

# 4 Types of Digital Transformations: What is Right for You?

A digital transformation is a very broad term and often misunderstood. In some ways, it is about technology but understanding how technology supports or leads the type of desired transformation is important. Some transformations are less complicated and quicker than others. The end goal is to deliver value. How you define value and your expectations is unique to your business. It's important to be clear on exactly what you're trying to achieve. You need to have a clearly defined business strategy and objectives. This will lead you to a deeper understanding of the type of transformation you are seeking.

## Market Focus



**The market focuses on four distinct types of digital transformations: business, process, domain, and culture.**

Each type has unique drivers, challenges, and goals. In a business model transformation, for instance, the goal is to change a company's fundamental business model for value delivery in a digital-first environment. In process transformation, companies seek to reinvent business processes to create a future state of efficiency and effectiveness.

*"An overwhelming 89% of enterprise executives believe a digital transformation will enable companies to achieve greater business value, performance, and innovation." – BPI Network*

All types have at least one thing in common: creating value. Getting to desired outcomes requires commitment, stakeholder alignment and a detailed plan with outcomes, metrics, and dependencies. When these are not in place, too many companies fall short.

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## 1. Business Model Transformations Disrupts Existing Norms

Business transformation has the potential to disrupt entire industries. Think: Amazon started out selling books then took their IT infrastructure (AWS) and started the cloud computing industry. Accenture says the benefits of business transformation are "increased efficiency, greater business agility and, ultimately, the unlocking of new value for employees, customers and shareholders."

*"87% of companies believe that AI can improve service and support efficiency and quality in their organization." – BPI Pulse Report*

With business transformation, technology is an enabler rather than a priority. A modern technology or capability can support an emerging business model. Consider how leveraging AI capabilities to not just automate functions but boldly predict shifts in customer, employee, and market behaviors could impact your business model.

Business transformation fundamentally changes the business model and requires close collaboration across the enterprise. These tend to be major strategic initiatives which require significant budgets and time.

*"9 in 10 C-level and senior leaders say their organizations have pursued at least one large-scale digital transformation in the past two years" – McKinsey*

## 2. Process Transformation Delivers Value

With digital process transformation, companies automate and optimize business processes to drive a wide variety of benefits. Think: GE embarked on a massive digital transformation journey, known as “GE Digital,” to modernize its internal business and technological processes using data analytics, machine learning, and the Industrial Internet of Things (IIoT). Process transformations can reduce costs, improve quality, reduce manual tasks, improve support satisfaction scores, and much more.

Consider a process transformation to improve and expand self-service capabilities across an organization. Perhaps you need to improve the user experience and speed response times. A method to do that is to embrace technology that allows a transformative process change using an AI-based virtual agent that allows employees to get around-the-clock, real-time support instead of calling a staffed help desk. With the addition of GenAI capabilities, intelligent agents can not only handle high volume, but can summarize and create content to further assist end users with information that meets their needs. The delivered value: A support desk or customer service center that does not need to continue to hire new labor but rather can expand their capabilities using technology solutions costing an order of magnitude less.

**Like other types, process transformation requires a commitment to change.**

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“The cost of fulfilling a service request is \$18–175 and the cost of resolving a technical issue is \$21–110 in North America. When a virtual agent is available, the cost typically drops to \$1–3 when no analyst intervention is required.” – *HDI*

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21% of global services decision-makers supporting their organizations DT cited implementation of new processes and capabilities as one of their greatest challenges.” – *Forrester*

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## 3. Domain Transformation Reimagines Markets

Domain transformation is when a company chooses to enter an adjacent market by leveraging innovative digital products or services. Think: Netflix used to send DVDs by mail, but now they stream movies and shows online. Top executives who have the wherewithal to reimagine a new line of business can take advantage of them. Are you one of them?

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42% of organizations feel that a culture that blocks and resists digital change can greatly hamper digital transformation initiatives.” – *Gartner*

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## 4. Culture Transformation Realizes Change

At the heart of digital transformation lies a change in employee mindset – a culture transformation. Digital transformation changes what employees do daily, sometimes dramatically, and how they see their value. Think: Airbnb disrupted the hospitality industry by transforming its employee culture to foster a sharing economy and community-driven platform. These initiatives succeed or fail based on a company’s ability to manage cultural change.

## 5. Getting Started on a Digital Process Transformation

Although CIOs and IT play a key role in any digital transformation, they typically initiate and drive Digital Process Transformations. At Serviceaide, we focus on helping our customers drive a variety of digital process transformations. Our team has driven numerous world class transformations which led to our development of a product portfolio that covers automation, an AI-based virtual agent, knowledge management and a comprehensive set of service and support management solutions. Now on our 3rd generation GenAI-based solutions, and over two decades of expertise in service and support, we have proven practices and modern solutions.

The team at Serviceaide has helped thousands of organizations identify solutions to achieve their business goals. We identify common challenges and create a blueprint to overcome them. These may include:

- 1. Legacy Systems:** Outdated systems can hinder digital transformation. Our products and methods enable automating processes and removing legacy barriers w/o replacement. Then organizations can gradually phase out legacy systems or upgrade them to minimize disruptions and improve even further.
- 2. Lack of Expertise:** A shortage of skilled talent in emerging technologies is a huge industry challenge. Our professional services organization can create a recipe to evolve your current state, creating a solution blueprint, and train you on the latest techniques and technologies to improve operations using automation and GenAI.
- 3. Integration Challenges:** Integration is often the number one barrier to change, and your processes which are the most vital in achieving transformative results tend to be the most complex. We employ process mining techniques and API-driven solutions and can work with you to overcome integration challenges.
- 4. Change Management:** Digital Transformation requires change. Changes to process and technology also means changes to the way people work. Change Management throughout the transformation rollout and thereafter is the key to success, and creating an agile company that can continuously improve. Change Management is so important we have a solution just for it. Our expertise in implementing change management is extensive and covers even the most regulated industries ensuring that you manage risk and compliance and can focus on continuous improvement.
- 5. Scalability:** Ensure that digital solutions are scalable to accommodate future growth and evolving needs. Our solutions are used by medium sized companies and Fortune 500 corporations for mission critical operations, so can ensure you can scale as complexity or needs expand.
- 6. Measuring Success:** Every Digital Transformation should quickly establish a clear set of Objectives and Key Results (OKRs). Program success depends on clear objectives and quantitatively accessing and establishing KPIs based measurements. These establish the business case for the program and show its return on investment (ROI), and tracks ROI and enable goal-oriented improvements once implemented. We are experienced in establishing OKRs early and throughout a transformation program, collaborating with customers to ensure the best metrics to drive and demonstrate ROI and reporting across all levels of the company.

**If you are interested in hearing more about how a digital process transformation can help your organization, contact us today.**

### About Serviceaide

Serviceaide is a leader in AI-based, modern service and support. Serviceaide's vision is to transform service management, across IT, business, and customer service. Serving customers worldwide, Serviceaide applies breakthroughs in artificial intelligence, machine learning, and natural language processing to deliver better experiences, provide enhanced self-service and empower service owners. Serviceaide transforms service through digital labor conversations, automation, and knowledge.