

CHECKLIST

HOW TO GET DIGITALIZATION RIGHT

Pressure on retailers to digitalize customer relationships across every channel is mounting. At the same time, many digitalization projects fail because implementation is complex and requires extensive expertise.[1] As described in the Best Practice guide, this was also the experience of a respected German retailer. The company wanted to digitalize its system landscape to provide a customer portal for order processes and information. After 18 months, the project had reached a dead end. Only when progress seemed impossible did the company find CAS AG, a service provider that rescued it. This checklist shows how to reach your goals faster with real-time data and what matters most.

1. DIGITALIZATION IS NOT AN END IN ITSELF

Digitalization must support the corporate strategy, not the other way around. Before starting, assess whether your strategy is fit for the future. Then define which digital technologies, tools and sales channels will help you execute it. Focus on your customers' needs rather than on specific solutions, because those needs are changing faster and faster in retail.[2]

2. ESTABLISH A SOUND BASIS FOR DECISIONS

A basic requirement is ensuring that every member of the IT team understands the scale of the project and that all decision-making criteria have been worked out before the project begins. All key project factors and parameters should be documented and defined. This prevents the project from being expanded and slowed during implementation by a constant stream of new requests from business departments.

[1] Fujitsu: The Digital Transformation PACT

[2] PwC: Total Retail 2017

3. ASSESS INTERNAL AND EXTERNAL RESOURCES

Digitalization projects are usually carried out alongside day-to-day operations. However, IT departments often lack the necessary resources and information. It is therefore advisable to form a project team with representatives from every affected business unit. This ensures that all critical considerations are addressed and that every relevant department supports the project.

4. SERVICE PROVIDER EXPERTISE

An IT service provider's industry expertise is a key success factor in any digitalization initiative. External consultants need a deep understanding of retail processes such as online stores, omni-channel commerce, click and collect, and mobile commerce. This expertise is essential if your initiatives are to deliver the intended results. The consulting firm must also be able to bridge different perspectives so that business requirements can be aligned with the IT architecture.

5. FLEXIBILITY AND SCALABILITY

You cannot know today what customers will expect tomorrow. Your digitalization solution must deliver real-time data quickly and at the required quality. It should also be as flexible as possible and support any application in principle. Before making major investments, remember that the number of applications will grow over time. Scalability is essential to the project's long-term success. Flexible data models support an agile approach.

6. PROJECT TIMELINE

In complex system landscapes, few IT consultants can give a reliable estimate of how long a digitalization project will take. Many projects still last a year or longer, but that is often no longer necessary. New technology and new approaches can digitalize and restructure processes and data within a few weeks. This also makes it possible to implement an interim solution for lengthy projects.

7. SOLUTION SECURITY

Many digitalization projects still connect customer-facing applications directly to the core system. This creates significant risks because it can allow external access deep into the ERP system. To avoid this, make sure customer applications remain separate from the ERP system.

8. AGILE IMPLEMENTATION

Start small. Because customer behavior changes so quickly, it is rarely effective to begin by developing an oversized all-in-one solution containing every possible application and feature. Build your applications in small steps around customer needs. This reduces financial risk and delivers results sooner. For example, while the online store is tested and optimized with customers during live operation, additional applications can be developed in parallel.

To learn how your system landscape can become real-time capable in just a few weeks, contact our retail specialists at **retail@c-a-s.de**.

CAS AG