A complete guide to digital transformation

Reading time: 12 minutes

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Digital transformation as a buzzword seemed to be fading into obscurity prior to the pandemic. But now, digital transformation is back with a vengeance.

Why?

Likely because the ramifications of COVID-19 exposed an uncomfortable truth: Collectively, we weren't quite as far along in our digital transformation journey as we believed. Once tested, it was found to have gaps.

As a result, decision-makers at enterprise-level organizations are more critical of their digital transformation efforts post-pandemic than they were pre-pandemic. According to a Hyland-commissioned survey by Forrester Consulting, just **48% percent** rated their digital transformation as "very" or "extremely" successful in 2021, representing a **10-point drop** over the previous year.

Rather than consider this a failure, consider it a catalyst for prioritizing digital transformation.

What is digital transformation?

Digital transformation is the replacement of outdated manual, paper-based and asynchronous business processes with modern, cloud-enabled digitally processes.

When digital transformation started, the term was essentially synonymous with "going paperless." Today, however, many organizations have evolved well beyond the conversion of paper to electronic documents, and still their digital transformation journeys are far from over.

The digital transformation journey will continue to evolve alongside technological innovations and beyond technology, as people, processes and resultant offerings play an increasingly crucial role on the path toward more digital business.

What launches a digital transformation?

Digital transformation begins either with the introduction of technologies that automate individual steps in business processes, or on a larger scale with the full scope of processes from start to finish. Once these technologies are scaled to a significant level across the business, organizations can realize benefits such as time and money savings, compliance and security improvements, and advancements in the customer and employee experiences.

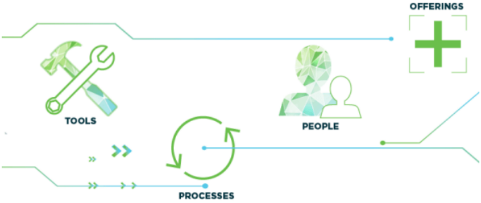
How long does digital transformation take?

Because technology continues to evolve, there is no point at which a business can necessarily consider itself entirely “transformed.”

Organizations will all follow slightly different journeys toward and through their own digital transformations as they work to adopt and implement the technologies that meet their own unique needs. These enhancements will expand their information management ecosystems and improve their operational processes.

What are the four main areas of digital transformation?

Digital transformation is dependent on the technologies that support it, but it is not comprised of the technologies alone. A true digital transformation encompasses four primary areas within an organization: tools, processes, people and offerings.



Tools

Updated tools, in the form of new solutions and advanced technology implementations, are the cornerstone of digital transformation. Ever-evolving software replaces the tedious, time-consuming, error-prone paper-based labor that previously needed to be performed by humans. In many cases, the technology performs the same processes, only much more quickly and correctly. In other cases, the technology makes aspects of these processes redundant and unnecessary

Processes

When entire processes, or even individual steps within a process, are automated or otherwise affected by new technology, the people who were responsible for those steps and those responsible for any adjacent or dependent steps will be affected. Organizations need to consider how each step toward digital transformation will modify other aspects of their operations, their organizational structures and their budget allocation.

People

The idea of digital transformation may be accompanied with some hesitation from employees, because of how closely digitization is linked with the pervasive fear of the labor market being overtaken by automation.

However, research shows this fear is more about perception than reality. While certain aspects of certain jobs are absolutely casualties of digitization, the World Economic Forum noted in its Future of Jobs Report, 2020, that emerging technologies will create 12 million more jobs than it displaces by 2025.

Because digital transformation will affect how employee resources are allocated, however, a compassionate change management strategy is crucial to effective digital transformation. When an employee has always been responsible for a task, a process or a set of processes that can now be completed in less time by a software solution, that employee may feel insecure about their role and their place in the company.

Leadership can prepare their workforces for the changes digital transformation will bring to the workplace by understanding and communicating how employees' time will be reallocated and what new value their contributions will bring to the organization.

Offerings

The benefits of digital transformation mean little if organizations don't use their newfound time and human capital to improve the products, services and experiences they offer employees, partners and customers. The intent of digital transformation is to provide humans with the freedom to perform uniquely human tasks, like creative problem solving, developing new ways of connecting with the people they serve, and bringing innovative new offerings to market.

Why is digital transformation important?

Digital transformation is important because it is the best way for organizations to succeed in the future of business.

As market disruptions become more plentiful and less predictable, and as customer and employee expectations continue to increase amid the disruptions, digital transformation grants organizations the agility to accelerate, pivot and thrive in environments of innovation and uncertainty.

A modernized content services strategy, as part of a holistic digital transformation strategy, for example, "can insulate an organization from significant disruption and allow it to bounce back from any disruption more effectively," finds a 2021 study by Forrester Consulting.

Reality check: Digital leaders outperform competitors

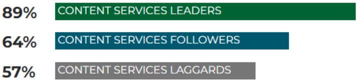
Organizations that began 2020 with a strong, cloud-based content services strategy pulled away from their competitors, even as industries reeled from the impact of the pandemic. These modernized leaders' resiliency and capacity for digital transformation outpaced the market and helped them recover more quickly from the pandemic than competitors that lagged in modernizing.

Forrester found that 89% of established content services leaders called their organizations' response and adaptation to the disruption of COVID-19 "good" or "excellent," compared with 57% of those with less robust content services implementations.

This matters because organizations' ability to adapt quickly to new challenges is directly correlated to their ability to serve their people in times of uncertainty and disruption. With the benefits afforded by digital transformation, organizations can weather times of challenge with a laser focus on the people they serve, knowing their foundational processes will continue to progress without the need for upheaval.

Business resilience

ability to respond or adapt to pandemic disruption described as good or excellent post pandemic



The 10 benefits of digital

transformation

1. **Speed and agility** to adapt rapidly to industry and technology changes with minimal disruption.
2. **Enhanced compliance and security**, thanks to automated retention and regulation tools.
3. **Employee experience** increases due to an enhanced freedom to do work that feels valuable and meaningful.
4. **Efficiency**, including the elimination of many process bottlenecks with automated workflows.
5. **Faster**, more informed decisions made by leveraging insights derived from up-to-date information.
6. **Accessibility**, as digital processes are available to users (both internal and external) from anywhere via connected devices.
7. **Customer experience** improves using optimized tools and platforms focused on user needs and experience.
8. **Centralized data** including customer information, market intelligence and digitized content.
9. **Transparency and collaboration** as information siloes are dismantled across the enterprise.
10. **Increased profits** resulting from improved productivity, better business decisions, and customer appreciation.

Digital transformation case study

Noridian Healthcare Solutions, a healthcare administration company and early adopter of a strong digital transformation strategy, was able to shift nearly seamlessly into an entirely remote work environment when the pandemic hit. In just three days, it shut down its in-person operations.

Noridian began its digital transformation journey by implementing OnBase, a Hyland content services platform, back in 2002. That early move away from manual and paper-based processes (and continued evolution) positioned it to react quickly and effectively to the changes necessitated by COVID-19.

"Like everyone else in the United States, we faced the reality of transitioning to a completely remote workforce in March of 2020," said Todd Knain, CIO at Noridian. "Because of our digital transformation efforts over the last several years, about 48% of our workforce was already working remotely."

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Thanks to the company's existing online, digital work environment, Noridian was able to transition its remaining 900 employees to work-from-home in just three days. Knain credits his organization's success to three key components of Noridian's OnBase solution:

1. **Ability to track and reassign work**: Noridian knew its staff wasn't home alone; the company recognized their employees' families had been sent home as well. This created a unique situation where many employees were serving both as full-time caretakers and full-time employees. Noridian's OnBase solution allowed them to adjust work assignments on the fly as staff situations changed — keeping crucial work in motion.
2. **Tools to run reports and monitor workload balance**: OnBase also provided Noridian with the tools it needed to

monitor work processes and staff workload at-a-glance. This empowered Noridian to get out ahead of any potential roadblocks. These tools tied directly with the business agility necessary for families working from home.

3. **Immediate, remote access to workflows**: Secure, online access to process workflows was a huge piece of the smooth transition to a remote workforce. OnBase provided Noridian access to all front-end mail and electronic submissions, giving staff complete, secure access to processes from beginning to end. This became particularly important when the time came to provide billions in advanced payments to healthcare providers so they could stay afloat during the pandemic. Using OnBase, Noridian accomplished this in only two weeks.

Noridian's 6-step digital transformation framework

Noridian's commitment to digital transformation provided excellent outcomes for the organization. It also gave their leadership the luxury of figuring out what worked and how to approach new challenges in the wake of the pandemic.

According to Knain, Noridian created a blueprint for both digital transformation best practices and how to empower a remote workforce.

The framework:

1. The earlier you commit to new technology, the better.
2. Get user buy-in early.
3. Commit to regular process reviews with your technology team.
4. Make user experience a priority.
5. Start small when building and leverage incremental improvements.
6. Focus on employee engagement to avoid work disruption.

Learn more about the power of digital transformation, Noridian's response to the pandemic and its resulting digital transformation:

Read the case study

How to get started with a digital transformation strategy

Start your digital transformation by thinking about the goals you want to accomplish with it and working backward to find the roadblocks that are keeping you from accomplishing those goals today.

Most organizations have been on the path to digitization for years.

They rely on digital information and the systems that support it. Still, they're bogged down by the manual approvals, analysis and routing that that digital information must take in order to move along in business processes, between systems and from person to person.

Their information may be digital, but their operations are not.

These partially digitized organizations must evolve further by identifying business processes that can be automated and optimized.

True digital transformation isn't just about making information available digitally; it's about what organizations do with that information — making smarter decisions, driving more efficient processes and serving customers more effectively.

Organizations need to transform how they think about their key enterprise information. Digital transformation initiatives succeed when there is a holistic approach to standardize the way that information and content is managed, used and shared across the organization.

That means even the most transformative technologies won't move the needle in an organization's digital transformation without the support of an outcome-based strategy.

“Just because you’re implementing AI or RPA doesn’t mean you’re doing digital transformation,” says Valt Vesikallio, Senior Vice President of Global Services at Hyland. “That’s just another IT project.”

How to begin the next phase of your digital transformation journey

1. **Identify the primary business problem your organization needs to solve**. Perhaps your customers regularly report friction with one specific aspect of your product or service.
2. **Define a clear value proposition based on the business problem**. It isn’t enough to want to “make that aspect better for customers.” Figure out how, how much better it needs to get, and what success will look like.
3. **Determine which current processes contribute to the perpetuation of that problem**. These are likely the processes you’ll need to dismantle and rebuild with the support of new transformative technologies.
4. **Create a plan for use case identification and project execution**. Likely, this will involve a cross-departmental group including leadership, the IT department and appropriate knowledge workers.
5. **Develop a change management plan for internal and external stakeholders**. Ensure you communicate any applicable changes to affected customers well ahead of time, and avoid “frozen middle” syndrome — resistance that comes from middle management — well ahead of time by communicating the value behind the initiative.
6. **Think ahead to how you will scale your digital transformation initiatives beyond pilot mode**. Use the momentum you gather with the success of this initiative to drive additional digital transformation initiatives across the enterprise.

What drives digital transformation?

Digital transformation is often driven by the desire to modernize systems and processes, improve employee and customer experiences and increase the freedom to innovate.

In the most successful digital transformations, organizations focus first on the outcomes they’re looking to achieve and recognize digital transformation as the best path toward the achievement of those goals.

In other words, the digitization itself is the means to an end rather than the end itself. Instead of focusing on digital transformation as the goal and the outcomes it enables as byproducts, consider looking at the outcomes as the goal and digital transformation as the byproduct.

Unsure how to drive digital transformation forward? Consider these three strategic initiatives to prioritize in 2023:

Read the blog post

11 key digital transformation technologies

Effective digital transformation is dependent on a uniquely tailored combination of the following advanced (and still advancing) technologies:

Capture

Gain control over incoming information, no matter where it's located or what format it comes in. Capture documents right at the source and organize them — and the data they contain — into a single system with minimal human interaction.

Content management

Manage and optimize content and digital assets organization-wide. Simplify how users interact with the information they need by keeping it organized and accessible, so they can focus on getting their jobs done rather than managing folders and files.

Cloud computing

Provide secure, scalable access to the information your people need, when and where they need it. When IT leaders were surveyed about the biggest advantages of cloud-based enterprise solutions, they cited benefits that directly relate to the advantages of digital transformation, including disaster recovery, data availability, cost savings, incident response, security expertise, geographical disbursement and expert access.

Process automation

Make your business processes better, not just faster, with smart automation. Technologies like intelligent document processing (IDP), robotic process automation (RPA) and hyperautomation optimize your structured processes while delivering meaningful exceptions to the right people.

Artificial intelligence

Artificial intelligence (AI) uses supporting technologies like machine learning and intelligent data analytics to drastically boost organizational productivity, uncover hidden insights and inform your business strategies.

Customer communication management

Make clear communication a priority by embracing powerful tools for customer interactions.

Collaboration

Enable sharing and collaboration without sacrificing control with simple, secure, easy-to-use ways of sharing information.

Case management

A single platform to manage date relationships, documents and processes can support the dynamic and often unpredictable processes involved in real-world operations.

Reporting and analytics

Gain visibility into content and processes with actionable insights. The ability to monitor, report on and then optimize your key processes and workstreams is key to continuous improvement. AI-enabled tools and capabilities allow you to leverage your information to form intelligent predictions and form actionable insights that enrich your most critical content.

Intelligent search

Intelligently find exactly the information you need, when you need it, even within the massive volume of content your organization manages. High-powered search capabilities allow you to access cross-system results, seamlessly and immediately.

Retention and records management

Automate the secure retention and destruction of documents and records from the beginning to the end of the content lifecycle, reducing operational efficiencies and unnecessary security and compliance risks.

Learn more about the Hyland solutions and capabilities expertly designed to support and scale your digital transformation initiative:

Get the ebook

How do you know your organization has the right culture for digital transformation?

Digital transformation thrives in organizations where modernization is prioritized, mistakes are seen as catalysts for growth, and the business is committed from the top down.

“When I’ve seen digital transformation go well, executives have been deeply involved,” says Vesikallio. “They provide clarity to the business case, remove barriers and play a key role in change management.

”Because a successful digital transformation involves just that — transformation — organizations and industries that are traditionally slower to adapt may face greater hurdles than those that have historically prioritized innovation and customer experience. Even digitally adept businesses, however, may face challenges on the road to digital transformation.

What are the challenges to implementing digital transformation?

Depending on the size of an organization, the scope of its implementation and the backlog of its modernization efforts, challenges on the journey to digitization can range from molehills to mountains.

Here are three common digital transformation challenges to look out for:

Lack of clear vision

Approaching digital transformation without a business-aligned strategy or without big-picture drivers is a recipe for failure. Combat it by asking tough questions throughout the planning and implementation processes, like:

- Why are we undergoing this transformation?
- How will this transformation change the business?
- How extensive could this transformation be in terms of changing job roles?
- How extensive will this change be in terms of changing processes?

Trying to boil the ocean

All successful digital transformations start small. Trying to transform everything at once can be chaotic and more disruptive than helpful. Try beginning with a process that should quickly and easily show ROI. Examples include implementing an intelligent capture solution in a department with paper-based intake, automating mindless, time-consuming steps in a business-critical process or introducing cloud-based document sharing for remote workers. The initial success and tangible ROI can make the entire vision much easier to sell to stakeholders.

Focusing only on technology, and not on people

In some of our discussions with customers, “people” continuously came up as the leading roadblock to successful digital transformation initiatives. Those who had moved beyond the challenge agreed that at the core of solving this problem was getting buy-in on the strategy of the transformation.

3 signs your digital transformation efforts are working

Any growing organization will find new challenges appearing alongside its successes. While this is normal, it can make it difficult to look back and realize how far you’ve come. When you’ve been on your digital transformation journey for a significant amount of time but still feel like you have a long way to go, how can you measure your progress?

We recommend looking at how your organization interacts with its information. Here are three things to look for:

Content drives itself

When you have fully transformed, content will start to drive itself throughout the enterprise. Once captured into a central repository, it will find its way to the appropriate personnel, wherever they might be, with specific business criteria automatically pushing it through its journey.

At this stage, any routine “human questions” should be answered digitally by technology. This includes questions like, “Who should this document go to for approval?” or “Is there a related document already in our systems?”

Content speaks to those who need it

When an organization is digitally transformed, systems should send notifications to the appropriate staff or audience when something has changed, such as someone submitting a form. Moreover, as someone needs to review or act on a piece of content, that content should find its way to that user — through notifications that give them all they need to complete the task at hand, including all related content.

Content transforms in accessibility

Digital information, meaning information stored in a computer rather than a filing cabinet, is not digital transformation. Consider an old, handwritten contract that’s scanned, labeled correctly and stored as a PDF in a digital folder with other contracts from the same year. You can read it on your computer or other device, but you can’t extract the text, use it to find related contracts, or share it with a colleague without downloading the PDF and emailing it to them. The contract is available digitally, yes, but that’s about it. A sign of a true digital transformation is the accessibility of that information across formats and in different contexts.

The solutions you use to foster your digital transformation should put context around content and utilize tools that make that content useful beyond storage in a repository.

Is a content services platform the key to a successful digital transformation? Hyland thinks so.

What comes after digital transformation?

Feeling good about your digital transformation initiatives heading into 2023? Congratulations! But your work isn’t over. In fact, it may never be. Introducing **digital evolution**.