

Hesitant people are the ones most afraid of digital transformation

By: *Srdjan Cvjetović*

It was not long ago that we were concerned with transforming data into information. Now we have a large amount of information at our disposal, and we want it to lead us to the right choices. This, too, is digital transformation.



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In Western European countries, particularly Scandinavia, and even more so in the United States, digital media is becoming an increasingly popular choice for advertisers. Last year, analysts have reported that in the United States, digital advertisement has brought in 40% of all advertisement earnings from that market, while predictions for this year for the United Kingdom would have it exceed 50%.

We are still far from reaching such numbers in Slovenia, but nevertheless, things are slowly progressing. We have spoken with Dare Klavžar, the head of SAS Adriatic, who also spoke about his views on a round table during this year's Diggit conference. We asked him whether Slovenia is afraid of digital transformation or if the reasons for the deviation from the trends are to be found elsewhere. For over two decades, Klavžar has been working with companies and organizations from former Yugoslavian countries, helping them find added value in data and, in so doing, improve

their business.

The very basis for performing digital transformation is having a large amount of data. But is all the data that is collected in this way really necessary and relevant?

The data is not collected, it is created. The question is whether we're too ambitious when collecting it. Personally, I think we aren't. The point is not mere collection, the point is searching for added value. There's a lot of talk about Big Data, but personally I would rather talk about Big Analytics.

This stream of data that is being created and processed also contains personal data, which can be abused. How would you address these concerns?

All relationships are based on mutual trust. Even in the non-digital world, my feelings about a business relationship were good if the relationship was personal. In the digital sphere, this immediate personal contact has been lost, and now we're trying to rediscover it, to find a way to re-establish it. Once we achieve the same level of mutual trust that we are used to from the non-digital world, all such concerns about data abuse in the digital world will disappear.



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How can we achieve that?

By giving the user full control at all times concerning when, how and where his data is being collected and used.

You said that Big Analytics is a more appropriate term than the more widely accepted Big Data. Why?

20 years ago, the concern was how to get to data and information that would facilitate business decisions and the formulation of plans. Right now, the amount of data is much larger, both in variety and in sheer quantity, wealth of sources and interconnection. But the goal remains the same: find the right information to get to the right conclusions at the right time - the difference being that the amount of data that influence these conclusions is now much bigger and thus poses a bigger challenge. But on the other hand, the potential gain is much bigger, because of the sheer amount of sources and their interconnection, which was unimaginable back in the day.

What are the actual advantages that a business or institution can expect to gain from a digital transformation?

I will be specific: the bank that we are currently working with had a response of approximately 1% to their sales campaigns. After tapping into the wealth of information at their disposal, we know their clients much better, and the response to campaigns has risen to 25%. Even more importantly: from those that responded to the campaign, nearly a sixth of the clients actually decided to buy. Before the digital transformation, the response to their campaigns was smaller than the actual sales are these days.

How does digital transformation change businesses and institutions?

I'll stick to the same example: one of the crucial positive effects of their transformation is that the coordination between the various marketing agencies became much better – blunders such as advertising one product by mail and then promoting another via phone stopped happening. Consequently, the clients had a better experience – they felt like they meant more to the bank than just a number to sell things to.

There's a lot of talk about digital transformation – but what is it, really?

Digital transformation is an upgrade, it means listening to and understanding your clients, it represents more satisfied customers and an improvement in one's productivity in the long run. In the example of the bank that I mentioned, I can say that digital transformation upgraded their one generic campaign a month to two thousand specific campaigns a year – campaigns that the customers really perceive as fitting for them.



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What are the biggest obstacles that you have encountered while performing digital transformations for businesses and institutions?

The first and foremost obstacles are not technological, but psychological. Fear originates from uncertainty. When we explain to our clients that the changes of digital transformation do not take anything away, but can add much, the process becomes much easier. The breaking point occurs when we present hesitant customers with an example of a successful implementation from a sector or business that is close to what they are doing. The successes and failures of others are a language that anyone can understand.

Do you find certain parts of a company are more or less susceptible to the digital transformation?

Wherever the executives are truly interested in improving business, we can find the motivation to pursue internal synergy – for example, when someone from sales sincerely tries to establish a connection with someone from IT. That's when a myriad of possibilities for success truly open up. You might be surprised to hear this, but age does not really define in any way the willingness for change. On the contrary – brave revolutionaries and stuffy conservatives are distributed evenly along the age spectrum.

What about the differences between various sectors?

The sectors that most readily embrace digital transformation are telecommunications, banking, trade and insurance. They perceive it as a unique opportunity that allows them to maintain the same level of success as in the past. The sectors in which we have encountered the most resistance are manufacturing and, to some degree, civil service. But it might well be that these are just our personal professional experiences and they might not conform to the bigger picture.

How do we know if the digital transformation of a company or institution was successful?

When the mass of data becomes a stream of sensibly processed information, and when this opens the way to new possibilities. For example, when a client frequently complains that a service is not working properly, sensibly processing this information will transform a technical complaint into an opportunity to remedy the issue and improve the service. For the client, it is a fulfilment of their needs and expectations. For the business, it represents a satisfied customer, one that is not only a source of revenue, but also a satisfied ambassador of their services.