

The business case for transformation

How organisations can better meet
customer expectations

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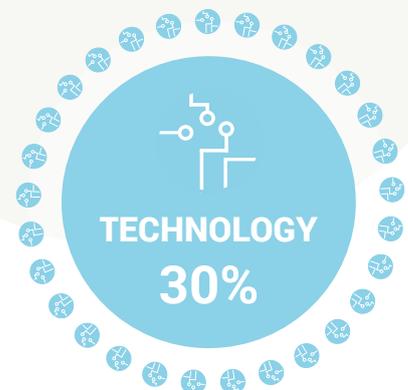
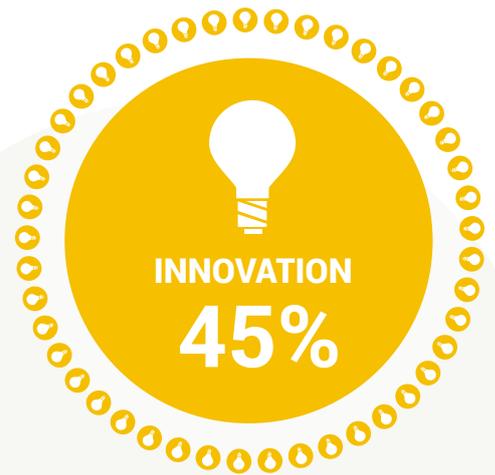
Introduction

There is no point making changes just for their own sake, but in challenging markets and uncertain economic conditions, where competitive threats can emerge from anywhere and established markets can disappear almost overnight, businesses need to be able to be flexible and prepared. For many, this will mean embarking on a significant transformation as they try to become more agile, efficient and effective.

The most important drivers behind the need to transform, according to "The future of work research report", are customer experience according to 55% of UK businesses, followed by 45% saying innovation and 30%, technology.

While the second two might seem to be heading in a different direction to the first, they are all closely linked. Advances in technology have brought mass connectivity; a diversity of means of access – mobile devices, tablets – and heading into the near future, more ways to collect information through wearable technologies and the internet of things. These are transforming the lives of consumers and increasing everybody's expectations of how they interact with each other as individuals as well as with organisations. Businesses that fail to transform their operations to meet these demands from their customers for a better experience will fail.

It once seemed that size of organisation and the legacy of a great brand would insulate businesses from these types of changes, but access to communications anywhere and the instantaneous impact technology has had on social connections through Facebook, Twitter and other social media means that none are safe. Commercial momentum can slow the effect, but for example in retail, where loyalty (or apathy) once retained customers, even mighty supermarkets are showing obvious signs of stumbling.



What needs to change?

Those surveyed believe that the top changes to have the biggest impact on profitability were, by a long way ahead, to be able to respond more rapidly to market opportunities, followed by better use and integration of available technology and people.

With the same research indicating that marketing, senior management and IT are the key departments to be leading the transformation of an organisation, it is clear that businesses need to be looking outwards and well as within; transforming the customer experience and transforming the working environment to better serve the various constituents.

Smarter Communication

Fundamental to this is communications. Where once there were narrow and well-defined routes between customer and organisation, there is now a multiplicity of modes of communication and customers want to be able to use whichever is closest to hand or preferable at every stage. The purchasing process is no longer a matter of 'bricks or clicks' (high street or online), but a complex multi-modal set of stages involving online, mobile access on devices of widely varying form factors, in-store, remote pickup and even the telephone (and the occasional written communication – particularly when a person is complaining). It might have started as simply 'e-commerce', but other processes from obtaining support, dealing with utilities, healthcare or financial institutions have all followed a similar path.

Despite this, customers expect the entire process to run smoothly and do not expect to have to repeat their words or actions, no matter who or what within the organisation they have to communicate with. The once simply scripted and stove-piped internal processes that were designed to meet the 80/20 rule of customer interaction are no longer good enough. The overall process may look the same, but it now has to be location and mode of access independent and connect internally to anybody and everybody who needs to be involved.

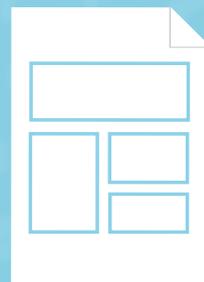
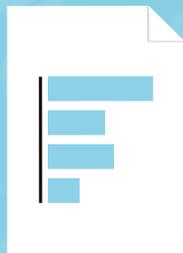
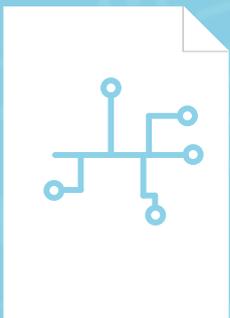
This means better internal communication and collaboration between what were once separate teams or departments. This is another area where innovation and technology can be exploited in a similar way by the organisation as it has been by its customers. Employee interactions can be viewed as a shared social experience oriented around the customer using multiple methods of communication rather than relying on the overly formal lines of communications oriented around internal structures. Familiar tools – mobile phones, tablets – can be employed, even supporting employees to bring their own devices (BYOD) to encourage and facilitate sharing and collaboration.



Smarter Information

The next element of the transformation is information. The growth in data storage seems inexorable, but although a lot of data is already being stored, it is not always the right stuff or in the right place. A greater understanding of what is really going on in critical business processes would help. For example, tracking customers as they go through a purchasing process, where are they when interrupted or they decide to stop – and can an appealing intervention be made to enable them to continue to the closure of a deal? Do employees have all the information about the availability of limited resources that they need to complete a task?

Some of this information will already be there, but legacy departmental structures and agendas may be keeping valuable knowledge from finding the right person to take advantage of it. The days of companies allowing critical data to be left languishing in Excel spreadsheets or scattered across diverse file systems should be long gone, but many organisations still have separate silos of data repositories disconnected from each other and the business processes that could benefit from them.

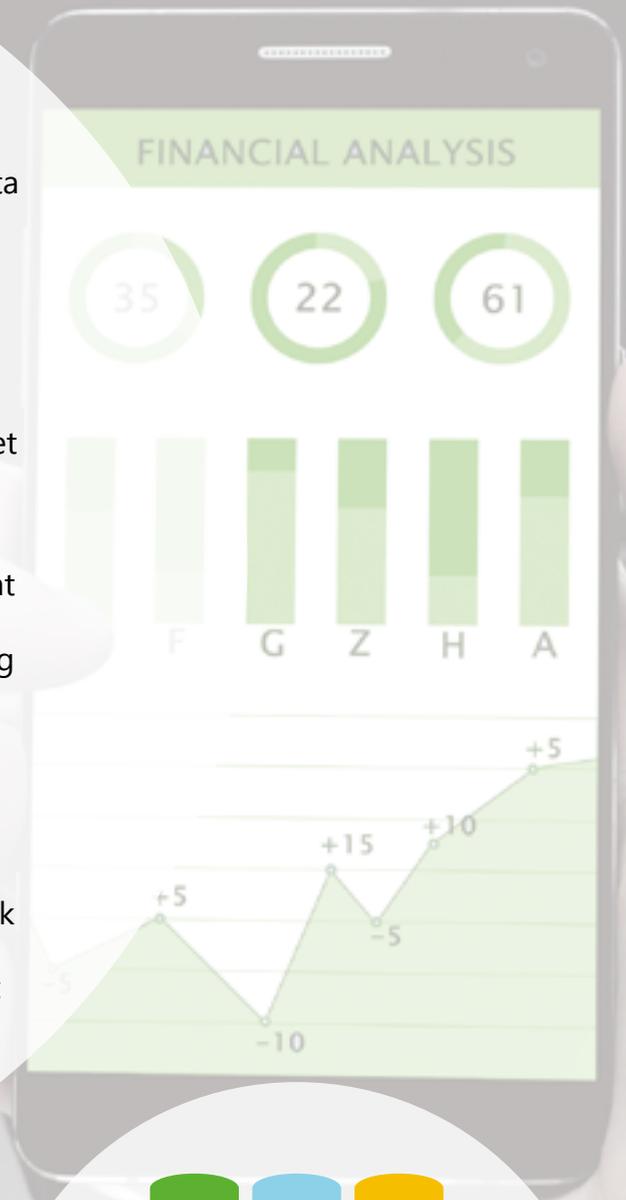


Smarter Action

This is where much of the much-vaunted value of 'big data' will surface, not simply in the volumes of new data being collected, but in the rapidity that information from multiple sources can be combined, analysed and turned into smarter action. Individuals need to have this data quickly transformed into valuable knowledge so that they can work effectively as part of a team taking decisive action to be responsive to immediate customer needs as well as longer term changing market conditions.

The research indicates that marketing, senior management and IT have an opportunity to ensure that these smarter actions are focussed both externally on the customer experience and internally on transforming the working environment by streamlining and automating existing business processes.

While technology advances may have catalysed much of this, the imperative for business change is a straightforward one based on competitive pressures and affects people and the processes they have to work with. Customer awareness, needs and - critically - their expectations have changed, and the organisations that fail to meet them efficiently and effectively will lose.



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