Thriving in a digital world

Tackle the problem
Design for people
Deliver with agility
Improve continuously

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Accelerating advances in technology are changing the rules and risks of business, which means market leaders need to operate and think differently. By shifting the focus beyond technology and onto employees and customers, organizations understand the relationships with those who produce, buy and benefit from their products and services. This is how they succeed in a digital world.

The business world is faced with a changing landscape where consumers expect constant flexibility and high-quality experiences. E-commerce has disrupted the retail market and fundamentally changed the way businesses interact with their customers. In service sectors, mobile technology has put customers in control, driving the introduction of 24/7 services and support. Organizations that adapt successfully to this shift combine human insight with digital thinking to identify the true challenges they face. They recognize what customers want, understand how, where and why they access products or services, and focus on what drives their behaviors. By establishing what motivates employees and what they require to achieve their goals, these businesses can work smarter and more productively.

By focusing on people and process, being agile and constantly revisiting solutions, today’s market leaders identify and solve the right problems, get to market quickly, and drive business growth. They adapt to the fast pace of innovation, understand the impact of new technologies, and introduce novel business models to reap the benefits. In this white paper, we outline four steps that organizations can take today to thrive in the face of these market shifts:

1. **Focus on the problem first**
2. **Design for people, not processes**
3. **Deliver small, fast and often**
4. **Always look for improvements**

"It is about user centricity within the digital landscape. Organizations can solve the right problems for their specific needs by articulating what those problems are."  

**Todd Clare, KPMG Digital and Mobile Solutions**
Step one: Focus on the problem first

The world is shifting from being predictably complicated to a state of constantly changing complexity, with ambiguous challenges and infinite solutions. Even best practice is being redefined as organizations increasingly implement solutions that have never been done before.

Market leaders across sectors, who are successfully applying a digital way of thinking to their business needs, spend more time in the problem space. This thinking—sometimes referred to as Design Thinking—focuses on outcomes. How are customers and employees interacting with an organization? What are their motivations and desires? What are their pain points?

Understanding this requires intensive quantitative and qualitative research that focuses on the “why,” rather than the “how.” By discovering what people actually do, rather than what they say, organizations can understand and anticipate future, unarticulated needs and align these to their business. This helps employees identify real issues they never knew existed and leads to innovative digital and non-digital solutions never imagined.

Because these solutions are defined by how they impact the people who matter, they are the key to the most profitable forms of adoption and growth.

Peoples’ thought processes and behaviors are not always rational, logical or linear. By gaining perspectives and input from customers, employees and functional leaders, organizations can connect the dots, and find the disconnect, between their business goals and their customers reality.

“People can be strange and unpredictable and this can have a dramatic impact on the success of any project. By looking at the human element and translating this ‘fuzziness’ of people into actual insights, organizations can avoid the blind spot of not considering the customer or end user.”

Joe Murray, KPMG Digital and Mobile Solutions
When faced with countless challenges and potential solutions, it is easy to get left behind. Successful organizations design solutions that offer true value to customers by connecting to their real world needs.

It is about understanding the user journey. How do they interact with the organization? How do these actions fit into their life? What do they think of their overall experience? Most importantly, why do they act in the way they do?

Identifying customer motivations takes thorough field research across a variety of locations to understand the full spectrum of touch points. This “journey mapping” gives organizations clear insights into the rational and sometimes irrational ways that people interact with their surroundings.

Armed with these insights, organizations can define employee or customer engagement, map out future states and design solutions that align user desires and motivations with business strategy. Ultimately, this enables you to build solutions around real behaviors—solutions that are desirable and intuitive to use, and that deliver real business returns.

Facing business to business (B2B) customer dissatisfaction and attrition, a global telecommunications company needed to understand the current state of its customer experience. Upon identifying key areas for improvement, human-centered design allowed them to develop a clear path to the future and:

- Strive to drive enhanced customer satisfaction, improved capabilities, and increased adoption
- Eliminate redundant and conflicting billing, customer care, product pricing and delivery systems
- Establish clear and consistent digital strategy across architecture, development and product management teams.

"You can design anything, but if you do not make that connection to people—how and why they will use it—you will miss it. By keeping people at the core and understanding how they behave, you can bring to life ideas that nobody has thought of before." — Jason Mowery, KPMG Digital and Mobile Solutions
In this new, fast-moving reality, organizations face some of their biggest operational and technical challenges just to remain competitive. They can no longer afford to take months, or even years, to implement major business change. The smart organization approaches problem solving quickly to meet the constantly evolving needs of a restless market.

The importance of customer experience means that successful organizations focus on creating new mindsets over new technologies. Do they have the confidence to start small and learn as they go? Are they prepared to fail? Can they adapt quickly? Are their solutions people focused?

These organizations identify small wins that meet customer expectations and connect to business outcomes, and then build on them. These wins are not always strictly digital—they could just as easily involve adopting a new business process as developing a responsive Web site. What defines these wins is that they are developed with a human perspective.

Through prototyping, user feedback and multiple iterations, businesses can progress in small steps that build on each other. This encourages increased innovation and experimentation, and can lead to high-value outcomes that directly benefit the bottom line.

The world is transforming due to the digital landscape. The pace of change makes it nearly impossible for established organizations to keep up. They need the ability to deliver at velocity and react to changes in the marketplace in a nimbler, more agile manner.

Dave Carabetta, KPMG Digital and Mobile Solutions
Innovation is not just a box to be checked. It is achieved through a continuous process of discovery and development. This is being driven primarily not by business strategy or technical necessity, but by increasingly demanding customer expectations.

Because people’s actions are often unpredictable and illogical, successful organizations must be nimble and ready to adapt. Are customers happy with the available solutions? How are new competitors disrupting the market and how will these disruptions impact business? What new technologies could improve the customer experience?

Through continuous questioning, research and robust analytics, businesses can better understand how users receive solutions to make relevant improvements. This helps to ensure they continue to adapt to meet the needs of the constantly evolving digital world where long-standing approaches rarely remain relevant.

Whether these approaches are technology-based or not, they are developed with the users’ needs in mind and an eye on the future.

As the pace of change accelerates, so do people’s expectations. We have already seen how widely adopted technologies such as mobile apps have altered customer perceptions of what is possible and led to rapid transformation across business sectors. By keeping ahead of market trends and assessing their impact, for example, on potential customer demand for new touchpoints, organizations can anticipate unarticulated needs and deliver against them.
Creating success in the digital era

From creating fierce competition across multiple sectors to transforming customer expectations and challenging corporate models, digital continues to disrupt the business landscape at an accelerated pace. Organizations that are able to capitalize on these opportunities should thrive in the market, while those that do not will most likely lose out to new players. Digital is a journey, one with many stages of evolution. But with only one in five companies currently considering themselves to be digitally high performing, a vast majority risk being left behind.

In this white paper, we have outlined how successful organizations can create value and meet the challenges of this new landscape by recognizing the need to think and act digitally. By focusing on the problems, designing for customers, delivering in an agile way and continually looking to improve these organizations, these organizations thrive in a digital world—and you can too.
Contacts

Rick Wright
Principal, KPMG Digital and Mobile Solutions Lead
KPMG in the U.S.
T: 617-988-1163
E: richardwright@kpmg.com

Dave Wolf
Managing Director, Digital and Mobile Solutions
KPMG in the U.S.
T: 202-470-3736
E: davidwolf@kpmg.com