

Digital Transformation Terms and FAQ's

FAQ'S about Digital Transformation

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What is Digital Transformation?

Digital Transformation is an organization's adoption and integration of digital technology and focuses on advancing hardware, software, and connectivity. Common goals for its implementation are to improve efficiency and reduce costs with clients, donors, board members, and staff.

What Digital Transformation is not

Digital Transformation is not a project that has a start and a finish. Rather, it is a process that will continue to evolve in response to many factors, including technology, market requirements, and, most importantly, your customers.

What are the benefits of Digital Transformation?

- Improves communication and collaboration among staff clients/participants, board members, donors, and other key stakeholders. The easier it is to communicate and work together, the clearer and more efficient your decision-making is.
- Increases efficiency and reduction in operating costs, which benefits a nonprofit's bottom line.
- Allows for flexible work schedules (remote work), leading to improved staff recruitment and retention.
- Increases automation of specific fundraising activities, freeing up staff time to focus on cultivation and solicitation vs. administrative tasks.
- Increases ability to collect and analyze data which helps surface areas with the highest risk and program modifications and/or improved internal efficiencies.
- Increase overall impact by allowing technology to support programs, services, and communications.

Successful Digital Transformation needs buy-in and consensus across your organization to ensure a consistent approach. Choose an area of focus where you can see improvement, measure tangible results, and continue to fine-tune.

Do I need help making the Digital Transformation within my organization?

If you work with a partner, select one with a proven track record and focused experience on your technology of choice, customer base, and invested in your success. Customer care is an ideal focus for Digital Transformation, as it can significantly impact customer experience.

What financial benefits does Digital Transformation offer?

Deploying the right set of Digital Transformation tools streamlines operational processes by automating manual tasks and integrating data. This can save time and costs, resulting in increased revenue generation.

What are the stages of Digital Transformation?

1. Business as Usual
2. Present and Active
3. Formalized
4. Strategic
5. Converged
6. Innovative and Adaptive

What are examples of Digital Transformation software?

Cloud-based software is IT services hosted across the internet that include software, storage, network services, and databases.

Big data analytics is the process of obtaining and analyzing large data sets to generate useful insights, connections, correlations, and patterns, with the ultimate goal of improving a nonprofit's decision-making and strengthening its impact.

What are examples of Cloud-based email, document storage, and collaboration tools?

Microsoft 365, G Suite, Box, Zoom, and Slack are tools for cloud file storage, communications, and collaboration (including email), all with advanced security features.

For all these tools to work, there must be updated hardware (i.e., computers and laptops), which often can handle greater processing capabilities.

What drives Digital Transformation?

There has been a long-standing debate about what exactly drives Digital Transformation – is it technology or strategy? Technology will always exist and play a role in business operations – it's a matter of how effectively organizations use it. Therefore, having a robust and comprehensive strategy is much more critical to the success of Digital Transformation.

In fact, [IDC predicts](#) that by 2020, 30% of G2000 companies will have allocated capital budget equal to at least 10% of revenue to their digital strategies.

What does a Digital Transformation framework look like?

It is largely subjective, but some important business operations that must be included in a Digital Transformation framework are:

- Customer experience

- Operational agility
- Culture and leadership
- Workforce enablement
- Digital technology integration

When developing a Digital Transformation strategy, all of the aforementioned functions must be considered and incorporated into decision-making.

Why does Digital Transformation matter?

Digital Transformation is required for any organization that wants to remain effective in today's marketplace. Customer expectations paired with competitor innovation mean that any business in any industry must be agile across all digital components of their business. The [IDC estimates](#) that 40% of all technology spending will go toward Digital Transformations, with enterprises spending in excess of \$2 trillion in 2019. Disruption is happening across all industries, and investment in Digital Transformation is essential to stay relevant and create new opportunities. What's more, a survey of executives across verticals showed that the top benefits of Digital Transformation were improved operational efficiency (40%), faster time to market (36%), and ability to meet changing customer expectations (35%).

Why do Digital Transformation projects fail?

There are many reasons a Digital Transformation might fail – poor strategy and lack of buy-in are just two of the many causes of failure. And while Digital Transformation is a major undertaking, studies show that businesses [incorporating more technologies](#) are more successful. Beyond that, a [Harvard Business Review report](#) cited two factors that frequently cause such projects to fail:

1. An unspoken disagreement amongst leadership about project scope and goals
2. A divide between the digital capabilities supporting the pilot project and the capabilities available to support scaling the Digital Transformation

What are the key starting steps to Digital Transformation?

Digital Transformation requires a culture that supports innovation, and we understand getting started can seem daunting. Organizations should begin by laying out a communication plan that outlines the organization's goals and objectives for Digital Transformation and states the plan that will facilitate and support this meaningful organizational change. The plan should also convey why it is important, what that change looks like and means to the organization and individuals involved, and that leadership is committed and invested in promoting and supporting the Digital Transformation initiative.

How to ensure my organization succeeds with Digital Transformation?

To be successful, an organization should be prepared to dedicate internal resources and seek external expertise. Internally, leaders within IT, finance and accounting, operations, HR, and

other areas should expect to manage teams participating in these efforts. Leaders should also be prepared to culturally support the change that comes with Digital Transformation. At the same time, seeking expertise from those that specialize in Digital Transformation, who can bring best practices and experience to your organization, and perform many of the tasks necessary that cannot be done by your resources due to availability or inability, will also be a key to successful Digital Transformation.

Research based on TechSoup, Schneider Downs, and Hitachi Solutions