

Find out why scaling the digital wall is imperative in 2017

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Digital transformation is being felt everywhere. Success in our digital age requires new psychology, new strategies, and new technologies. But what exactly does it mean? In this blog I want to dive deeper into what a digital transformation involves and why it is imperative in today's business environment.

Digital transformation is the profound reinvention of a business through the exploitation of digital technology to improve the way it operates and serves its customers and constituents. Typically, digital transformation is triggered as a response to increasing customer demands for a service or product and/or a change in the marketplace. It provides unparalleled opportunities to create value - the World Bank has pointed out that it used to take [Fortune 500 companies 20 years to reach \\$1 billion valuation](#), but today's digitally infused startups get there in just 4 years. According to a [study conducted by the MIT Center for Digital Business and Capgemini Consulting](#), digitally mature organizations are 26% more profitable than their counterparts.

However, simply utilizing new technology is not enough. Creating a new mobile application or hiring a chief digital officer in and of itself does not amount to a digital transformation. Rather it's the wholesale organizational change that positions and enables a business to take advantage of new technologies that does.

The customer's power in the modern marketplace is continuing to grow, and businesses need to transform their operations. This cannot be done by only changing a specific area of the business, such as the IT department. To deliver exceptional customer experiences in the digital world, it means creating a digital organization - one that can respond quickly to changing customer demands, and can rapidly iterate products and services via new technologies. And we believe the way to achieve this is via Agile development.

Agile Development can Help Organizations Transform Themselves into Digital Businesses

The journey to digital transformation requires a clear roadmap and a staged approach. In our experience, implementing [Agile development](#) is a key part of an organization's digital transformation. It is no longer just a software development methodology. Rather it provides the structure and approach for teams to work together to increase the speed of getting new products to markets. It helps teams iteratively improve products based on feedback from customers and stakeholders. Agile artifacts meanwhile, such as the burndown chart, mean there is transparency with the progress of workflows. But at its heart, implementing Agile means transforming an organization's culture, ensuring that team members are empowered to make decisions and find the best solution. Agile development and becoming a digital-first organization are two-sides of the same coin.

Examples of Digital-Savvy Organizations

There are many inspiring examples of digital transformation and digitally-savvy organizations. For example, many people consider Amazon to be the posterchild of a digitally-native organization. But what is overlooked is how Amazon Business has helped transform the B2B world, by creating a marketplace so businesses can buy from Amazon and related third parties, while integrating order approval workflows. It's a great example of bringing digital consumer expectations to the B2B world. Another great example is Audi, which is transforming the dealer experience and how the firm sells cars. In 2012, the company launched an all-digital showroom model called Audi City. This concept provided an exceptional brand experience, which allowed customers to explore the company's entire catalog hands-on in showrooms located within cities, where huge stores are not practical. Lego meanwhile was close to bankruptcy in 2004. It's resurgence is largely due to launching digital businesses and finding new ways to engage with its customers, from movies to mobile applications.

Conclusion: The Importance of Leveraging Digital Technologies

According to findings in a [MIT Sloan Management Review](#), high-level talent tends to be more committed to businesses that are digitally mature. In a world where digital talent can be hard to find, this alone is a critical reason to invest in your digital readiness. But ultimately the reason to invest in your digital transformation is because it enables organizations to be more nimble and more responsive to customer demands. 2017 is the year digital transformation has become not just a business priority, but key to organizational survival in a new world.

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