

How to get started on your digital transformation journey

Navigate around obstacles, accelerate to high-stakes rewards

“Digital transformation in manufacturing will not only jump start growth, but will also create the environment for a manufacturing renaissance.”

Nine Starting Points to Digital Transformation

R “Ray” Wang,
Constellation Research



Based on insights from Constellation Research's "Nine Starting Points to Digital Transformation" by R "Ray" Wang

The obstacles now in the rear view mirror

New technologies have drastically changed the business landscape. Manufacturers, contractors, dealers and distributors have witnessed the hurricane of change tear away old ideas and make room for new concepts. This is the chance to reimagine and reinvent. You either embrace the opportunity or risk obsolescence.

- Risk of commoditization**
Low cost isn't all the consumer cares about now
- Over regulation**
The 40-year pendulum is swinging away from extremism
- Short term strategies**
We've learned to plan for the long game
- Underinvestment in facilities**
Patching the roof, fixing aging infrastructures
- Aging workforce**
Hello and welcome, Millennials

“Digital transformation calls for organizations to engage with stakeholders to transform business models through disruptive technologies,”

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Start here ► design thinking

Digital transformation begins with design thinking.

What is it? Methodology that unlocks solutions to questions that have not been asked before.

How? Use empathy as the starting point, put yourself in the shoes of your customers. Rethink business models.

Why? Overhaul systems, redesign processes, collaborate with customers, forge new business models.

Then what?

Consider these 9 critical starting points

- 1 Shift from products to service model**
Service is the way to the customer's heart (and wallet)
- 2 Develop post sales business models**
Keep the momentum going long after SOLD.
Prediction: 78% of manufacturers and distributors will focus growth on post-sale business models by 2020.
- 3 Move closer to the customer**
It's the best way to tailor products and services to meet fast changing expectations.
Fact: 57% of manufacturers now have direct-to-consumer programs.
- 4 Predict supply and demand with precision**
Your crystal ball is cracked. Predictive analytics to the rescue.
Prediction: 60% of mission-critical data will reside outside of existing systems and be accessed, not owned.
- 5 Reconsider location**
Off-shoring isn't always the answer. Times have changed; be sure to re-run the numbers.
- 6 Maximize equipment value**
Keep machines running. Use smart sensors to identify malfunction warning signs early.
- 7 Streamline order-to-cash**
Automate and escalate. Apply analytics to find and fix delays in payment. Bumper sticker: Happy customers pay faster
- 8 Increase automation and robotics**
It's estimated 3 million industrial robots will be in use by 2020. Keep up.
Survey says: 46% expect to use artificial intelligence or machine learning to drive automation.
- 9 Increase uptime and optimization**
Use data to make smart decisions and analytics to drill into details. Find and remove obstacles to profits.

“As organizations master these nine starting points, expect new investment in networks that will knit these entry-point projects together to form a co-innovation and co-creation platform. These network economies will build on the products and services and the technologies to the market....”

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To learn more about starting your digital journey, download “Nine Entry Points to Digital Disruption,” by R “Ray” Wang, Constellation Research

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