



Strategy **4** Growth

BUSINESS CONSULTANCY

Digital Strategy

How to create a successful business strategy for the digital world.



Digital Strategy Overview

Every business today needs a digital strategy. Products and services need to be digitally connected and integrated including cloud, big data and data analytics, the internet of things or mobile apps. To connect your customers with information, data and things is of vital importance thus the digital strategy needs to facilitate this integration and allow your customers to interact with your products and services.

Your business needs to create revenues from digital technologies and thus needs a strategy that creates a digital edge, which combines digital information and physical things in new ways. In order for your business to achieve this digital edge you need to transform processes, business models, internal behaviour and your customer experience by exploiting the ever-growing digital connections between your systems, people, places and things.

Defining Digital Strategy

Digital strategy is still a relatively new concept with the scope typically ranging from incorporating email, websites, social networks or going mobile into marketing and communications activities.

Depending on the sector and business, the perception and role of digital changes dramatically. For some companies, e.g. a catalogue mail order business, it is disruptive in the worst possible way. For digital-first companies, it is at the core of the business strategy. For many businesses however, it offers new opportunities of trying new ways of reaching out to customers and winning business.

Mapped against the meaning of digital strategy is its evolution:

Initially digital strategy was concerned with cost savings and efficiency improvements, then about online business generation and now it is about business improvement as a whole.

How to create a successful business strategy for the digital world

Every technology – including everything digital – that has the potential to transform starts in an isolated environment or silo and comes with its own individual strategy before it becomes part of the bigger business strategy. Thus digital strategy needs to ensure it is not just part of the business strategy but it is at its heart. The continuous review and renewal of a digitally underpinned business strategy comes down to a single premise: using information and technology to improve (human) performance and ultimately generate business growth.

The second phase of digital strategy

The first question is what elements of the digital strategy should be different as repeating the previous strategy is by no means the route to success. At the macro level there are two options:

1. Extending the reach and scope of everything digital, which is similar to the way IT approaches the automation and integration of various business applications, such as payroll, HR, CRM, ERP, etc.
2. Digital transformation, which takes the initial digital strategy into consideration but queries its validity and positions variations of this strategy to accommodate changing business and client expectations.

Digitisation demands both changes in leadership and business strategy. Businesses have been using technology for many years, but things are fundamentally different to even a decade ago. Customer buying behaviour and expectations have changed in that most major purchases are researched online before a purchase is made and even the purchase itself is increasingly made online.

Another key change is that the cost of delivering IT services and solutions is continuously reducing thus offering more and more ways to apply technology / digital. One such example is the Internet of Things (IoT), which looks to draw value from information gathered from sensors deployed everywhere in our everyday life.

In the past it would have been a lengthy and costly process to deliver high-end IT solutions but digital is fundamentally shifting the competitive landscape in many industries and allows new market entrants to gain market share quickly and cost effectively.

Digital success stories are based on two things:

1. Collaboration, often with businesses that in the past would have been regarded as competitors, or –initially– with businesses that your organisation can share data and information with.
2. Flexible IT infrastructure that can scale in an agile fashion both up and down to meet changing business demands, create quick proofs of concept, respond to market changes or changing customer behaviour without creating significant financial outlays and risks.



Making the right decisions

Your business needs to think carefully about the right balance of attack and defence when it comes to your digital strategy. Monopolies generating high margins might think it dangerous to create low-cost and innovative alternatives as it would inevitably cut short term profitability. Equally businesses who are constantly on the defence from new and attractive market entrants with more appealing propositions and lower cost bases may need to reconsider their strategy.

Thus it is crucial to set out early indicators as to the value your business wants to derive from your digital strategy. In many sectors there are opportunities that come from new channels to market or a low-cost entry into new markets. But there are also threats that come from improved price transparency that can lead to squeezed margins. Understanding the balance of those opportunities and threats is a good way of understanding the type and size of investment that digital should receive and the timeline according to which action is needed.

Experienced market players have strengths such as an existing customer base, brand, know-how and importantly data that they can utilise to thwart off new digital market entrants. The importance however is to ensure that all of those assets are leveraged as part of your digital strategy, e.g. ensuring that the data you do have is used in an effective way for insight and for your business proposition in the digital world.

Who owns the digital strategy?

There are many businesses where the CEO leads the digital transformation, especially in industries that are subject to major changes, new market entrants and disruption. Another reason why the CEO may drive the digital strategy is that digital encompasses the entire organisation and not just individual departments. Though the question is does the CEO have sufficient time to dedicate to the digital agenda or is digital just another item on his or her already busy schedule. The responsibility could be delegated to the CIO or the marketing director, depending on the type of business. What is evident in any case is that your digital strategy needs to have a voice and significant influence at your board level.

Digital Strategy Engagement Options

As a strategy consultancy we help your business to develop the right digital strategy for your market and your customers. From building a new online business, to finding new ways for your brands to connect with your customers, we unlock the right approach for you and your end user customers.

Within the digital strategy framework we will help your business to build the right customer acquisition approaches, so if you rely on Google and social media- we will generate the traffic you need. We will strengthen customer retention approaches through CRM on mobile, social, email and traditional channels. And we will ensure the digital work is fully integrated so the digital activities are a seamless part of your business.

Together we aim to create a joined digital strategy, from helping to identify the right customer insights, to selecting the right mix of media and content to get the right message to the right customer. We help identify the right choice of channels, sites, mobile, social media and CRM for your digital marketing ecosystem.

1. Digital Marketing Audit

Getting the best value from your digital channels requires an understanding of what works and why. In a fast changing environment, many brands have websites and email programmes that are years behind best practice, failing to engage their stakeholders, generate leads and create the real value they could.

Digital marketing needs to work at each step of the buying journey, involve procurement, influencers and stakeholders and needs to be integrated with all other marketing activities.



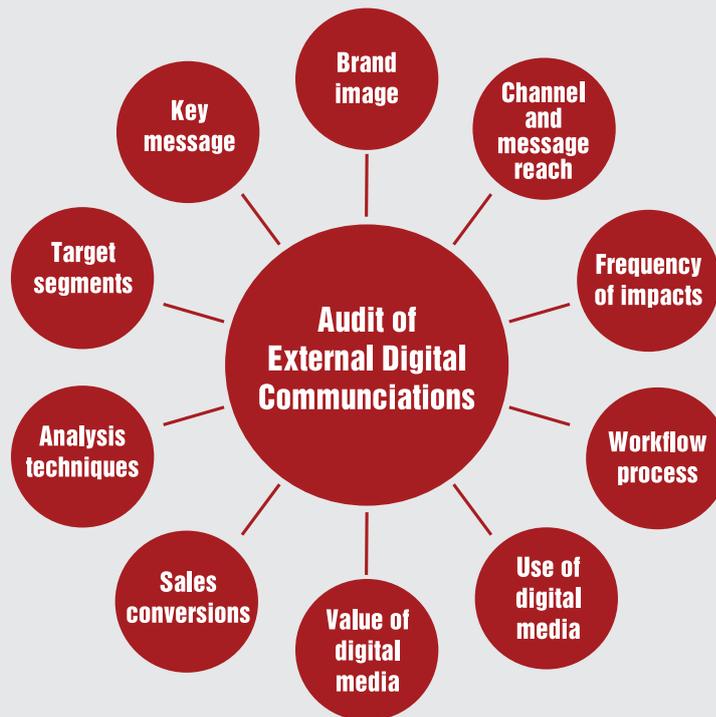
The digital marketing audit offers a fast track to understanding how your digital investments are working, what is needed to accelerate ROI and:

- Provides expert digital insight
- Provides an independent, external, impartial review
- Validates communications against their objectives
- Validates the ability to optimise delivery of specific objectives

Typical activities we focus on:

- Optimising the online media planning by getting the right messages to the right audience at the right times through the right media
- Reviewing whether your business has the right communication channels in the marketing mix
- Reviewing the relative value and ROI of investments in each channel

Digital Communications Audit



2. Digital Roadmap

Running a marketing focused organisation can be very challenging, and without a clear digital roadmap, your business could lack the support, framework and resources it needs to succeed. In creating your digital roadmap, we will assist in answering these questions:

- What digital activity should take place to achieve the objectives over the next 12-18 months?
- How should this activity be structured to make best use of your limited resources?
- How to improve reach whilst also driving engagement and the depth of customer relationships?
- How to get your website, social, mobile, CRM and advertising channels all working together as a cohesive ecosystem?
- How do you resource activity efficiently making best use of your agencies, partners and internal resource?

Measurement of successful outcomes

- Clear month by month activity plan agreed and signed off by all key stakeholders
- Alignment by all stakeholders on objectives and approach for the next 12-18 months
- Scorecard of metrics for each activity to understand what should be measured and optimised
- Identifying the right organisational strategy and resource prioritisation
- De-risking digital innovation and investment
- A further shift in digital marketing effectiveness
- Deeper confidence in how to apply digital marketing
- Leadership-level skills development in the management of digital marketing and the creation of digital strategies



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