While the business opportunities of digitalization are obvious, there are a number of challenges for enterprises to overcome – and pitfalls to avoid – on their transformation journey. The three areas mentioned below are the building blocks of digital transformation. The challenge is deciding how fast to traverse the digital journey. The answer lies in the adopting differentiated digital transformation framework that can help address that challenge.

1. **Customer satisfaction - User experience**
   
   In this digital era, consumers have become tech-savvy, socially active, and selective in their purchases. They prefer products and services that are personalized, matching their tastes and preferences. Self-service venues rule the day. Consumers search for information on the web and read online opinions and experiences posted by other users, all of which influence their decisions to a large extent.

2. **Process excellence - Business Processes**

   Because the marketplace has become more dynamic than ever before, standard business processes have lost relevance in the digital era and are being replaced by adaptive processes. For customers, the cost of switching to another service provider is almost negligible. Therefore, to retain existing customer and attract new ones, enterprises need proactive, customer-centric processes. Enterprises have started building agile business processes so their design and process changes can be handled quickly, in step with the changes in the market. This can help reduce lead time for new product development and in addressing customer complaints.

3. **Operational excellence - Operating model**

   Companies have started reshaping their boundaries by offering the same products and services on their e-commerce and offline platforms. Moreover, the digital wave has not only changed the way enterprises operate but also how employees work, communicate and engage with customers.
**Customer satisfaction:**
Customer satisfaction revolves around customers, their touchpoints, and experiences with the enterprise’s offerings. This value is about understanding customers, their needs and preferences; and devising appropriate strategies to attract and retain them.

There is an iterative four–step process, for driving digital transformation and delivering a user experience that is at once engaging and differentiated:

- **Engage** with customers all the way from Product discovery to the point-of-sale, by means of digital content.
  - Customers to be engaged from process to product discovery till point of sales.
  - Customers enjoy associating, participating and like to be at the contributing end.

- **Collaborate** by means of digital communities. Enterprises must create a collaborative and interactive platform or forum for
  - Sharing opinions and views
  - Learning from experience of other customers

- **Personalize** products.
  - Identifying likes and minimizing dislikes transforms prospect to loyal customer
  - Products and services should be personalized for matching individuals taste

- **Offer** products and services across multiple, integrated channels.
  - Multiple touchpoints suiting the needs of customer
  - The products and services offered across multiple channels have to be synchronized

**Process excellence:**
To cope with the changes in the market place in this digital era, it’s essential for the service industry enterprises to ensure faster implementation of new processes, so they can meet quality standards and compliance requirements, while reducing time–to–market. For that they need to move from a functional to a process–oriented mindset.

Business process management focuses on the ways and means to automate and optimize operational practices.

There is an iterative four–step process, for successful digital transformation of business processes:

- **Model** the business processes
  - Identify the business goals and the Key Performance Indicators (KPI’s)
  - Model the processes to drive these metrics

- **Build to automate**
  - Automate the business processes
  - Processes must have competency and capability of handling business challenges

- **Optimize deviance**
  - Process excellence is achieved through process optimization by handling deviances between actual and KPI’s
  - Processes are remedied if needed

- **Manage and monitor**
  - The resource and process bottlenecks are to be continuously monitored and managed without affecting business continuity
Operational excellence: The operating model plays a significant role in achieving business excellence. With digital technologies inexorably driving business online, it is critical for enterprises to extend their boundaries by “going digital”.

The operating excellence paradigm focuses on the business model, customer engagements, delivering products and solutions in online and offline formats, integrating offline and online offerings, and optimizing the value chain across customer touchpoint.

There is an iterative four-step process, for building a successful operating model in the digital era:

- **Identify** the cost effective channel
  - Identify appropriate and cost-effective channels for engaging customers
  - The channel should be profitable for the enterprise and should create customer pull

- **Design without conflict**
  - Build the digital channels in a cost-effective way for its offering
  - No conflict with other channel offerings and should complement each other

- **Leverage available information**
  - Leverage on the information available across multiple channels to reduce cost and time-to-market

- **Integrate value delivery components**
  - Integrate and optimize various components of value delivery across customer touchpoints
  - Deliver its solution in an effective way