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Embracing disruption:

Learning about digital transformation

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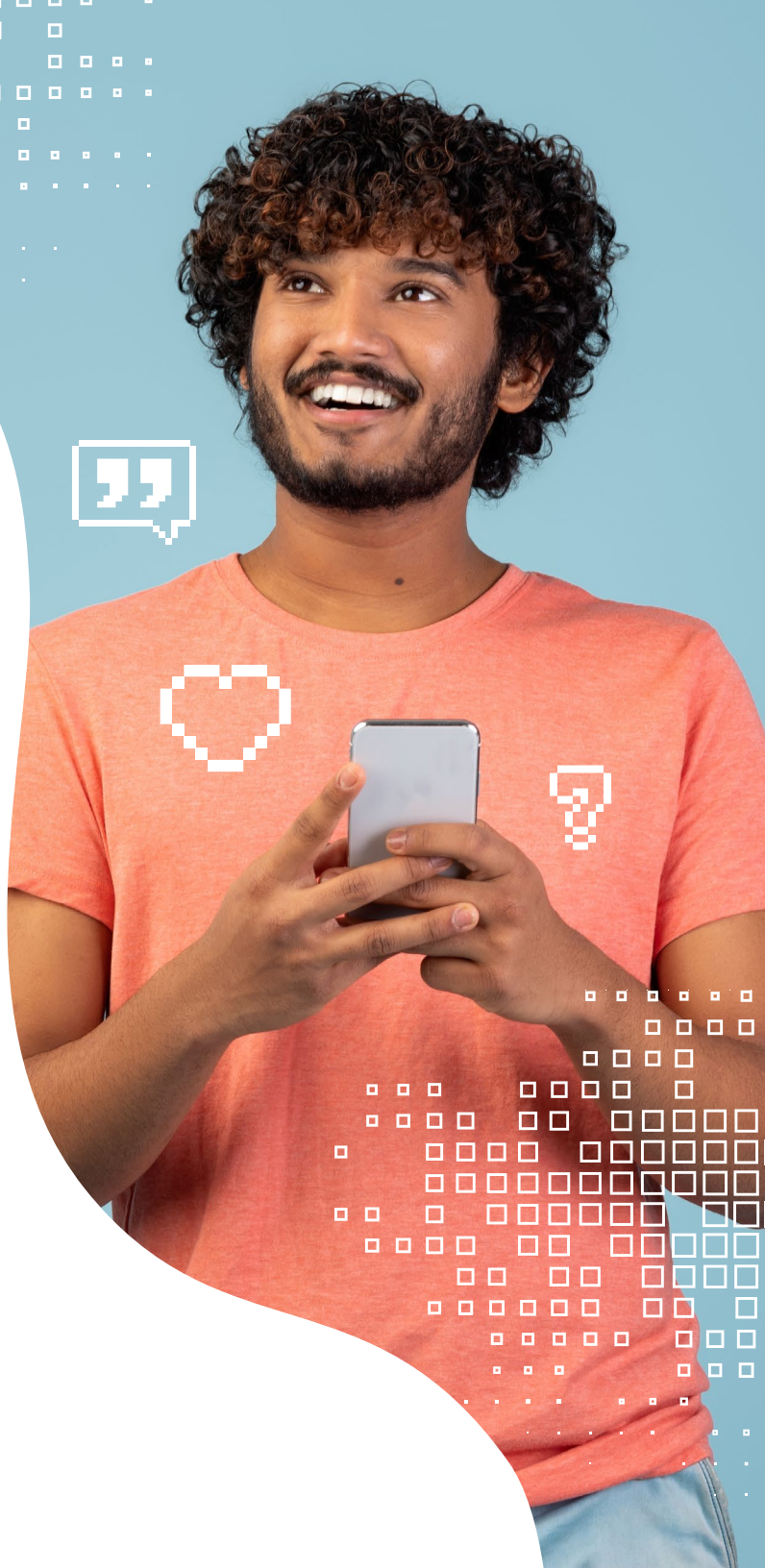

Technology has changed our world. Everything is different than it was even 10 years ago; we travel differently, order food differently, work differently, and learn differently. Digital transformation is critical to expanding businesses. It means businesses can transform their company, their industry, and even the world by embracing emerging technologies.

Sometimes digital transformation is nudged along by world events; according to a 2021 Foundry survey, 61% of companies said they were forced to implement a digital-first strategy due to business challenges brought on by the COVID-19 pandemic, suddenly embracing remote and hybrid work, eLearning and new business models.

In other cases, a company may recognize the importance of being open to digital transformation: a 2022 report from IDG finds that about 90% of organizations expect IT modernization to have a significant impact on long-term growth. IDG finds that transformation should also be organization-wide, rather than just a project that one or two departments are doing; organizations with enterprise-wide digital transformation efforts are significantly more likely to expect a transformative impact – and to create disruption.

What is disruption?

Digital disruption refers to a radical change to an existing industry or market due to technological innovation. Organizations that embrace digital change as part of their culture are disruptors; they take a close look at new technology and try to understand how they can use that technology to fill a hole in the market. For an example of a disruptor that completely changed our world, you need look no further than your online shopping cart.

The case of Amazon

In 1994, Jeff Bezos founded Amazon – then called Cadabra – out of his garage in Bellevue, Washington. It was primarily an online bookseller, but Amazon wasn't necessarily founded out of a love of books. Instead, the online marketplace was inspired by the Internet itself.

The Internet of the early '90s wasn't a place where much buying and selling happened. Email, chat rooms, discussion forums, and sites for businesses and individuals were common, but there was no e-commerce. So Bezos decided to try to create a business that would fill that hole, and he started with books, one of a few products not sold in mail-order catalogs at the time. Books were impractical for catalogs because there were so many of them. A good catalog would have to contain millions of books – something the Internet could easily do.

Nearly 30 years later, Amazon has a brand value of about $254.2 billion. The company is the world's leading digital marketplace with several subsidiaries covering business from cloud computing to self-driving vehicles to groceries. It has created its own devices and leveraged artificial intelligence. Amazon has disrupted every industry it's touched, from bookselling to the Internet itself.

It is now a leader in domain transformation. Domain transformation is one of the pillars of digital transformation. It involves using technological advances to open wholly new markets to your business. Take the example of Amazon Web Services. By getting into cloud computing early, Amazon was able to corner the market.

How can you change your own domain? Like Amazon, the most adaptable, or agile, companies are often at an advantage.

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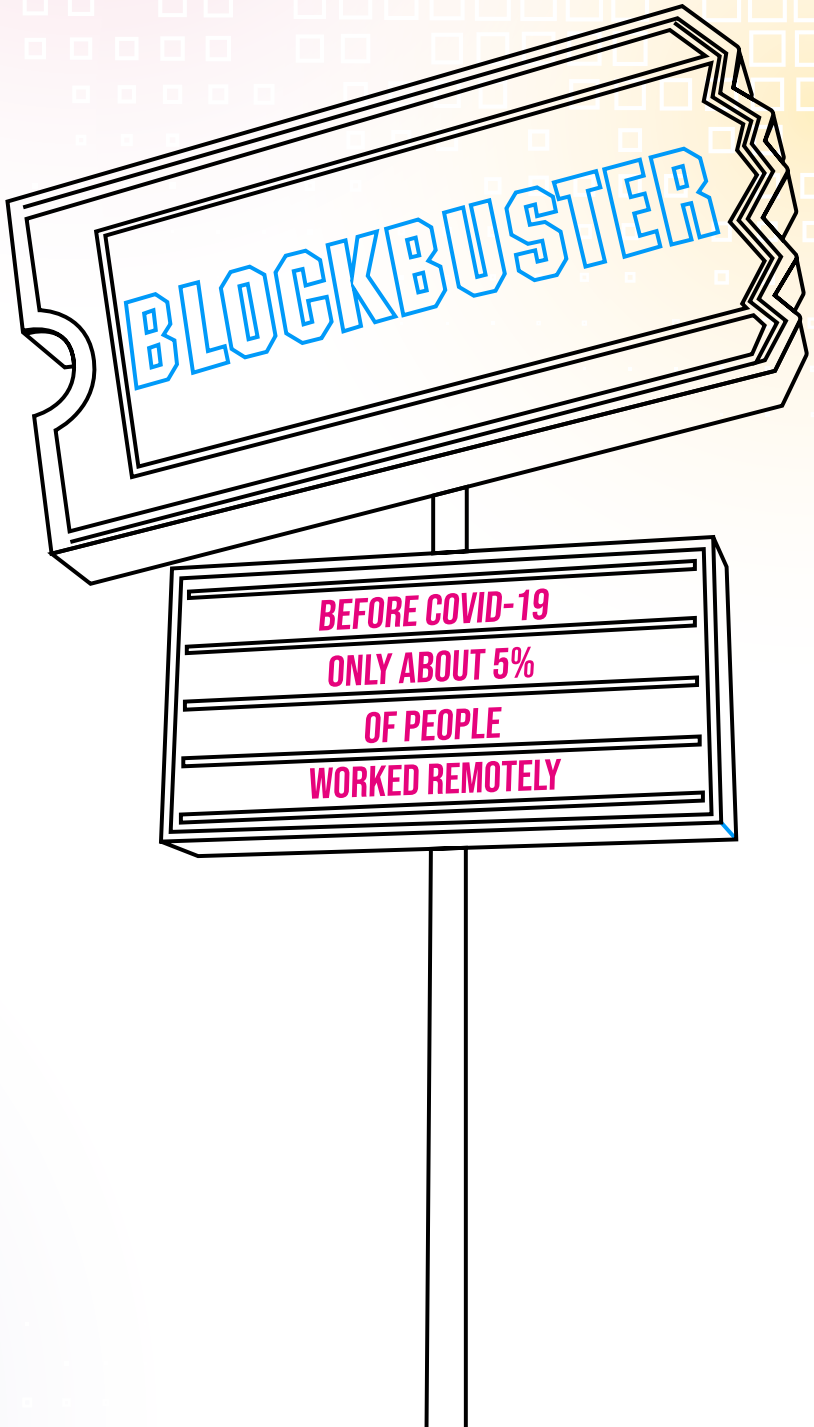
The importance of being agile

Agile methodology, as its name suggests, encourages a quick and adaptable approach to changes or problems during the software development process, which was at that time cumbersome and slow. It was first laid out in a 68-word manifesto in 2001 by a group of developers who called themselves the Agile Alliance.

While Agile theory began in software development, it quickly spread to other areas of doing business; now many companies incorporate agile methodology into their business culture, and it's paid off: when there's a massive change, in technology or the world, agile companies are often the most successful.

One of the biggest changes we saw during the pandemic was the rise of remote work. Before COVID-19, only about 5% of people had worked remotely, but during lockdowns this number rose to nearly 50%. Companies that were agile – or able to adapt more quickly – were able to embrace remote work with minimal disruptions to business.

Agility doesn't just pertain to remote work. When it comes to new technology, agile companies are the ones that can adopt and implement that new tech quickly and efficiently. Those that don't lag behind. Remember Blockbuster? Blockbuster was a popular chain of video rental stores in the 1990s but was unable to quickly launch a competitive streaming service. (Now only one Blockbuster store remains in Bend, Oregon). Agile companies are also more likely to use data and analytics to learn what their customers want and how they can best deliver those products and services.



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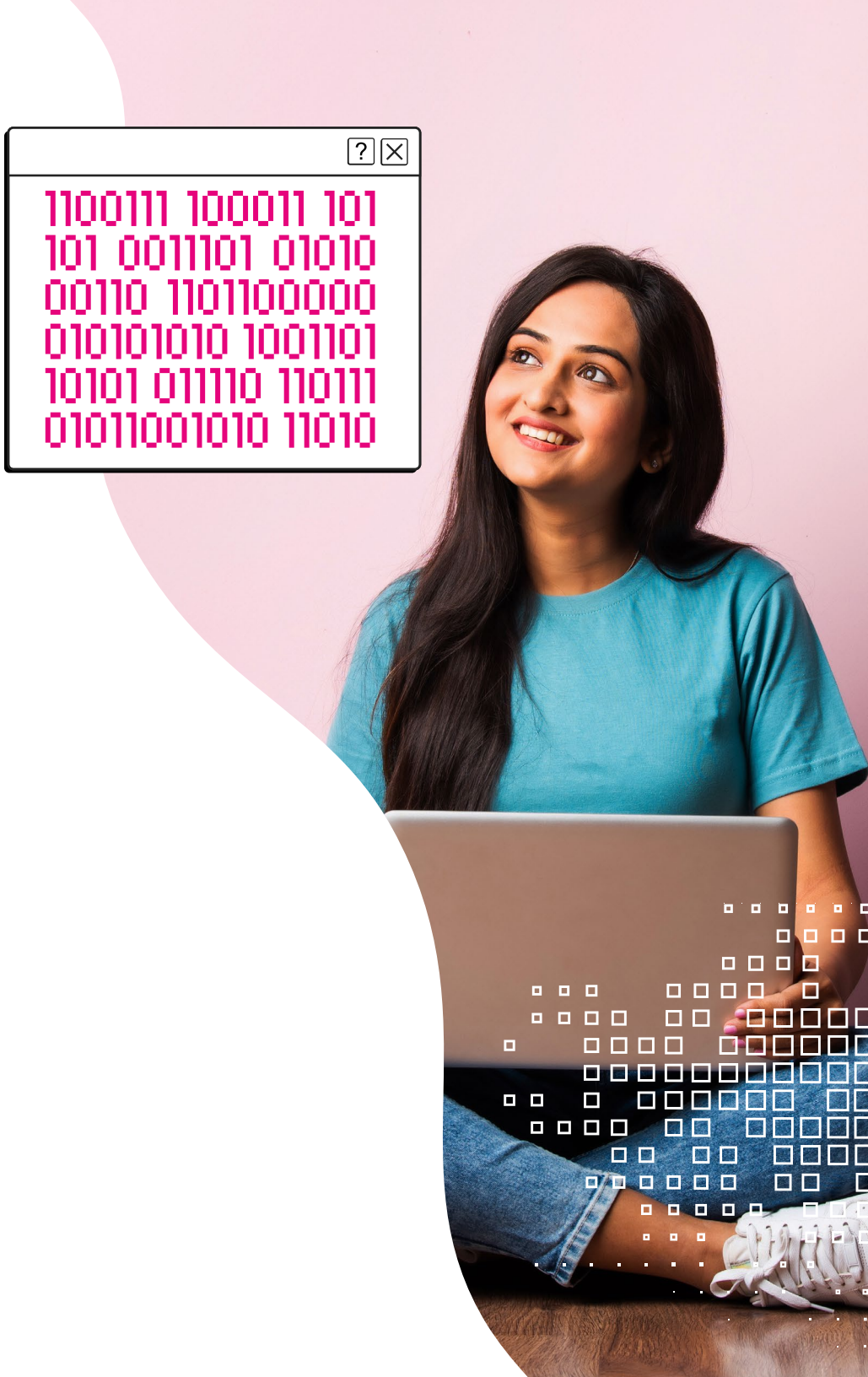
Data: your secret weapon

According to IDG, 48% of companies say that optimizing data and analytics capabilities for innovation is their top enterprise IT goal in 2022.

That's no surprise; now more than ever the way we do business is information-based, and by leveraging that information – client data, market data, web traffic, industry information – organizations can find patterns that will help them understand their customers better. They can also find out where the gaps in the market are and how to fill those gaps.

The trouble with data is that there is a lot of it, and that can be overwhelming. The human brain is not designed to sift through massive amounts of raw data or to see patterns in that information.

That's where data analytics comes in. Data analytics is a scientific way of sifting through unprocessed or "raw" data to find what you want to know, such as which products sell best to certain demographics. According to Foundry's report, data analytics have helped organizations improve their understanding of customer needs and better meet customer experience expectations, even during the pandemic.



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There are four types of data analysis:

Descriptive analytics
describe what has happened over a set time period, such as the number of customers that have signed up for a service.

Diagnostic analytics
examine the reasons behind things happening, such as "why did productivity drop last fall?"

Predictive analytics
guesses at future trends based on past data; if certain demographics liked one product, for example, they may be interested in another product.

Prescriptive analytics
help you decide what to do based on your data. If more people with red hair tend to use this type of shampoo, maybe you could target your ads at that group.

Leveraging data analytics is critical to understanding the market, your customers, and your own business. It's no wonder that IDG data suggests that inadequate data analysis capabilities inhibit innovation.

Although data scientists work with data to make predictions, most often data analytics go hand in hand with another kind of technology: artificial intelligence, or AI.

Enter the robots: AI and machine learning

Artificial Intelligence has always been a favorite subject of science fiction authors. HAL 9000, androids, replicants, Cylons, the hosts in Westworld: through the 20th century and into the 21st, popular culture has been fascinated by the prospect of artificial intelligence and its implications for us mere humans.

We're not quite where sci-fi predicted we'd be with AI, but technology is finally catching up to science fiction's flights of fancy. Artificial intelligence has entered our daily lives in the past decade: Siri will schedule your appointments and tell you a joke if you ask. Alexa turns on the moment you say her name, ready to play a song or add an item to your shopping list. In fact, according to IDC, at least 90% of new enterprise apps will insert AI technology into their processes and products by 2025.

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What is AI?

AI is an umbrella term, covering a large area of data and computer science, which includes machine learning, robot process automation (RPA), and smart machines that are able to perform repetitive tasks.

AI can be sorted into two general types:

Narrow AI

Sometimes called "Weak AI," narrow AI is based around either a single small task or a few small tasks. Narrow AI improves efficiency: things like weather apps, your phone's facial recognition, or digital assistants are all examples of narrow AI.

General AI

Also called "Strong AI," General AI refers to machines thinking creatively and strategically, as a human would. Strong AI isn't as developed as weak AI is, so you're less likely to see examples of this in everyday life.

AI is currently being used in many different ways: facial recognition is a form of AI, as is natural language processing (you see this often in chatbots that can communicate with humans) and predictive modeling (used by certain online retailers to suggest products you might like based on what you last viewed).

According to Foundry's survey, most companies see AI and machine learning as key technology building blocks for achieving their digital business goals over the next 12 months; one third of IT departments say they are actively researching AI applications for their business.

Tech for the nontechnical: low code and no code

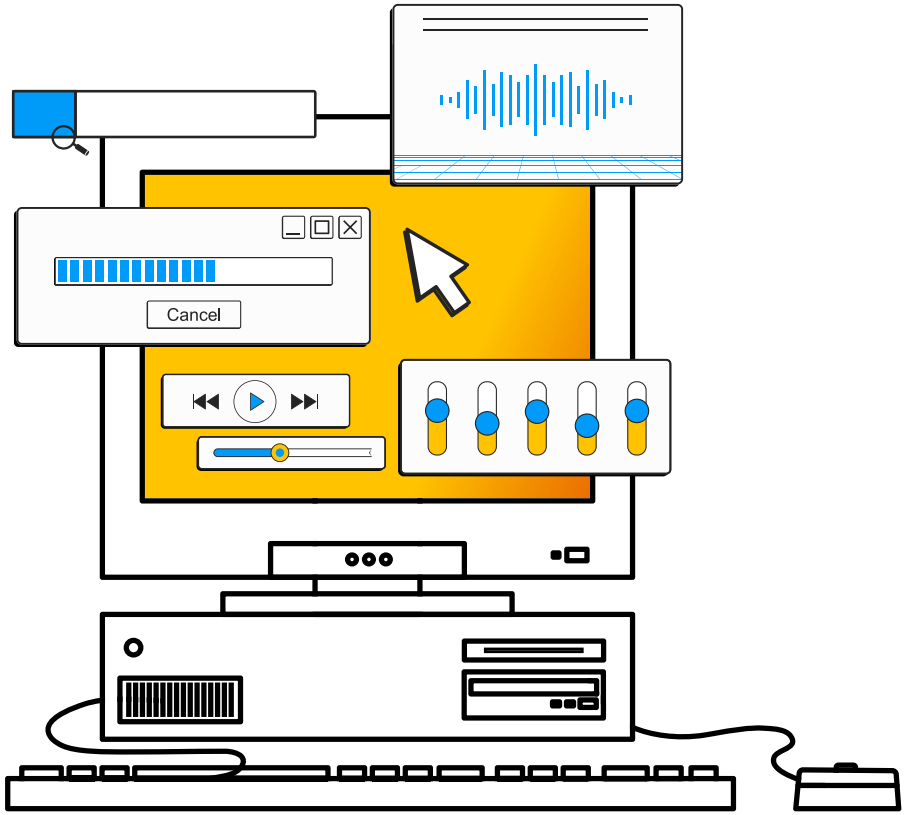
It's all well and good to talk about technology, but if you're not technical, or you run a small to mid-sized business without a development team, the idea of creating an app may seem overwhelming. That's what Low Code/No Code (LC/NC) platforms were built for.

Low Code/No Code platforms and tools are exactly what they sound like; they provide you with the ability to create an app without having to understand coding. LC/NC platforms offer a set of predesigned tools that give you everything you need to create a custom application.

There are a few differences between low code and no code:

- Low code platforms are designed for developers who do have programming knowledge. Rather than having to write entirely new computer code to create an app, low code platforms also use a GUI to allow developers to drag and drop elements into an app. However, a certain amount of coding may be required for more complex tasks.
- No code platforms are designed for non-technical employees who don't understand programming but do understand their specific industry demands and business needs. They need no coding whatsoever to use these tools, but are able to drag and drop pre-coded elements into an app using a Graphic User Interface (GUI).

Low and no code platforms are used to build all sorts of apps across various industries, but one of the earliest applications of LC/NC was in web design.



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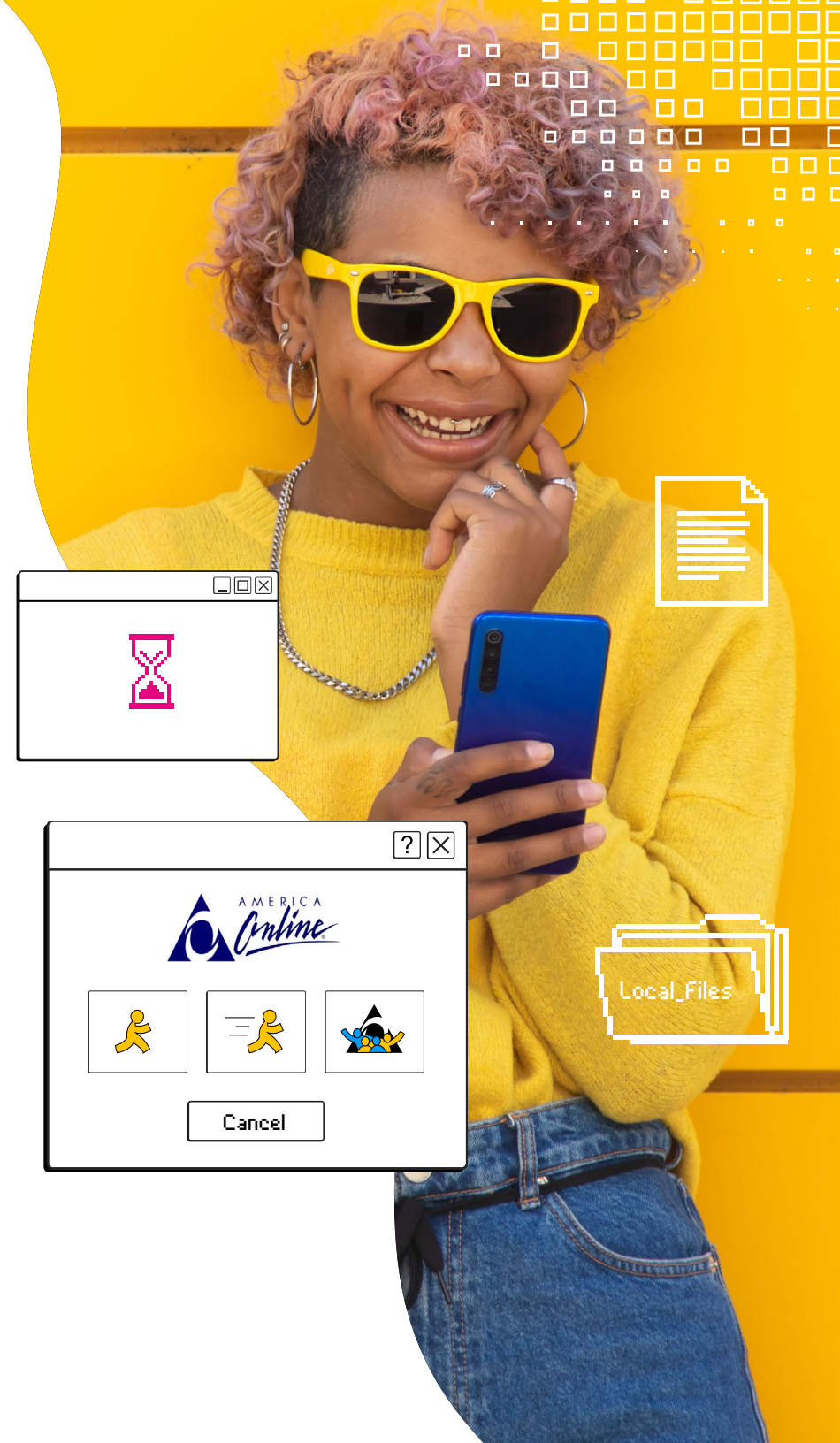
From weblogs to blogging

To better understand LC/NC, consider the example of Wordpress and other blogging platforms. Back in the 1990s, the only people who maintained blogs (or as they were called back then "weblogs") were developers because they had the technical know-how to code a website, insert links, add images, etc. In fact, many of the first bloggers weren't necessarily into writing; their weblogs were often lists of links they found interesting or short diary entries.

When the first blogging platform, Open Diary, was created in 1998, blogging became accessible to noncoders. Early user interfaces (UIs) allowed nontechnical users to type in a screen called a What You See is What You Get (WYSIWYG – pronounced "wiz-ee-wig") text editor rather than typing directly into the code itself. Wordpress, for example, allows users to write, drag and drop images, and design their pages without knowing any code at all. While blogging might not sound novel or innovative anymore, the same principles allow us to type and share memes on social media.



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Managing technological change in your company

Digital disruption is beneficial to your company and to your industry, but often when new technology is introduced to a business, it can disrupt things in a different way. Not all employees like change, and a sudden introduction of new tech can cause concern and outright mistrust among employees, who may feel fearful or threatened.

In 2016 the Pew Research Center released a report about the digital readiness of U.S. adults. At that time, 52% of adults were wary or unprepared for changes in technology. While the numbers have likely shifted somewhat in the last several years, the Pew Center found that some adults were unprepared, some preferred traditional means of research and communication, and a third of all U.S. adults were reluctant to use digital tools.

Sudden changes can be especially difficult if someone feels ownership of a certain process or technology. Take the example of Susan in accounts payable.

Susan has always printed out invoices and walked them around to different offices so managers can sign off on them. When her manager tells her that the process will be automated from now on, she's unhappy.

Her manager is legitimately confused: Susan no longer has to run invoices all over the site; why is she upset? Besides, when she was working from home last year, this job was time-consuming and involved several emails; everyone disliked it, including Susan.

What the manager doesn't understand is that over the years, Susan has built a routine around this task, one she missed during the pandemic. She gets her coffee during her invoice run, and she enjoys stretching her legs and getting her steps in. She also enjoys chatting with co-workers while she does her rounds. On top of all that, she's also worried about learning a new technology, and that can be daunting.

Looking at it from Susan's perspective, it's now understandable that she does not want to give up this task. So how can her manager help guide and inspire Susan and her fellow reluctant adopters?

Not everyone loves change: digital reluctance

It's probably not a surprise that when any sort of change is introduced into the workplace, there will be people who try to keep doing things the "old way." Why might team members be reluctant when it comes to new digital technology? There are a range of reasons.

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Replacement

Many people worry that digital transformation is a threat to their jobs; that their job will become automated and render them obsolete. This fear often leads to resistance to any kind of technological change or update.

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Abandonment

Even if people feel that their job is safe, they may still be hesitant to adopt new technologies. This is often rooted in fear: they won't be able to adapt, learning new technology will be "too hard," and that any trouble they have with new digital tools will negatively impact their professional performance.

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Tradition

Employees, especially those who work for historically successful companies, may dismiss new tools or procedures, reasoning, "this is the way we've always done it" or "if it's not broken, why fix it?"

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Cynicism

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Overcoming fear of change

How can you help your team – even the most cynical – embrace digital change? The key to managing change is to be kind and empathetic. As a leader, it's your job to guide and inspire your team. Here are some suggestions for helping your team understand and adapt to digital change:

Empathy

Understand why your team is resisting the change and encourage them to talk about it.

Communication

Don't spring change on the team. Be transparent about any changes as early as possible.

Patience

Rome wasn't built in a day, so to speak, and there will be glitches with new technology. Be patient with your team as they learn new tools.

Enthusiasm

If you're not confident or excited about new technology, you can't expect your team to get excited about it, so keep a light tone when you discuss changes.

Optimism

Remember, there is a reason you are switching to a new technology. Keep outlining the clear benefits of the changes. Highlight the problem you are solving with the new technology.

Lastly, make sure you're understanding what's in it for your individual team members. Why does this new technology make their jobs easier? What does it do for them personally? In the case of Susan, she may now be able to get the invoices taken care of so quickly that she'll have extra time for her break, so she'll be able to get her coffee, take a walk, and chat with co-workers without having to bother with invoices.

Embracing digital change by skilling up

Change of any kind can be difficult, and the numbers reflect that. Although most companies in Foundry's survey said they were planning to adopt a digital first approach to work, some said they wouldn't; 9% say they have no intention of changing. The reasons range from a lack of support from leaders to a lack of money; in fact, smaller companies were more likely to avoid going digital first.

Perhaps the most interesting reason companies gave for not embracing digital change was skillset limitation. Nearly a quarter of the organizations that refuse to change say they don't have the right skills to support digital transformation. Of course, we would say that learning is at the heart of any transformation (but we are Litmos, after all).

Digital change can be overwhelming, but it's also an important part of improvement. After all, you wouldn't be considering new technology if it weren't going to benefit your business in the long run.

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It all boils down to learning

Regardless of what areas of your business you're planning to transform with technology, there will be a learning component of the transformation. People need to be trained on how to use new systems and how to follow new processes. Ironically, the most efficient and effective way to do this is by using an eLearning technology.

So, yes, we do recommend using a technology to help people better use technology. Winking and grinning emojis aside, a great LMS may be your best bet in transitioning people to new ways of working in the digital age. A satisfying LMS experience may, in fact, even serve as a bridge – a learning path, as we in the L&D world might say – to crossing the chasm.

The hopefully reassuring news is that one of Litmos' calling cards is being hands-down the easiest-to-use LMS on the market. It was deliberately developed to be this way, so that people with any level of tech-savviness can not only use but administer the system.

Lastly, it's important to clarify that "easy to use" does not mean "simple" from a backend technology and capability perspective. It's quite the opposite. If it's easy to use but incredibly powerful, it means that it's well-engineered and designed for the benefit of admins and learners.

Please talk to us when you're ready to digitally transform your learning.

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