

Measuring Value of Digital Transformation

Digital Transformation is to create value for the business and for & with the customers through digitally enhanced processes that streamline operations, transform business models, and increase the overall customer and employee satisfaction.

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<i>Key Value Area</i>	<i>Measure</i>
<p>Customer Experience - Digital transformation changes the relationship with the customers. For this reason customer focused metrics are key to prove that brands are shaping new relationships.</p>	<p>Customer Satisfaction Index (CSAT) : It measures how satisfied is a customer, it's a short term and touch point focused metric.</p>
	<p>Customer Effort Score (CES) : CES measures how much effort the customer put into a specific interaction with the brand. The assumption is that low effort interaction drive loyalty. It's a short term and touchpoint focused metric</p>
	<p>New Promoter Score (NPS) : Measures loyalty and longer term relationships, It's focuses on the existing ongoing relationship between the brand and the customer. It's strongly correlated with measure of company growth.</p>
<p>Operational models - How the organizations operate internally is key to ensure results and value creation for the organization, its employees, and the customers.</p>	<p>First Contact Resolution Rate (FCR) : FCR is the rate of customer's issue solved in a single interaction, with no need for costumers to follow up, It is not about the resolution time (quantity of time) but it is focused on the quality of the interaction. It reduces efforts and affects both CES, CSAT, and NPS. It should be measured on all channels.</p> <p>Return on Innovation Investment (ROI) : A measure used to evaluate the effectiveness of a company's investment in new products or services. It includes all the costs that have been sustained to deliver innovation. To calculate ROI = profits produced by innovation/cumulative investment required to create return</p>
<p>Business Models - Business models need to be transformed by putting the customer at the heart and reviewing the overall operational models. Digital transformation leads to new value creation models that cannot be overlooked.</p>	<p>Customer Experience and Service: % of customer interactions that are digital; % of interactions that employ smart machine</p>
	<p>Sales and marketing - % of marketing spend that is digital; % of revenue through digital channels</p>
	<p>Operations - % of operational assets that are connected</p>
	<p>Workplace - % of departments using new digitalized workplace model</p>
<p>Leadership & capability - People within the organization are the key assets that drive digital transformation. Measuring the employee experience is essential to ensure a successful Digital Transformation.</p>	<p>Employee turnover rate (ETR) : ETR is the percentage of employees in an organization that leave during a given period of time. If the trend is of growing turnover rate, chances are there are some aspects that needs to be reviewed within the company operational model and culture.</p>
	<p>Employee Satisfaction Index : ESI assesses the level of employee satisfaction. This index is key as there is a casual link between motivated employees and business performances: Motivated employees who are more likely to deliver satisfaction to customers; They are more likely to drive successful business performance.</p>