

# Digital Transformation: Introduction & Where to start



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# Outline

A decorative vertical bar on the left side of the slide, consisting of a dark blue central column flanked by red borders.A small dark blue square icon with a red L-shaped shadow to its left.

What is digital transformation?

A small dark blue square icon with a red L-shaped shadow to its left.

Why do you need to change?

A small dark blue square icon with a red L-shaped shadow to its left.

Critical factors in managing transformation capability

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Critical factors in digital capability

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Where to start

**DIGITISATION**  
(số hóa)

Convert analogue data to digital data so that computers can store/process/transmit such information. Converting CD or VHS tape to MP3; handwritten into digital form.

**DIGITALISATION**  
(số hóa)

Change in how people interact: domains of social life are restructured around digital communication and media infrastructures:

- Mail to Email or telephone calls to Social Media platform
- Process of moving to a digital business
- Automation (shifting work roles or transforming business processes)

**DIGITAL  
TRANSFORMATION**  
(chuyển đổi số)

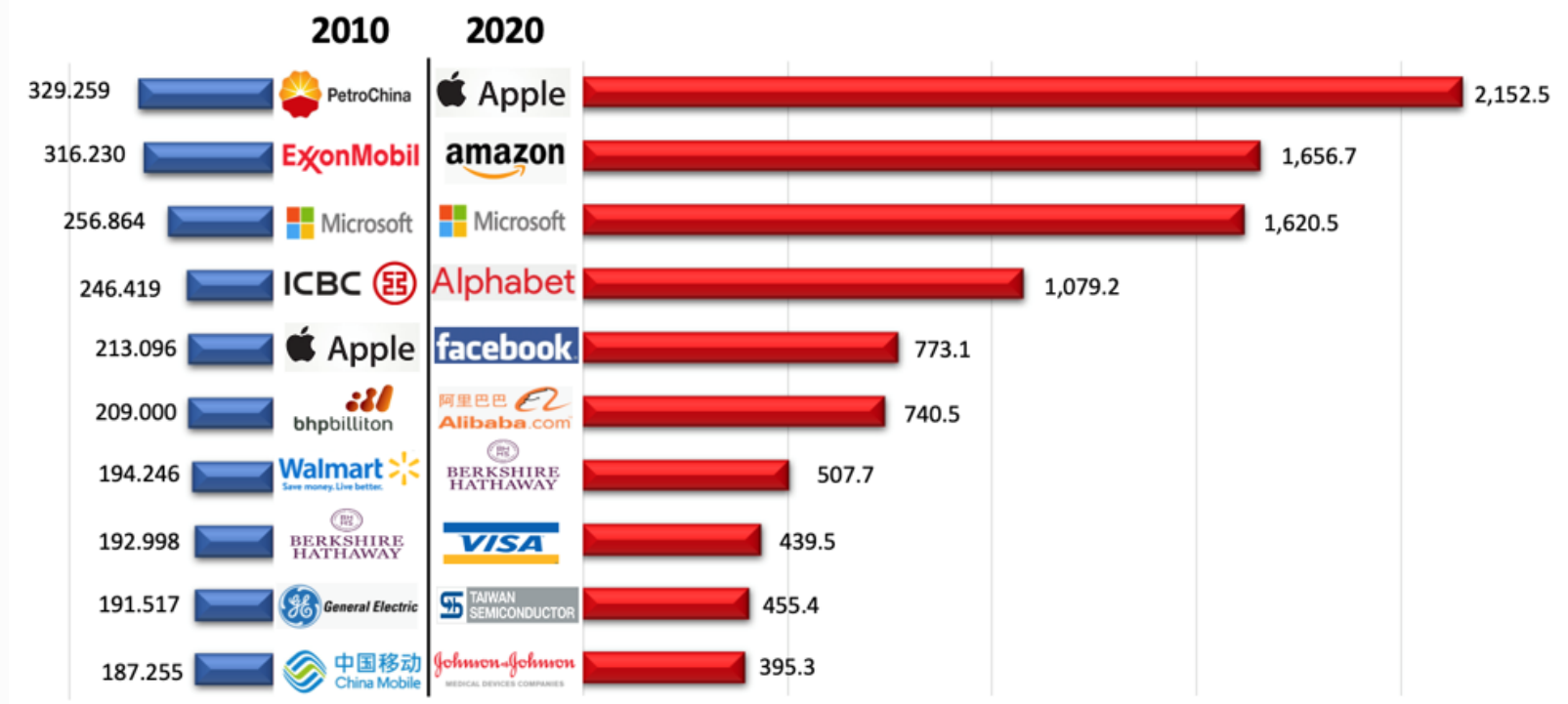
Use digital data and systems to transform how the enterprise interacts with its ecosystem of staff, customers and suppliers to enable the firm to enhance its operational capacity, improve customer experience by increasing value creation and developing new business models.

# Change before you have to



*The wise men learn from the mistakes of others (Bismarck)*

# Technology-based firms are on the rise



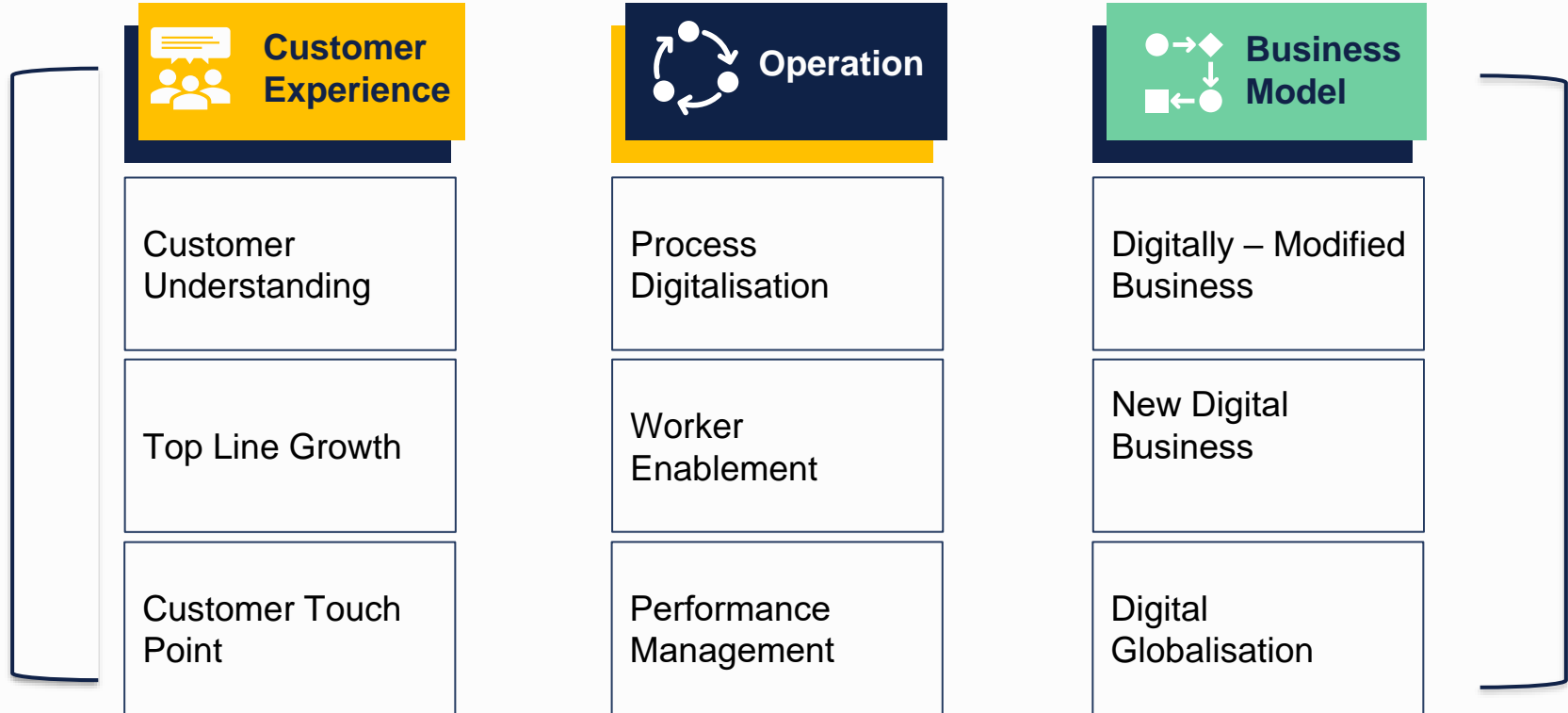
Sources: FT (2010) and Gogsofthedow (2020)

*Wisest men of all learn from others' successes (Maxwell)*

# WHY?

- Our clients have changed
- Before you know it, you become irrelevant
- Several giants have gone
- Hire fewer people but grow exponentially through technology (WhatsApp, YouTube, Instagram...)
- It is happening in all industries
- Disruption has become the new normal

# WHAT?



# WHICH TECHNOLOGY?

- New tech comes faster than you think
- Must embrace the challenge of relevance



# WHEN?



*“Get closer than ever to your customers. So close that you tell them what they need well before they realize it themselves”*

**Steve Jobs**

- Are you driving change or are you being driven by it?
- Technology is no longer a luxury but a requirement
- Look for a new model
- Transform the core business

# HOW?

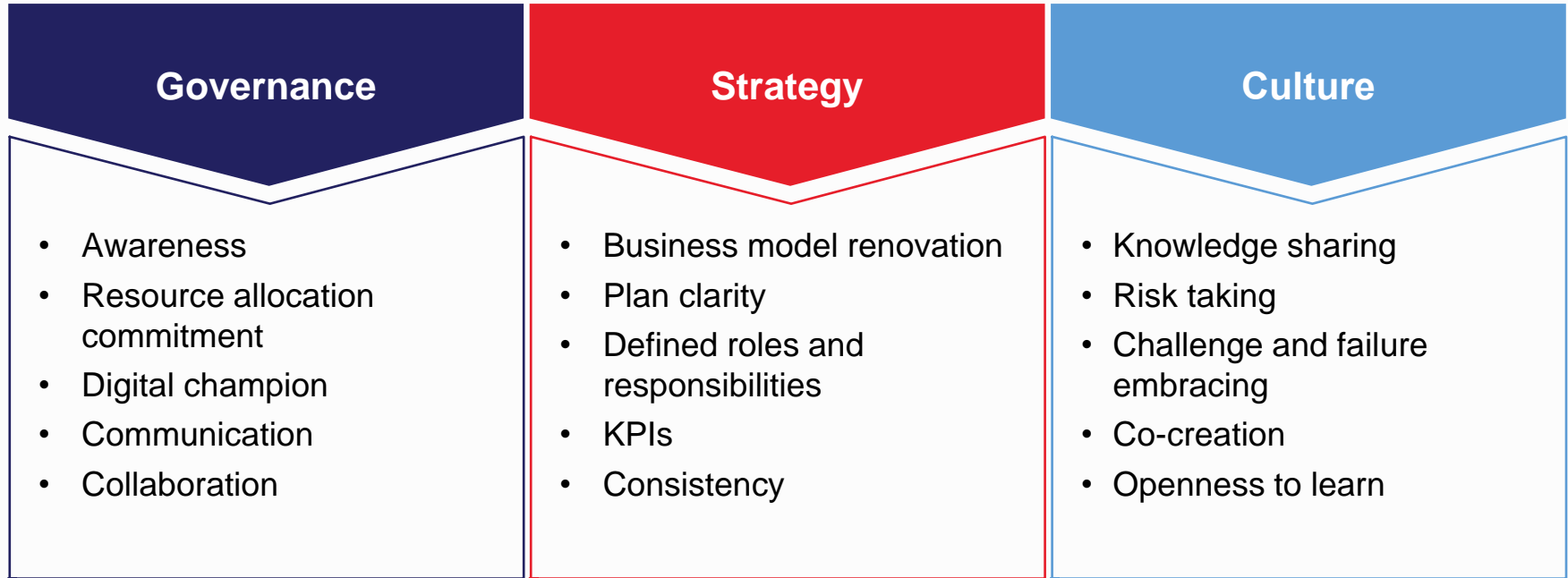


**Focus on the DNA of Digital Transformation**

 **Managing transformation capability**

 **• Digital capability**

# MANAGING TRANSFORMATION CAPABILITY



# DIGITAL CAPABILITY

## Technology & Cybersecurity

- Network & Platform
- Piloting new technologies
- Multi-channel interaction
- Digitalized Product & Service
- Cybersecurity tools
- IT solution outsourcing

## Data analytics

- Data standardisation
- Data as assets
- Operational data
- Real-time data
- Customer data analysis
- Data insight-driven business
- Personalisation

## Competencies

- Tech-savvy staff
- Reskilling
- Upskilling
- Digital expertise
- Partnerships

# PRIMARY STAGE

## Primary stage - Description

### Governance

- Little or no awareness of Digital Transformation (DT)
- No clear funding and resource allocation mechanism for DT

### Strategy

- No clear consistent plan
- Roles and responsibilities are not defined

### Culture

- There is little existence of culture that is conducive for digital transformation

### Technology & Cybersecurity

- There is little or no investment in IT infrastructure

### Data Analytics

- There is little existence of technological assets to generate data
- No value generated from data

### Competencies

- There is little competence in technology and data handling

# INTERMEDIATE STAGE

## Intermediate stage - Description

### Governance

- There is management accountability and willingness for DT, but dominantly at a tactical level
- Prevalence of short and medium focus of digital benefits

### Strategy

- A few tactics and strategies are in place to leverage digital transformation
- Strategies are not well aligned to the digital vision

### Culture

- People in all levels are willing to adopt digital technologies

### Technology & Cybersecurity

- Digital processes and initiatives are generally in place to generate value
- IT infrastructure is developed in separate modules

### Data Analytics

- Data is collected for eventual needs
- Data is generated in silos

### Competencies

- Inconsistent employee understanding and use of digital tools
- There is no formal digital training

# ADVANCED STAGE

## Advanced stage - Description

### Governance

- There are clear policies, leadership and ownership of DT
- Digital risk and opportunity are well considered at the board level

### Strategy

- The digital agenda is shared across the organisation
- Digitally-related KPIs are well set
- The relationship between KPIs and business drivers is clearly addressed

### Culture

- Digital learning becomes part of the organisation's culture
- Willingness and readiness to embrace new things becomes part of the organisation's value

### Technology & Cybersecurity

- Technology and business work in a collaborative way
- Platform business is embraced
- There are processes for administrative control of the system
- There are protocols to manage data access

### Data Analytics

- Data is collected and shared
- Data is analyzed to optimize business processes and obtain customer insights

### Competencies

- Training and learning activities are formally facilitated
- Partnerships are established for further knowledge

# DIGITALLY MATURED STAGE

## Digitally mature stage - Description

### Governance

- Digital-first approach is applied to all business issues
- Digital development is a well-embedded practice at all levels of the organisation
- Governance is steered towards building a digital business

### Strategy

- The organisation has executive accountability for digital planning
- Digital investment becomes a significant investment as part of the company's strategic planning
- Absolute consistency and clarity of digital vision is ensured

### Culture

- Digital learning becomes part of the organisation's culture
- Willingness and readiness to embrace new things becomes part of the organisation's value

### Technology & Cybersecurity

- Tools can work automatically and accordingly to the information received
- Digital tools can interact together to optimize process
- Business and technology are fully aligned
- Compliance to procedures of cybersecurity is strictly demanded

### Data Analytics

- Customer-centric insight becomes a core competitive advantage of the organisation
- Collected data is transparent and shared across the organisation
- Data plays an increasing role in decision making

### Competencies

- Employees can consistently use digital tools as a matter of course in their daily work
- A training strategy is clearly articulated
- Partnerships are established to proactively generate new knowledge

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# Where to Start

# Start with leaders: What you do and who you should be



- Top-down approach and CEO not CTO
- Live with integrity and lead by examples
- Develop a winning strategy with a great leadership team
- First step is to create a digital culture and embrace challenges and micro-revolutions

*Ask yourself this question: When was the last time that you learn something new for the first time?*

# Focus on the FIVE domains



- Customers
- Competition
- Data
- Innovation
- Values

*Source: David Rogers (2016)*

# Overcome common barriers



- Lack of clear definition
- Too many other changes
- Poor implementation
- Employee resistance
- Unclear governance

*Source: Paula Alsher (2013)*

# GOOD NEWS!

- Technology cannot replace humans
- Several job types are lost but more new jobs will be created
- See more in article: 5 nguyên nhân khiến các doanh nghiệp Việt chuyển đổi số thất bại - [Five causes of digital transformation failure in Vietnamese firms](#)
- Small size firms can be more agile than larger firms
- We are aware of the challenges
- We can no longer say: "we don't know what we don't know"

# Thank you!

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## Smart & Sustainable Cities (SSC) Forum

School of Business and Management

RMIT Vietnam

<b>Date</b>	24 November 2021
<b>Time</b>	8.30 AM - 4.40 PM
<b>Platform</b>	Live via MS Teams
<b>Languages</b>	English/Vietnamese Simultaneous Translation

