

Digital Transformation for Small and Midsize Companies: It Really Is All About People

Any discussion about the impact of digital transformation on the workplace elicits worries about job loss due to investments in new technology. But a new [SAP Center for Business Insight](#) study conducted with Oxford Economics finds that successful digital transformation depends on people. Workforce investments are becoming central to driving both revenues and profits from digital business.

The global survey of over 3,100 business decision makers, including 215 HR executives from small and midsize companies, reveals that a lack of workforce skills is the top challenge to a company's digital transformation initiatives.

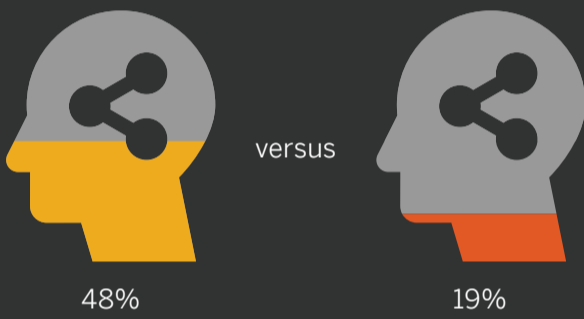
The top 100 companies in the study who reported that they have completed digital transformation projects across their organizations have been identified as "digital

transformation leaders." Among these digital leaders, 48% say investing in digital skills and technology is most important to driving revenue, compared to only 19% for HR execs from small and midsize businesses.

The bottom line: Almost half (47%) of HR executives from small and midsize companies expect talent management in their organizations to be changed by digitalization in the next two years. An increasingly digital marketplace presents great opportunities for small and midsize companies, but to succeed you must have a strategy for ensuring that your people—and therefore your company—remain current with skills that matter. See below to learn how HR executives from small and midsize companies compare to leaders at the forefront of digital transformation.

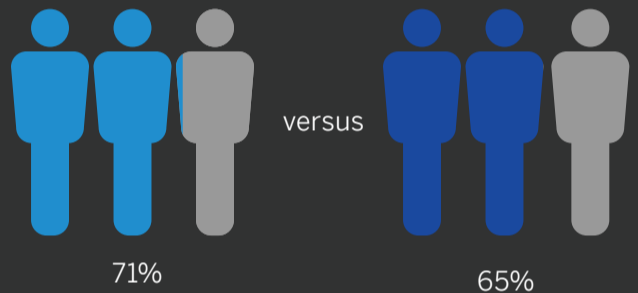
48%

Of the digital leaders say that investing in digital skills and technology is most important for driving revenue in the next two years, compared with only 19% of HR executives from small and midsize companies.



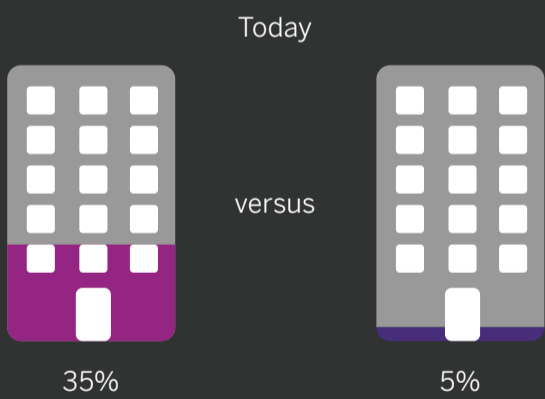
71%

Of the leaders say that digital transformation efforts make it easier to attract and retain talent, compared with 65% for HR executives from small and midsize companies.



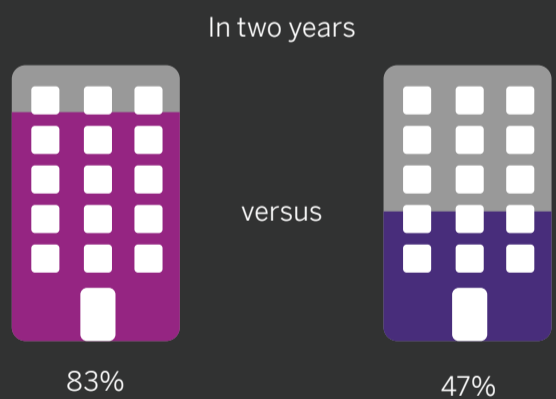
7x

More leaders than HR executives from small and midsize companies report that digitalization has already changed their talent management efforts.



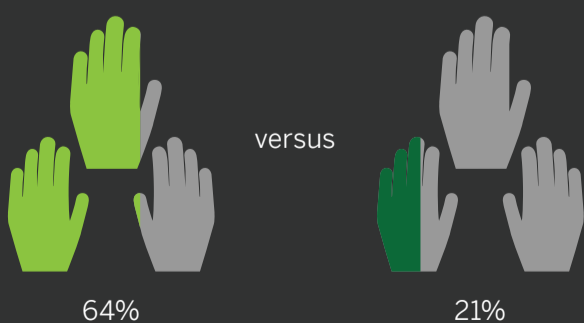
83%

Of leaders expect talent management in their organization to be changed by digitalization in the next two years, compared with 47% for HR executives from small and midsize companies.



64%

Of leaders say that their employees are more engaged thanks to digital transformation, compared to 21% for HR executives from small and midsize companies.



These insights were drawn from: [Charted: Talent Drives Digital Success](#) from *Digitalist Magazine*, based on findings from "SAP Digital Transformation Executive Study: 4 Ways Leaders Set Themselves Apart" supported by Oxford Economics. Get more details about the findings by reading the Oxford Economics report, [The Transformation Imperative for Small and Midsize Companies](#).

Contact your SAP SuccessFactors partner to learn more about HR solutions for small and midsize companies.