

Think, work and act differently— not just digitally

Don't fall into the trap of launching a digital transformation effort that fails to actually transform.

BY DANNY BAKER





From where we stand in the age of intelligence, nearly anything can be digitized or automated. But just because you can, doesn't mean you should. Paving the cow path, as my Midwestern colleagues might say, doesn't lead to greener pastures.

Financial leaders need a way to cull through the digital possibilities and select initiatives that deliver the greatest value. Digital solutions make work easier, faster and more accurate—but that doesn't automatically make those solutions transformational or efficient.

Digital transformation is not:

- » *An app or a piece of hardware or software*
- » *A series of generational updates in information technology*
- » *A digital replica of manual processes or paper document flows*

Digital transformation simply does and achieves more. Transformational technologies create digital effi-

ciency: They accelerate information, enable insights and empower decisions.

WHAT'S THE DIFFERENCE?

In digitally efficient institutions:

- » **Technology is pervasive.** *Digitally efficient organizations extend the benefits of digital technology enterprise-wide, not just within silos or departments, and the results are further-reaching too. For example, automation in back-end processes enables and empowers the front-end customer experience. Technology touches upon and improves every part of the enterprise*
- » **Technologies are interconnected.** *Organizations that link technologies—such as the cloud, artificial intelligence and data analytics—create more ROI and new avenues for economic value compared to organizations that limit*

their technology deployments to a single department, application or function. Data from different parts of the business come together in richer and more actionable form.

- » **Leaders think, work and make decisions differently.** *Most digital capabilities speed up processes, save time and lower costs, but digitally efficient organizations take the benefits one step further. They break free of “how it’s always been.” Instead of just digitizing analog processes, digitally efficient leaders use data to inform future strategies. Interconnected, real-time data provides insights that can help organizations find, evaluate and initiate new strategies with confidence.*

WHAT'S AT STAKE?

Financial institutions are constantly looking for ways to get ahead and stay ahead of complex requirements, changing customer needs and volatile markets. Fortunately, digital efficiency can tackle these challenges head on—and amp up the return.

In January, analyst firm IDC predicted that, over the next four or five years, enterprises that invest effectively in intelligence capabilities will experience a 100 percent increase in knowledge worker productivity. In the IDC Perspective report, [Future of Intelligence Defined](#), the firm described a host of resulting benefits, from shorter reaction times and faster innovation to happier customers and sustainable market share leadership.

What's the most important takeaway? To be competitive, organizations need to pursue technologies that



increase their decision-making power and deliver successful results.

WHERE'S THE GREATEST OPPORTUNITY?

When there are more priorities than resources, it's hard to decide where to start. Choose solutions that solve for more than one problem or create insights that can be leveraged across the organization to drive growth. Focus on digital efficiency, considering:

- » **Accounting solutions** *that will create a single, real-time view of performance across the enterprise and support better decision-making overall.*
- » **Analytic capabilities** *that help you pinpoint the cause-and-effect of different profit variables and identify new opportunities for growth.*

- » **Budgeting, planning and forecasting tools** that can link tactical plans to bigger-picture strategies and enable agile scenario modeling to optimize performance.
- » **Compliance and governance practices** that ensure sound and consistent business practices, strengthen internal controls and mitigate risk everywhere in the organization.
- » **Content services** that enable you to capture, manage, store and share critical business process information securely across the entire enterprise.
- » **Data matching and reconciliation capabilities** that can be used with any data, from any sources, for any process, from AP to HR.

All these capabilities create more efficient organizations and save time and money. More importantly, they provide critical insights and information to guide decision-making and support your growth strategies.

FIND YOUR “WHY”

Technology initiatives must have a purpose beyond “going digital.” Before you pursue automation or digitalization, figure out:

- » *Why do you need the data?*
- » *What decisions will it support?*
- » *What parts of the organization will benefit?*


- » *Does it tie into the institution’s overall strategy?*
- » *What benefits will the organization achieve, other than speed or efficiency?*
- » *Will it be effective?*


If you’re not going to explore or apply your data, then there’s little point in creating and collecting it. Don’t invest in means without clarity and linkage to a desired end, or automate processes that should just be put out to pasture.

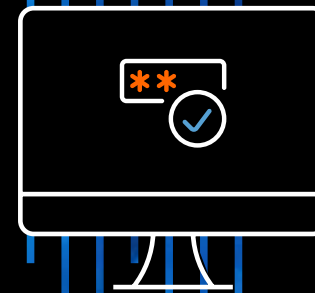
KEEP QUESTIONING

Digital efficiency requires curiosity and continuous improvement. Encourage team members to ask tough questions and propose creative solutions.

And don’t limit digital transformation initiatives to “glamorous” front-end technologies. Strong behind-the-scenes automation and decision-making capabilities can have profound effects on the consumer experience. Once you understand what consumers want from you, it’s easier to create and deliver exceptional products and experiences.

To realize the massive productivity gains, and other benefits, that IDC says are possible, efficiency must be paired with efficacy. In the next wave of digital transformation, success hinges on your ability to make the right decisions with the right information at the right time. 

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