to the new normal. I am sure business schools will spend the next few years trying to understand this with the help of empirical data. We can expect hundreds, if not thousands of case studies in the coming years!)

Any digital transformation program attempts to use technology to optimize the entire order-to-realization cycle by eliminating or reducing paperwork, automating workflows, minimizing human errors, and using data analytics/ML techniques to provide insights into possible issues in the cycle. And all this must be done while providing customers and stakeholders with a great experience. Many digital transformation programs do not pay adequate attention to the 'user experience' aspect, which is probably one of the most important ones. Improving internal efficiencies at the cost of customer experience can prove to be a great mistake; ignoring internal users or stakeholders at the cost of process efficiency, can, likewise, alienate a major user group. Of course, misusing the insights provided by data analytics to spam customers or play with user privacy can backfire and negate the value of the effort.

The caveat here is that there are some goods and services that cannot be delivered (yet) without human contact. For example, a business such as UrbanClap or Uber cannot provide their services to their customers, despite being hundred per cent digital from ground up. Food delivery teams cannot deliver food because all restaurants are shut. A healthcare provider, on the other hand, can provide a subset of their services by using telemedicine tools, even during a lock down. The quality of the patient service it can provide will depend on the maturity of its digital transformation program. A hospital that has invested in collecting detailed medical records of its patients, and using digital copies of its test reports, etc., is in a better position to provide telemedicine services than one that hasn't done so.

A bank can provide a lot of its services online, and a bank that has a more advanced digital transformation program will have the ability to disburse loans even during these times, compared to a less evolved one. A fascinating example is that of retail. Ecommerce retailers are unable to provide the logistic support during the lock down periods, due to the inability of delivery personnel, and the general disruption to the entire logistics chain. But supermarket chains with a robust digitization program can provide innovative solutions to the delivery problem – order and pick up, delivery to certain fixed points where their trucks can be placed at different times of the day, and so on.

Apart from the ones above, we can think of several examples where an advanced digital transformation plan might help businesses with business continuity:

- Following sales opportunities and tracking through cycle and maintenance remotely – supporting customers anywhere and with a distributed team
- Tracking and managing remote work sites and planning their supply chain and inventory remotely
- Tracking assembly lines or warehouses and taking autonomous action based on multi-parameter decision making algorithms and insights
- Renewal of contracts and other paperwork with digital signatures
- Measure, monitor, and manage energy consumption at remote plants and offices
- Monitor performance of remote equipment, vehicles, and hardware – without local physical presence
- Financial transactions of various kinds that require complex workflows – but don't require physical availability

What is emerging from all this is that the businesses who have invested in digital technologies to deliver goods and services to their customers and employees are better positioned to handle crises like the one we are facing today, as their ability to tweak their business models in a short time is much higher. Furthermore, the fact that they can do so during the present situation will enable them to attract customer loyalty when the crisis has passed. Obviously, this is what great user experiences are all about.

One outcome of this crisis will be the accelerated adoption of autonomous vehicles such as drones for delivery of physical goods. This will surely enable the delivery of essential goods such as food, medicines, and such during the next crisis. Could it also accelerate the development of autonomous on road vehicles and robots for such delivery? Hard to say.

The companies that already have digital transformation programs are likely to accelerate their plans both during and after the crisis as their past investments begin to pay off. The others must seriously rethink their approach towards digital transformation or risk being left behind.

[At Extentia we help companies to realize their digital transformation programs and help them in creating great customer experiences. If your business is embarking on such a program or if you want to accelerate your plans, do get in touch with us]