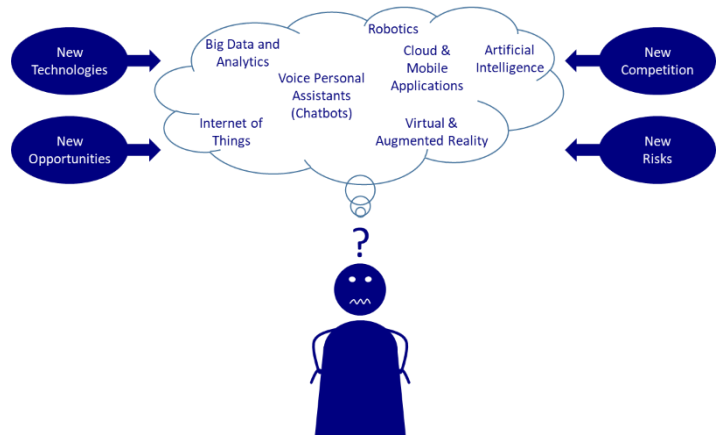


## DigiProfiling: rate your digital state

### Overview

Creating a digital strategy can be difficult. The plethora of options, technologies, opinions and examples make a structured analysis of these options very difficult, let alone the creation of a sensible and workable strategy. All these factors make it hard to know where and how to start, or even if. There are many open questions, such as:

- **“How good is my digital performance, compared to my competitors?”**
- **“Is my digital approach consistent?”**
- **“What are the important processes that I should be focusing my digitalisation efforts on?”**



The DigiProfiler helps companies to understand their digital performance and competitive pressures by creating a digital landscape, a profile, of all main process areas. This easy-to-use (and free) tool analyses the digital experiences of customers, partners and employees for the company and its competition.

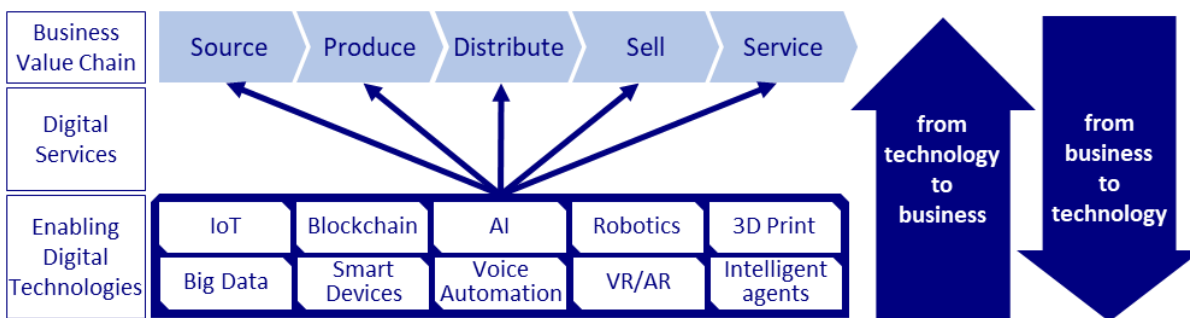
Digital Profiling uses a single spreadsheet questionnaire (the DigiProfiler) to analyse 4 company journeys (customer, product, partner and employee) on their digital performance and importance. By capturing internal and external standpoints as well as competitive views, a detailed perspective of the comparative digital capabilities can be achieved.

It automatically creates a rich and detailed insight into the company’s digital performance and comparative strengths and weaknesses that forms the foundation to a successful digital strategy.

### What’s so difficult about digitalisation?

Developments in digital technology are nothing new, but the speed and measure of change that is taking place, combined with a cultural acceptance as well as economic feasibility, make digitalisation a real and forceful driver for change.

A major characteristic of the current digitalisation developments is that these are all enabling technologies that are applicable to many different business areas and activities. The Internet of Things can measure anything from heat and pressure to a customer order for more dishwasher detergent. Robotics process automation can assist in procurement, customer service or HR processes. Blockchain can be used for contracts, money and master data management.



This means that working backwards i.e. to look at technologies and then see where they could be applied, is not feasible as it creates an overwhelming plethora of choices. It also implies that it is quite easy to be “seduced” or led into the wrong direction by a technology and implement it in an area that seems right, but might not be.

Working from the other direction, to analyse the business for digitalisation opportunities, also poses challenges. Suitable areas for digitalisation are vast and widespread. They range from collaboration with suppliers for design and sourcing purposes, to intelligent work-resource allocation algorithms, to remote controlled preventative product maintenance routines to customer service robots. It is not easy to look at this issue and get a strategic, an in-depth and a comprehensive view of the situation. To ensure that a) digitalisation serves the strategic purposes of the company and b) we focus our scarce change resources on the right initiatives, we need to have a firm basis to prioritise for strategic relevance.

Another factor is that digitalisation provides a platform for boundary-crossing change. Integration and communication are at the heart of most digitalisation technologies. Often the best benefits are reaped from innovations that combine or replace existing value chains in the business, such as linking customer feedback with preventative maintenance routines, or supplier product design with logistical unit handling requirements. This suggests that looking at value or processes in isolation might not bring optimal results.

Lastly, to build a sound digital strategy requires a good analytical basis, which in turn requires high quality, homogenous and structured information. However, the diverse nature of the digitalisation opportunity areas can impact the level and quality of information that can be compiled. Different areas have different understanding, knowledge and perspectives that influence how they view and assess digital performance. This bias should be filtered out, but the different perspectives retained to allow a balanced view.

### DigiProfiler context



The DigiProfiler fits into the Illutas Digital Environment Accelerator (IDEA) concept. This approach has 4 steps to create a digital strategy.

1. Define the key capabilities that make your organisation perform.
2. Analyse how much these capabilities contribute to the success of the company, as well as their digital performance.
3. Evaluate potential digitalisation options and determine the required digital transformation or “DigiShift”.
4. Consolidate, review and prioritise these transformation requirements and create the digital strategy and roadmap.

These first 2 steps are quite difficult and complex, as there are many capabilities in an organisation

and creating a structured, usable analysis of these capabilities is not easy. The DigiProfiler covers these first 2 steps by using “Journeys” as proxy to capability analysis, as well as a guided measurement capture to enable structured analysis.

## DigiProfiling concepts

There are 3 straightforward concepts underpinning the DigiProfiler:

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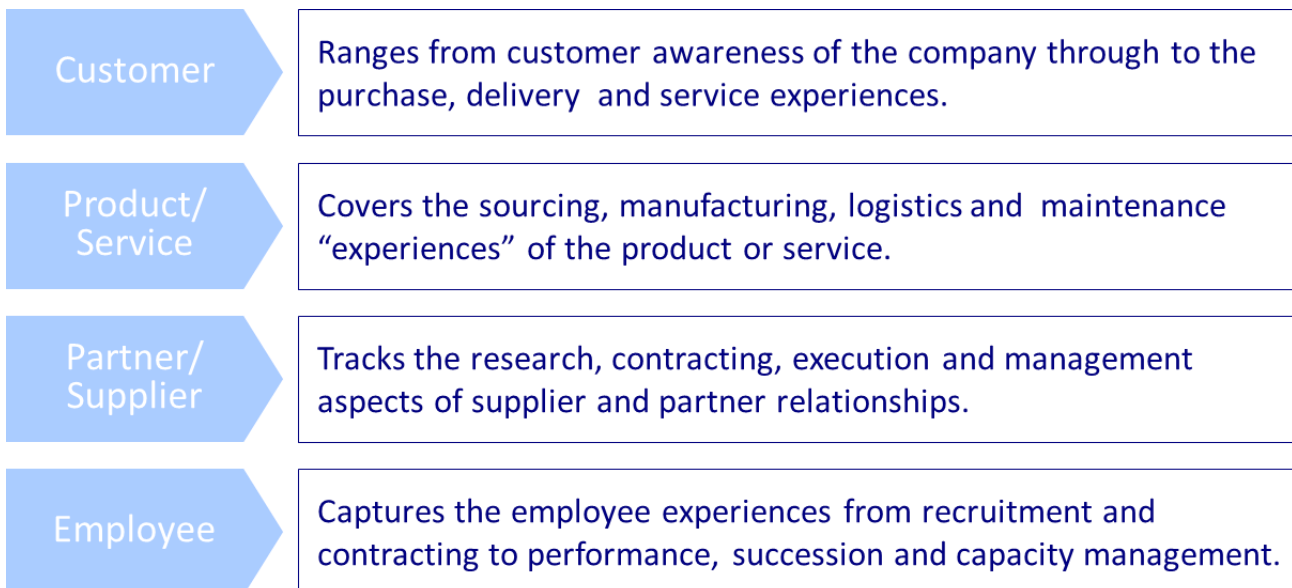
*A business journey is defined as the sum of experiences with a company from a particular viewpoint.*

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- 1) **Journeys**, end-to-end experiences from an actor (e.g. a customer or employee) with the company, are used to frame and structure the analysis. These journeys have different stages that have different objectives and processes associated with them.
- 2) **Viewpoints** give the perspective on the journey, either external, from the outside actor (e.g. customer) looking at the company or internal, from the company looking at the outside actor. These viewpoints, as 2 sides of the same coin, have different motivators and objectives for the same processes.
- 3) **Measurements** define the actual scores or factors that are being analysed. In this case, the importance to the success of the company of each stage is captured to indicate the relative focus of the digitalisation efforts. Secondly, the digital performance of each stage, the DigiScore, is captured as the main digitalisation parameter.

### Journeys

There are many approaches to do a company analysis, but the “journey” concept is common to many digital strategy approaches. The journey concept is based on a user-centric view of an experience of this “user” with a company, from initial contact through to end of the contact phase. This journey, by definition, is not based on company processes, channels, departments or locations, but rather on the interaction of the actor over time. Digital strategy analysis often uses this concept, as digitalisation also very easily and readily crosses these organisational or process boundaries. A journey mapping, therefore, provides a decent insight into how, where and when digitalisation can support, improve or re-invent these journeys.



Digitalisation strategy often seems very consumer centric with analysis often focused the “customer journey”, stretching from awareness through to purchase to product disposal. However, this is not the whole picture: there

are many other relevant journeys that could benefit from digitalisation. DigiProfiling therefore includes 3 additional journeys to give a more complete coverage of the potential digitalisation spectrum.

*Customer journey*

The customer journey begins with the general awareness of the company and its products. It then moves through a research and comparison phase, before completing a sales transaction. After this sales transaction comes the delivery and commission of the product or service: the point where the customer can start generating value. Finally, during operation there will be a need to service, maintain and/or repair the product or service.

*Partner/supplier journey*

No company operates in a vacuum, and a good and close operation with suppliers and partners is very important for most companies. The partner/supplier journey is like the customer journey in that it begins with an awareness/research phase, followed by a sometimes more formal evaluation and negotiation phase. This is then followed by a more or less extended contracting / transacting phase, where the commercial agreements are established. This is then followed by the actual execution of the agreement, as well as any service management, exception handling etcetera.

*Employee journey*

The employee journey is often forgotten but very important. The employee journey also starts with an awareness phase, followed by selection and recruitment step. Once recruited, performance management and skills and succession planning at corporate level come into play. Lastly follow employee development, retention and satisfaction.

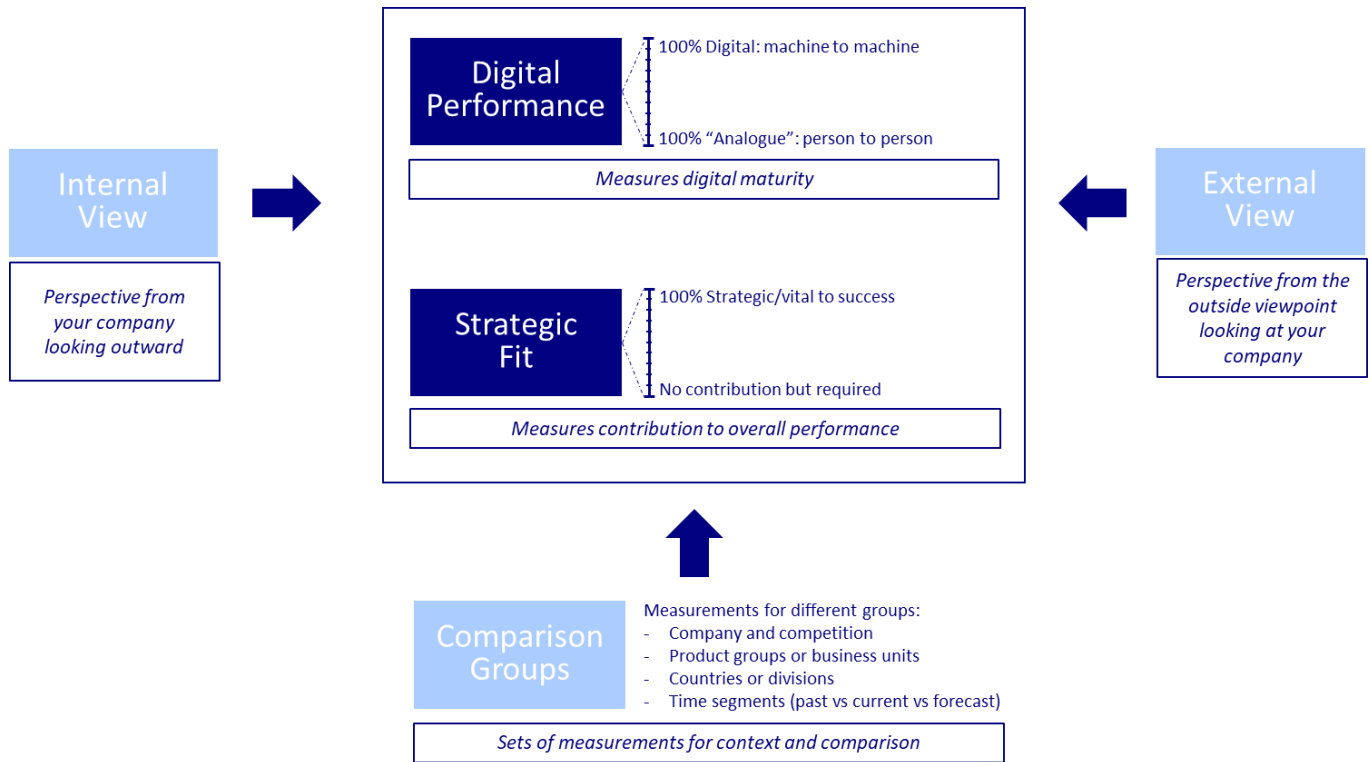
*Product/service journey*

This journey is a bit more abstract. There are many processes that are not directly touched by either of the 3 journeys above, but that play a key role in company performance. These are linked through the journey of products and/or services in the company. This journey goes from sourcing and procurement of raw materials through to manufacturing and service delivery, followed by distribution and implementation/ commissioning and services & after sales. The last stage is different, in that it covers all the previous stages: financial management during the product/service journey.

	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Customer Journey	Awareness	Research & Inform	Purchase	Deliver & Commission	Service & Maintain
Partner/Supplier Journey	Research & Inform	Evaluate & Negotiate	Contract & Transact	Execute & Collaborate	Service & Exception Handling
Employee Journey	Awareness	Selection & Recruitment	Performance Management	Corporate Skills, Capability and Succession	Employee Development, Retention & Satisfaction
Product/Service Journey	Sourcing & Procurement	Manufacturing & Service Delivery	Distribution and Implementation/ Commissioning	Service & After Sales	Financial Management

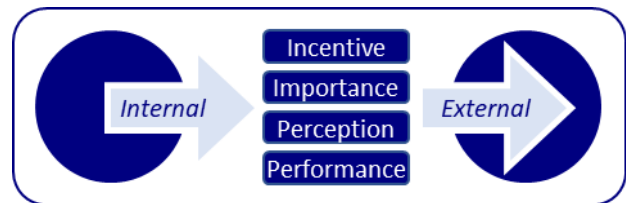
Measurements and measurement dimensions

Each of these journey stages is measured and that in several dimensions.



### Internal and external viewpoints

Just as each hotel vacation story can be looked at from the travellers or from the hotels perspective, so can these journeys. Digitalisation approaches often advocate that companies should step fully in the shoes of the customer, to enable them to understand, streamline and perhaps revolutionise this experience. Surely this is valuable and should be done, but at the same time, there is a danger that half the equation, namely how the company experiences the customer, is overlooked. The aims and objectives of both viewpoints are often (sometimes subtly, sometimes blatantly) different (e.g. minimum price vs maximum customer yield) and should be looked at side by side.



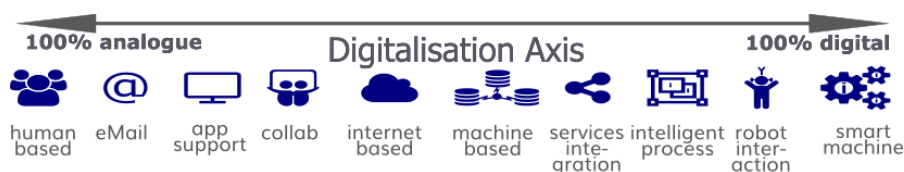
The internal and external standpoints are included in the analysis to show the different perspectives and to demonstrate the balance between internal and external analysis, whereby too much of a swing to either side should be looked at in closer detail.

### Measurement factors

There are 2 identical questions asked for each of the above stages and each of the above viewpoints, with answers ranging on a scale from 1 to 10.

### Digital score

First off, a digitalisation score (DigiScore) on a 1 to 10 scale is given for the digital execution support for each of the stages. Hereby represents 1 purely human actions and 10 its digital counterpart: digitally autonomous

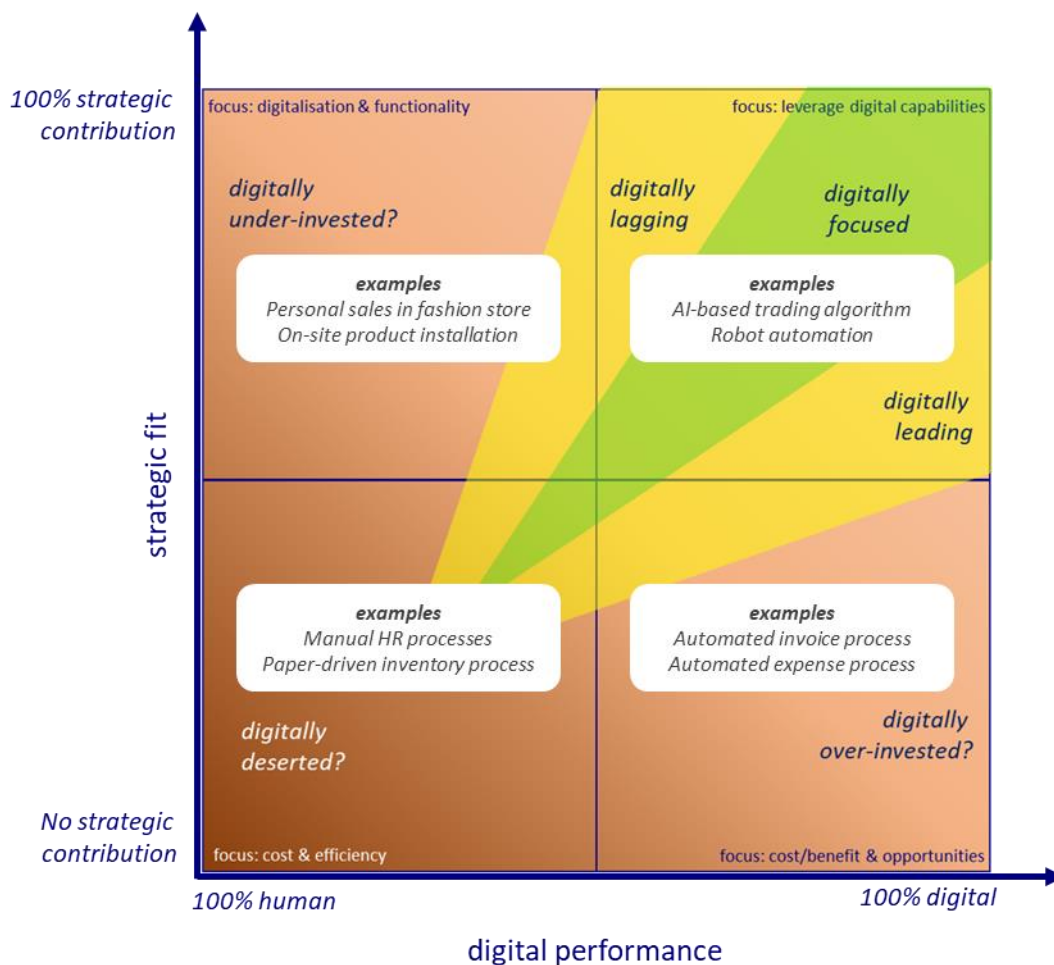


intelligent actions. Other execution methods such as people using applications, internet collaboration, robots automating processes etc. are mapped in between these 2 poles. The actual DigiScore is not as important as the level of consistency between the various stages and comparison groups.

*Importance*

Secondly, the relative importance of the stage to the performance and success of the company is measured on a scale of 1 (it is a “necessary evil” that needs to be performed but does not bring any additional value) to 10 (the company’s success is 100% dependent on the successful performance of this stage.)

This measure identifies if the organisation is investing its digitalisation efforts in those areas it considers important, and what stages and journeys are important to the competitors. This then guides the direction and prioritisation of the digitalisation strategy. The actual level of the score is of interest, but more important is that the consistency in importance between the various answers and comparison groups is maintained.



Putting it in perspective

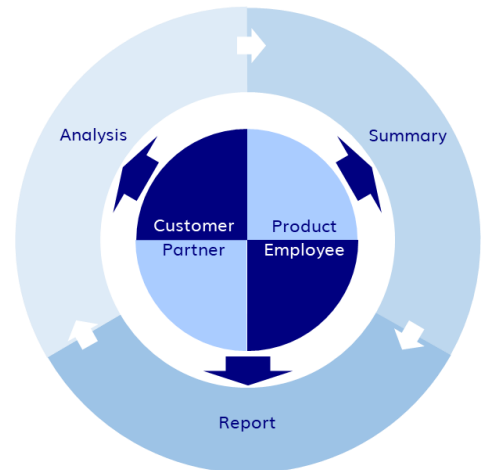
Getting a view of the company situation is one thing, but it is much more productive to get an insight into how the company is doing in comparison to other measurements. Therefore, the same questions can be asked for up to 2 other comparison groups. These groups are completely flexible and user defined. For instance, a comparison can be made between a company and the biggest competitors, or between different country divisions, different product groups or even different time slices such as past, present and future.

## The DigiProfiler tool

The principle is to keep it all as simple and transparent as possible: the DigiProfiler is a single spreadsheet that provides a structured input to the factors listed previously in a single questionnaire. The results of this questionnaire are then automatically analysed and collated in several graphs.

## Guiding information

To facilitate these questions, guiding information has been added where possible in the form of stage goals, scale indicators etcetera. The spreadsheet is self-explanatory and is protected from accidental changes. If changes are required, it can be unprotected without the need for a password, but please refer to the usage and copyright information in the footnote. <sup>1</sup>



- Company information: there are 3 answer groups that can be filled in to suit circumstances.
- Stage goals: an objective of each of the stages of each of the journeys has been given.
- Best practices: for both the internal and the external view of the journey and for each stage, a generic “best practice” journey stage description from that viewpoint has been given, to support consideration and analysis.
- Importance indicators: potential descriptions for each of the 10 levels have been provided to support the setting and consistency of these indicators. These are just indicators and can be changed if needed. Most important is that the consistency between answers is kept.
- DigiScore indicators: similarly, descriptions for each of the 10 levels have been provided to support the setting process. Again, these descriptions are just indicative to assist in keeping consistency.

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<sup>1</sup> You are free to use, change and/or publish this spreadsheet, it's results and the approach but the ultimate copyright remains with Illutas GmbH and Illutas must be mentioned as author and copyright owner in any and all such internal or external publications. ([www.illutas.com](http://www.illutas.com) and [info@illutas.com](mailto:info@illutas.com))

This tool is to be used as a planning and information gathering and analysis tool, and can be used to support the digital strategy making process. Any decisions, as well as the use and configuration of the tool, are at the users' own risk and cognisance and Illutas GmbH does not take any responsibility nor will it accept any liability for the usage of or any decisions and consequences made based on the information provided in this tool.

	Stages	Stage Description	Stage 1 Awareness			Stage 2 Research & Inform		
		Stage Goals	Customer can identify suitable companies and their offering.			Customer find product and services information so that they can match requirements with offering.		
Customer Journey	External View	Customer Journey Best Practice (External View)	Customer can easily find (or be found by) the company, based on the customer's interpretation of their needs and requirements and be provided with the matching information in an appropriate manner and format across their preferred channels.			Customer can match their requirements with the company's specifications in an easy and convincing manner across their preferred channels. The customer can interact with the company in an for them appropriate manner and be given the information that they need effortlessly and effectively and in a format they require.		
		Analysis Group	Main 1	Comparison 1	Comparison 2	Main 1	Comparison 1	Comparison 2
		Importance (1 - necessary evil, 10 - vital to success)	4 - organisational requirement	6 - important support	7 - key enabler	6 - important support	3 - hygiene/administrative	6 - important support
	Digital score (1 - 100% analogue, 10 - 100% digital)	4 - e.g. online collab: human-web-human	5 - e.g. web based intelligence: human-intelligent app	7 - e.g. smart services & APIs	2 - emails/offline comms	4 - online collaboration (human-web-human)	6 - machine to machine interactions	
	Internal View	Customer Journey Best Practice (Internal View)	The company can find, analyse and communicate to/with all relevant customers across their preferred channels and bring across the core messages, values and information in a convincing manner. The company's reputation, positioning and strategy is monitored and actively managed across all channels .			Company understands the customer requirements and values and can communicate the matching specifications in a convincing manner. It can interact with the customers across heir preferred channels and find out and provide the required information to actively support the customer's purchasing decision.		
Internal View	Analysis Group	Main 1	Comparison 1	Comparison 2	Main 1	Comparison 1	Comparison 2	
	Importance (1 - necessary evil, 10 - vital to success)	4 - organisational requirement	6 - important support	8 - one of the vital factors	6 - important support	6 - important support	4 - organisational requirement	
	Digital score (1 - 100% analogue, 10 - 100% digital)	3 - e.g. applications,	5 - e.g. web based intelligence: human-intelligent app	9 - semi-autonomous robotics	4 - e.g. web, online collab: human-web-human	8 - e.g. intelligent processes	9 - e.g. semi-autonomous robotics	
Shared View	Comments and examples	Comparison 2 uses social media feeds and intelligent mining and targeting to individually address potential customers. Comparison 1 shows tailored information, based on search parameters. We have a CRM data mining and email solution, based on bought in data.			We capture information requests from our website, and show our relevant information. Comparison 1 and Comparison 2 both allow direct configuration, based on known information and simple 3D modelling			

Data capture

The spreadsheet has 5 main user tabs: Introduction, Questionnaire, Report Summary and Analysis. The core information is captured in the lightest blue cells in the Questionnaire tab:

- the comparison group names
- and per journey stage and external/internal viewpoint
  - o the importance of each stage goal
  - o the DigiScore of each stage
- a qualifying or descriptive comment per journey stage

Entering this information will take some time and consideration. It is also sometimes not easy to capture the competitors scores as working knowledge can be limited. One supporting technique would be to fill in the questionnaire as a group workshop to come to a consensus, or to have several people fill in the forms and then debate and harmonise the results together. Illutas would be happy to provide more feedback on how this can be done.

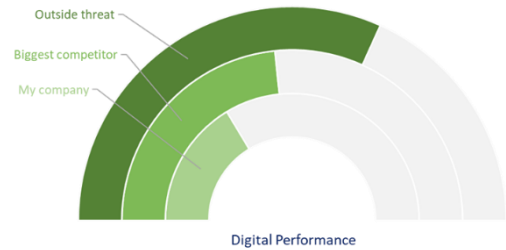
The entered data is automatically aggregated, analysed and displayed in various graphs and tables on the Report, Summary and Analysis sheets.



### Digital Profile Analysis

There are 3 analysis tabs: a report, a summary tab and a more in-depth analysis sheet. These can answer questions such as:

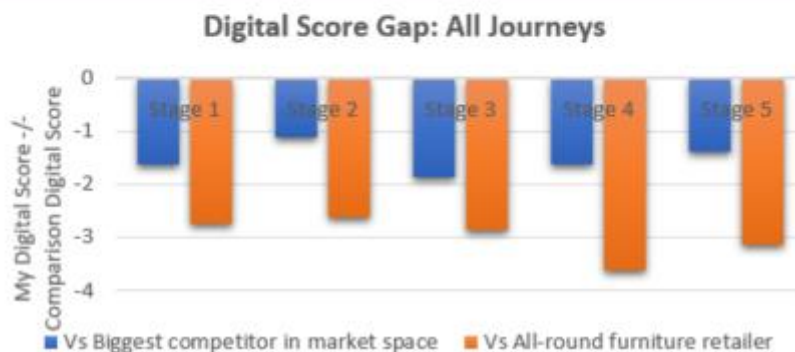
- What is my digital performance and is it focused correctly?
- How does it compare to my competitors' performance and focus?
- Am I focusing on the right journey stages?
- Am I focused internally or externally?
- Is there consistency in my company's digital experiences?
- Are there any areas I am underperforming from a digital standpoint?
- Are there opportunity areas where the competition underperforms?
- Are there threat areas that my competitors strongly cover and I don't?
- Are there areas are missed completely?
- Can I re-use digital capabilities across journeys?



### Analysis Information

The analysis tab shows the detailed analysis of the captured results. The information is depicted in several graphs that are organised in columns, each of them headed by an explanation of the contents. Most columns start with a general overview and then drilling down to the individual journeys. At the end of the tab are the data tables, upon which the graphical analysis is based.

<b>Graph</b>	Digital score gap of company vs competition and per journey
<b>Description</b>	Shows the difference between the company's digital score minus the competition scores.
<b>Implication</b>	A positive figure indicates the company has a higher score than the competition, a negative figure means the competition performs better. Big gaps mean a lot of difference.



Summary Information

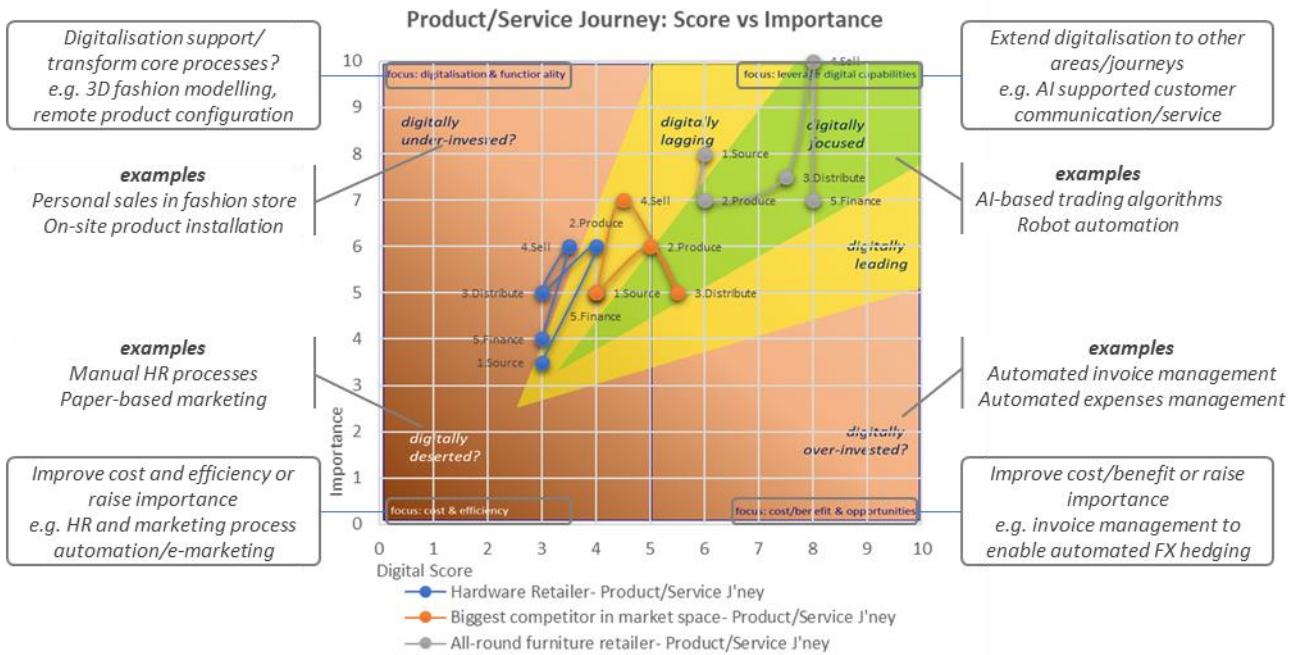
The summary tab shows a compilation of the results and the comments, as well as guided parameter-driven preliminary conclusions. These conclusions are based on a set of standard criteria and are for informational purposes only.

The summary tab also shows the combined performance score as well other graphs and analyses including a SWOT analysis. This analysis looks at the relative digital strengths, weaknesses, opportunities and threats. It is based on a set of standard formulas that evaluate the scores of the various journeys. As it is parameter driven, it is a starting point only to prioritise the digitalisation efforts.

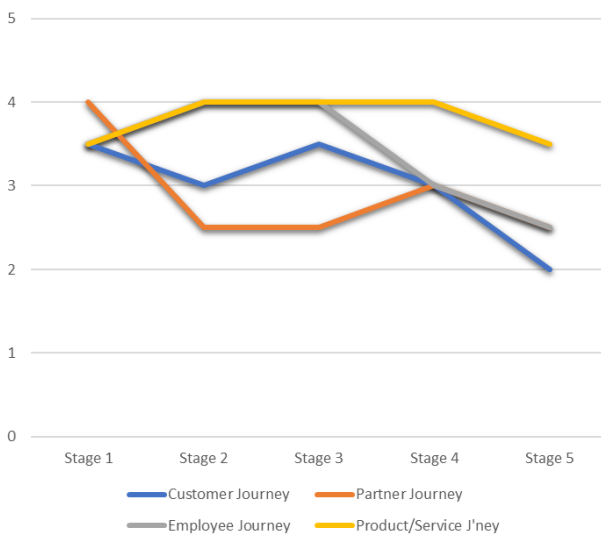


Summary Indicators and Preliminary Conclusions				
#	Indicator	Description	Result	Preliminary Conclusion
A	Average DigiScore	This is the average digital performance score from 1 to 10 for the company across all journeys, from an internal and external perspective. It indicates the level of digitalisation across the company.	3.3	There is some basic digitalisation, but no real digital business process support, integrated processes etc. Focus should be on getting end-to-end journey support, perhaps data and process integration and some smart process enablers.
B	Variation Digital Journey Approach	This is the variation in the average digital performance score across all journeys and indicates the consistency in approach from 0% (fully consistent) to 100% (fully inconsistent).	4%	The digitalisation approach is fully consistent across all journeys. If that is a good thing, depends on the digital scores themselves.
C	% Lag or Lead on the Competition	This demonstrates if the company leads (scores >100%) or lags the combined competition (<100%) in terms of digital performance. The greater the difference with 100%, the greater the lag or lead.	59%	There is a significant lag to the competition, probably in more than one area. The digital strategy should look at what areas the company wants or needs to exploit digitally, and what areas the competition is either weak in or present particular opportunities.
D	DigiScore vs Importance	This indicates in how far the important journey stages have been digitalised. Scores below 100% indicate that important journey stages have not been digitalised at the same level. Scores over 100% indicate that journey stages have been digitalised over and above their relative importance. <b>This indicator is only a gross approximation: the level of importance and the level of digitalisation have no particular direct relation in real life!</b>	66%	There is a significant number of important journey stages that are not digitalised, and that MIGHT present opportunities.
E	Intern/Extern Focus	This shows if the company has focused digitalisation efforts mainly on inward looking (internal e.g. sales process) or outward looking (external e.g. customer experience) journey processes. A score under 100% indicates a more internal view, a score over 100% indicates a more external view.	90%	The focus is mainly internal, not external, but that is not necessarily an issue. However, there is a fair chance that revenue and other external opportunities are not considered, and a review of these journeys from this standpoint could be beneficial.

A different analysis shows the relationship between the importance of the journey stage vs the DigiScore, and maps this onto a matrix. There are several elements to this analysis, including an assessment of digitalisation as well as an indication of strategic focus for the digitalisation strategy:



### My company Digital Performance



Another diagram compares the digital performance across the various journeys and stages, highlighting weaknesses and potential opportunities.

There are many other possible analyses, such as the comparison between the internal and the external view of the journeys demonstrating either an external bias, meaning customers first, or an internal bias. And obviously, analysing the partner, employee and product/service journeys provide a much more complete picture of the digital capabilities of the organisation in comparison with its peers and competitors.

Management report

The management report tab pulls all the information together and provides an opportunity to capture additional information, findings, conclusions and next steps. The report can be printed or exported to PDF for ease of circulation.

## DigiProfiler Analysis Report

Insert your logo here

<b>Report details</b> Report date Report version Author(s) Reviewed by	18.09.2017 v 1.1 (published) Thomas Maes Thomas Maes
<b>Analysis group</b> Main Company Comparison 1 Comparison 2	Hardware Retailer Biggest competitor in market space All-round furniture retailer

**Executive Summary**

Findings	There is a general lack of digital support, as well as appreciation of the strategic importance of non-customer facing activities. The direct competition is not that far ahead, which also makes the pressure to change lower, but external competition could create more serious market pressure quite quickly, which would be hard to adjust and respond to.
Conclusions and recommendations	Focus on 2 or 3 end-to-end activities to extend and develop the digital support, probably in the area of logistics/supply chain (agility & profitability), customer intelligence (revenue & profitability) and supplier/partner/employee collaboration (efficiency & agility)
Actions/next steps	<ul style="list-style-type: none"> <li>- review the capabilities in the various journeys and the digitalisation options of these capabilities in light of the prioritisation above.</li> <li>- determine the digital shift required and review the synergy opportunities</li> <li>- compile the roadmap and determine the performance parameters, based on the digitalisation and importance measure.</li> </ul>

Another feature is that the original, parameter-driven SWOT analysis can be adjusted to better suit the real situation, providing a good input into the digitalisation strategy setting.

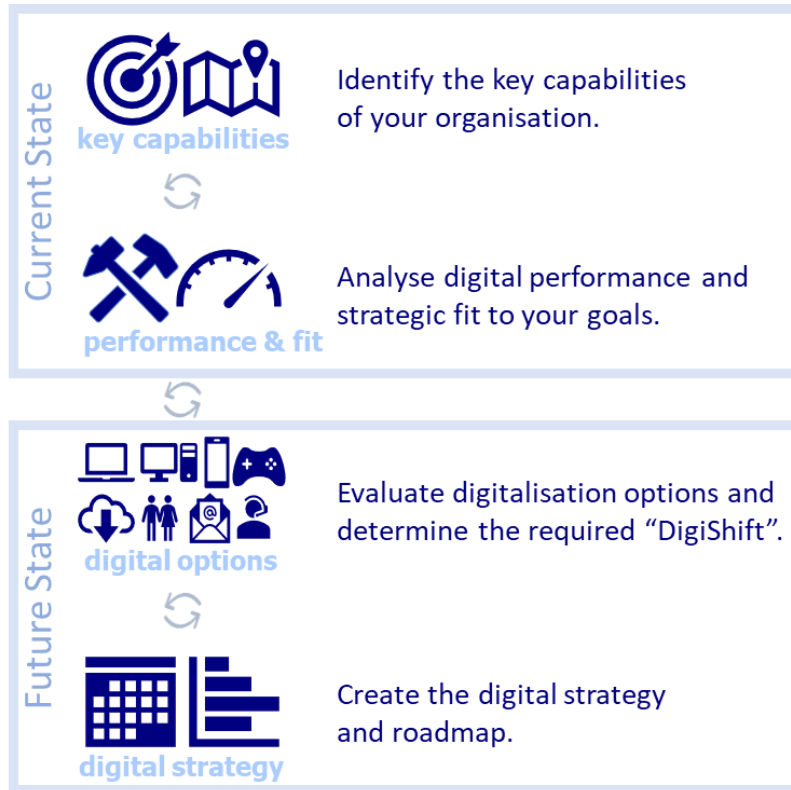


Next steps

There are several approaches to complete the DigiProfiling process. The questionnaire could be send around, perhaps in a cut down form, for the relevant stakeholders to complete. Another approach could be to gather the stakeholders for a workshop to map out and compare the various answers. To gather information on competitors or other 3<sup>rd</sup> parties will require access to market and marketing data, desk research, and associated digging. Alternatively, you can mix and match the various approaches to suit your requirements.

After the collation, the information will need to be validated and where needed, adjusted to reflect relative positioning and scoring. This is where the workshop approach is superior, as it already provides a level of self-adjustment.

Lastly, the information needs to be interpreted, commented and summarised, which can be supported using the supplied management report template.



This concludes the current state assessment of the digital strategy. There are several ways to start assessing the future state strategy.

You can run the DigiProfiler process once more in “time-slice” modus, whereby you capture the current state (done), short-term and long-term future state as 3 different comparison groups, thus mapping out your strategic digital development (or DigiShift). This then needs to be followed by an initiative consolidation and roadmap exercise.

Alternatively, you can use the “DigiShift” approach (details on our website), whereby you translate your strategic journey stages, as identified by the DigiProfiler, into business capabilities, map out the required DigiShift and consolidate and schedule the initiatives.

Or you can of course feed the DigiProfiler results into your own strategic approach.

Illutas can provide you with both online and onsite (where appropriate) support services to varying degrees to help manage and complete the DigiProfiling process:

- **Bronze** Download the DigiProfiler and supporting documentation, including this white paper, from our website and start compiling your digital profile. If you have any questions or comments, you can leave these on the DigiProfiling blog.
- **Silver.** This is a fixed-price low-cost package that includes a personalised DigiProfiler, and a limited number of online support sessions in how to complete the DigiProfiler and how to validate the results.

- **Gold.** This fixed-price package is a more intensive on-site support of the digital profiling process and includes a customised DigiProfiler to suit the customers industry and circumstance, as well as workshops to capture and validate the results of the DigiProfiling exercise.
- **Platinum.** This is a bespoke on-site support service with a tailored DigiProfiler, managed workshops and data collection exercises, as well as results validation, findings and conclusion review and project management.

Support Levels & Activities	Platinum Level	Gold Level	Silver Level	Bronze Level
Free DigiProfiler Tool	●	●	●	●
DigiProfiler Customisation	●	●	◐	
DigiProfiler Tool Usage	●	●	◐	
Data Collection	●	◐	◑	
Result Validation	●	◐	◑	
Digitalisation Expertise	●	◐		
DigiProfiling Process Management	●			

**Support levels**

- full
- ◐ intermediate
- ◑ basic

### Conclusion

At the end of what is a relatively straightforward exercise, the company is left with a clear view over all the various company activities, their relative importance and digital performance and a good indication of what to do next. This forms a sound foundation to not only create a digital strategy upon but to also measure the progress of its execution against.

This company-wide digital performance map creates a platform and a vocabulary for strategic discussions on the topic, as well as identifying possible areas of opportunity, synergy and overlap. It can also lead to wider discussions on the relative strategic importance or not of the various activities and expose strategic weaknesses and strengths that were hitherto not expected.

Another major benefit of the approach is that the company does not have to engage in lengthy business analysis activities but instead can start with content-based discussions, governed by a generic but comprehensive framework. This can speed up the process tremendously, improve the content and reduce the cost and effort involved. The structure and speed of the process also permit a repeated execution of the process for a different scope or to measure progress.

If you have any comments or questions, please get in touch via [info@illutas.com](mailto:info@illutas.com). Illutas is obviously happy to assist companies in the definition of their digital journeys. Please get in touch!

*This DigiProfiler was developed by Thomas Maes, CEO of Illutas GmbH. Thomas obtained a BBA at Nijenrode University, The Netherlands and an MSc in Logistics at Cranfield University in the UK. With over 25 years of consulting and senior management experience with companies such as Arthur Andersen, Deloitte Consulting, KPMG, Alstom and Swisscom, he founded Illutas in 2016 to help companies succeed in creating information technology that drives and changes business.*