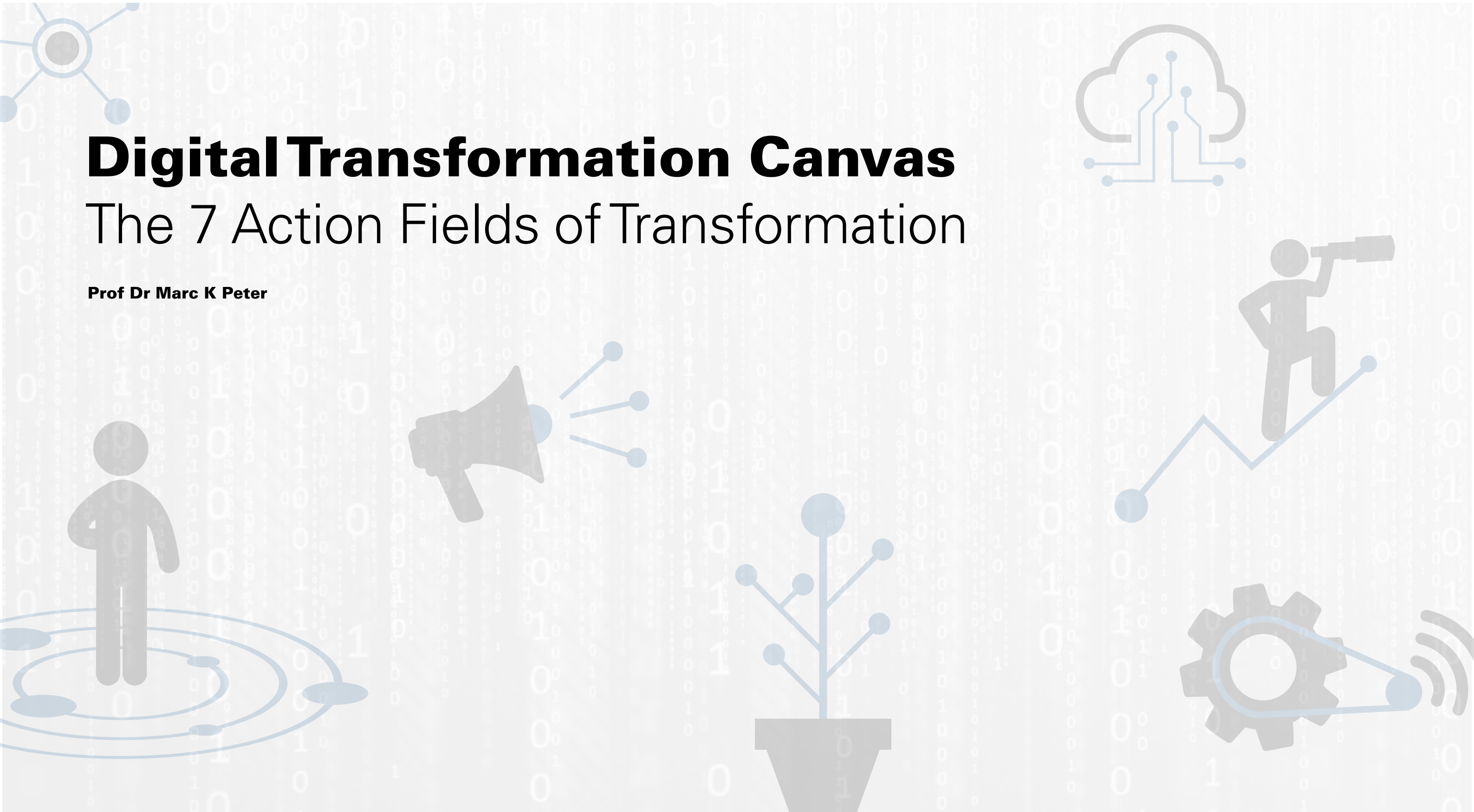# Digital Transformation Canvas
The 7 Action Fields of Transformation

Prof Dr Marc K Peter

Digital Transformation Canvas
The 7 Action Fields of Transformation

1 Customer Centricity

Organisations place a strong focus on customer orientation, personalised offers, digital communication and sales channels.

- What are our target segments with the highest potential?
- What is the current customer satisfaction per segment?
- Which are the central (digital, new) customer needs per segment (identification e.g. by means of customer journey mapping and/or personas)?
- Which data is available or must be collected in order to better understand our customers?
- Do our core processes meet these customer needs? If not, what must be changed?
- Which components of our marketing mix (product, price, communication, distribution, additional services) do we need to modify?
- Which personalised offers (services/products) do we want to offer in the future?
- Which (digital) channels do we want to offer?
- Which (digital) communication channels and how (e.g. approach, frequency) will we be using them in the future?
- Which systems and processes will we have to adapt?
- What are our quick-wins to immediately achieve a stronger customer orientation and satisfaction?

2 New Technologies

This includes platforms and apps as well as the connection of industrial components and consumer products (Industry 4.0 and Internet of Things).

- What are the new technologies available today and in the future, and what potential do they have for our customers and to our organisation?
- How will these technologies develop and how will they be used in the future?
- Which software solutions / apps could actively support our value propositions and processes?
- What activities and measures are we implementing to increase IT security?
- What is our technology roadmap for the next 5 – 10 years?

3 Cloud and Data

Digital activities require data-driven models and systems, smart data and a flexible, web based IT infrastructure.

- Have we linked the existing platforms and data in the best possible ways?
- Are our IT systems, including web-based solutions, easily accessible and scalable for customers and partners?
- What potential can we draw from existing data (Smart Data)?
- Have we defined corresponding requirements for IT security and do we regularly measure the criteria?
- Have we analysed the future potential of solutions in the cloud and intelligent data? What does our roadmap include?

4 Digital Business Development

Organisations are challenging existing products and services in order to provide new or extended services/business models through innovations, new platforms and cooperations.

- How resistant and futureproof is my current business model?
- What strategies, business models and products do my competitors and innovative companies offer?
- What are the components of our value chain: which services/products drive (digital) customer benefits, which services/products of our value chain can be offered separately (Tool: Business Model Canvas)?
- Which platforms, products, cooperation models and channels have the potential to increase/multiply our market potential?
- What other innovations can we leverage to increase/expand/redefine our market offering?

5 Process Engineering

Processes should be standardised, streamlined, faster and more efficient and, where possible, be digitised and automated.

- What are my current processes and which processes do we have to modify due to new requirements and technologies (Tool: Process Map)?
- Which processes can we digitise and automate, and how?
- Which process improvement methods will we use in the future to react more dynamically to the market (agility)?
- What are the IT requirements driven by the new processes?
- How will we measure our process performance (output) in the future?
- What are our quick-wins to improve and simplify processes?

6 Digital Leadership & Culture

Digitisation is driving a change process which leads to an adaptation of management principles and new organisational forms.

- Where do our employees stand and what is their attitude towards digital transformation?
- Which new management principles and organisational forms do we want to introduce?
- How do we develop the foundations for digital leadership together with our employees?
- What skills do we need to successfully implement the transformation?
- How can we support creativity and innovation processes?
- Where does it make sense to offer digital and mobile working arrangements?
- How do we specifically support our employees in this change process?

7 Digital Marketing

With digital marketing, new and sometimes automated approaches in sales, communication, customer service and relationship management arise.

- What is our new, holistic digital marketing strategy (marketing, distribution, sales, customer service)?
- How will the different teams be restructured and work together in the future?
- Which platforms and solutions (e.g. marketing automation, e-commerce, CRM, content marketing, social media) will we use in the future?
- How do we continuously optimise our marketing and sales initiatives/motions?
- Which market processes, measures and data will further support the transformation of the organisation?

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The seven action fields of Digital Transformation are based on the research from Prof Dr Marc K Peter in 2017 among 2,590 Swiss organisations and 4,286 identified digital projects/activities.

Source: Peter, Marc K (Ed.) (2017): KMU-Transformation: Als KMU die Digitale Transformation erfolgreich umsetzen. Forschungsresultate und Praxisleitfaden. FHNW Hochschule für Wirtschaft, Olten, Switzerland.

The full research report, practical guide and the Digital Transformation Canvas are available in PDF format on www.kmu-transformation.ch

The How-To Guide
for a Digital Transformation

The objective of a Digital Transformation is to transform an organisation into a form in which it can achieve and maintain a competitive position in the digital age. Transformation initiatives require an analysis of the market, customers and new technologies as well as internal values, processes and resources. The output is a digital strategy with a clear vision, new business options and an implementation roadmap.

Here, the Digital Transformation Canvas plays an important role as it facilities strategy analysis and development based on the seven action fields of transformations. The seven action fields of Digital Transformation are based on the research from Prof Dr Marc K Peter among 2,590 Swiss organisations. Each action field includes a brief definition and a set of questions for workshops with strategy, HR, IT, finance, marketing, product and project teams in your organisation.

The Digital Transformation can be planned as a strategic initiative, which will subsequently be implemented in several projects. The following simplified process is recommended:

Step 1:

Maturity Analysis

Based on the current situation of the organisation, the maturity analysis is utilised to identify and define the most important drivers and indicators for the transformation project. This enables an initial discussion and the determination of priorities.

Steps 2 and 3:

Strategic Analysis

In a second and third step, the analysis phase deals with the seven action fields and first projects are outlined. From an external perspective (step 2), the customers, the market and new technologies are analysed; from an internal perspective (step 3), processes, the cultural dimensions and leadership approaches, services and data are described. Here, the canvas is used, which provides practical guidance and key questions for workshops.

Step 4:

Strategy Development

The fourth step describes the digital vision and defines the unique value proposition. This includes the development and implementation of digital business options, definition of products and services in the value chain and the required core processes with their IT requirements.

Step 5:

Roadmap & Implementation

The resulting roadmap (the implementation plan) includes the definition of subprojects and project plans in the classical sense. It is recommended to define a feasible project scope, to work with external partners and, where meaningful, to identify quick wins.

Step 6:

Change Management and Leadership

In the sixth step, the key enablers of change management, leadership and cultural development are planned. The development of values and rules of conduct with all employees as well as the coaching and ongoing development of employees are central to a successful change process.

Step 7:

Marketing and Continuous Optimisation

Finally, the renewed organisation and its products and services are marketed. This includes marketing, sales and customer service teams. In addition, market feedback with valuable information flows back into the entire ecosystem in order to continuously identify new potential and improve the value chain. This concludes the process loop of strategic planning.

Example of a workshop output with the seven action fields of Digital Transformation