

Defining Your Digital Strategy

The anatomy of a successful digital strategy starts with having a vision.

By Andy Yun

Today's Environment

Digital technologies promise to connect organizations with customers, prospects and stakeholders in ways that deepen relationships, promote the brand and enhance profitability. While these new technologies provide rapid outreach, there is not a “quick fix” for generating business and customer loyalty. In fact, Gartner predicts that more than 80 percent of multi-channel implementations will fail.¹

There are two primary reasons why digital initiatives fall short of expectations. Focus is misplaced on the channel (“we need an app”) instead of the customer experience (“customers want to shop from on-the-go”), and organizational structure is not prepared to fulfill the opportunities and priorities identified through digital channels.

So in the convoluted landscape that is digital solutions, how does your organization make the right investments to take advantage of digital channels to meet the needs of your customers? How do you bring technology, content, and data silos together to improve your customer experience? How do you align key stakeholders to the same vision and approach? How do you keep digital investments from being fragmented across departments with overlapping initiatives? These problems can be addressed by a comprehensive enterprise digital strategy that employs vision, focus

and control for choosing and implementing the right digital solutions.

Point B's Perspective

The benefits of a clearly defined digital strategy are measurable. By shifting to a common mobile platform across different business units, one company we recently worked with eliminated nearly 20 percent of their mobile development costs and are able to engage their customers via mobile much faster. This savings opportunity was revealed when they up-leveled to a company-wide digital approach.

The must-do components of a digital strategy include:

Clearly define your digital vision and objectives in service of corporate goals and initiatives. For example, your goals might be to deliver product information to customers, improve sales force efficiency via the web or link your supply chain and CRM systems.

Measure the impacts of each digital initiative, such as target returns on investment, brand reputation, market share, and customer acquisitions and interactions.

Construct a clear process for cultivating and harnessing digital innovation, both internally and through emerging industry trends and technologies. This may be a product development process, a design model based on industry research, or a multi-year roadmap for

¹ Gartner Industry Research. (2011, November 7). Predicts 2012: Retailers Turn to Personalized Offers Through Mobile and Social but Will Struggle With Multichannel Execution.

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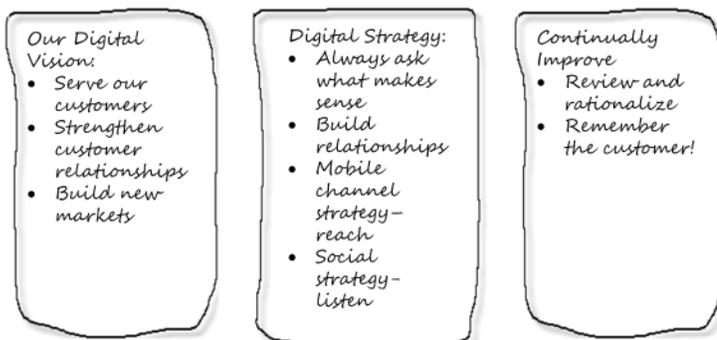
driving innovation and change, including how to close gaps between groups and when and how to incorporate lessons from competitive analysis.

Establish a digital team that defines organizational requirements, project evaluation and decision-making criteria, and a clear delineation of ownership to support every digital initiative and touch point. This team should reach across the digital ecosystem, bridging the gaps between creative, IT, and product and service delivery groups.

Company-wide vision and planning puts you in position to manage your entire digital presence so your forays into digital channels don't end up like individual boats disappearing over the horizon. Instead, your digital strategy helps launch an armada that shifts in concert with the goals of the entire organization.

Digital Strategy Anatomy

Alignment of digital initiatives with business strategy/objectives. Marketing or IT often own digital initiatives that have significant impact on operations and customer service. To ensure efficiency and a united approach, create strong alignment between your business goals, sponsors, and digital activities. This also means addressing funding for cross-departmental input, planning, and execution. The “napkin sketch” result of an alignment strategy could be as simple as:



Digital organizational design. Align multi-channel initiatives (e.g., mobile, big browser, brick/mortar) by defining ownership and the rules of engagement for

managing campaigns and projects. This ensures a broader program-level view across channels and minimizes redundant effort and processes.

Focus on how each channel contributes to customer life cycle. It is all too easy for a digital strategy to get caught in the hype and excitement of trending technologies. A good digital strategy doesn't focus on the buzz but on the interaction of audiences and their experience within the different channels (i.e., web, portal, mobile, social, etc.). What do customers need and want from you to remain loyal and engaged?

Customer-centric content and data management strategy across multiple channels. Develop content and easy access that supports your customers' needs at all the various touch points. A key question is: what types of content do mobile users require versus traditional touch points and “big browser” website visitors? Consider also how data will be sourced (e.g., driven by traditional and/or digital media) and what infrastructure is needed to deploy content to multiple channels.

The Bottom Line

The good news is that done right, your digital strategy has a long lifespan. Component initiatives have set timeframes and should continually be evaluated against strategic objectives and previous successes. Each initiative informs decisions about where to focus future activities in support of your overall digital strategy.

Companies with successful digital programs remain true to their core digital vision and manage the evolution of their strategy over time. They focus planning and execution of even the most complex initiatives on engaging and deepening their relationship with customers. They choose and nurture the projects that make good business sense—and let go of or re-evaluate the rest.