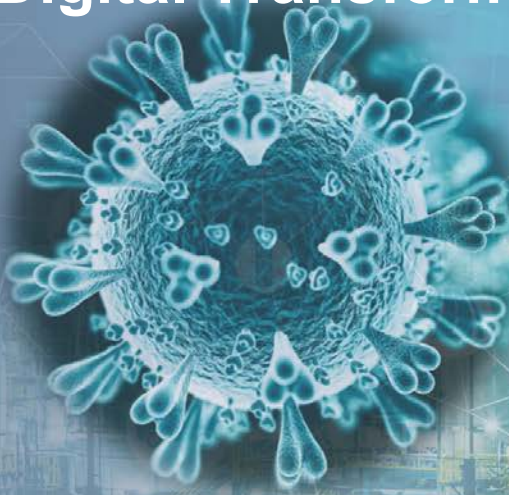


INDUSTRY PAPER

# Digital Transformation Post-COVID

Is now the time to  
invest in technology?

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*Is now the time to invest in technology?*

For many businesses, the singular focus during the pandemic has been on cash preservation and liquidity (i.e., survival). This has translated into job losses, cancellation and deferral of capital investments, rigid fiscal management and oversight, and just a general tightening of the belt. These same actions have often translated into changes in how organizations work and/or how they are structured. Essentially, the past few years has been a roller coaster of change. As we move into the post-COVID era, companies can either stay hunkered down or start thinking about how they evolve stronger than they were before. For all of those looking to evolve, one key underlying question to be answered is “What role can/will technology play in that evolution?”

For companies in every industry and in every part of the world, technology is creating opportunities to fundamentally change how they operate. When you take into consideration that due to the pandemic companies around the world are changing how they work to drive efficiency and/or manage with less staff, now is the time to consider accelerating your digital transformation. However, just the fact that the timing is right does not make the transition easy or even appropriate for every organization. At the end of the day, companies that successfully take advantage of this opportunity to accelerate their evolution will do so by taking a strategic approach closely aligned with their future vision while addressing the challenges of today.



As you start contemplating the question of technology and its role in your company’s future, you need to think in terms of time horizons and both what is needed in each of those horizons as well as what the organization will be ready for. As alluded to previously, the current environment that most organizations find themselves in will make technology adoption easier due to the changes in how people work brought on by the pandemic. However, that is counterbalanced by the needs to preserve

short-term liquidity. For many, short-term technology needs will center around those that have a rapid payback and/or are needed to support or enable new or more efficient work processes. When looking a little further out to when our lives start returning to a semblance of pre-COVID normal, the question is are there technologies that will give you a significant competitive advantage allowing you to recover faster and stronger than your competitors? Extend the timeline even further to when all of this is truly behind us, technology needs will be much more individualistic and based on the projected needs of the business. As we look to this future, it is safe to say that AI-driven technologies that allow for more proactive management and advanced analytics that enable more robust, real-time decision making along with technologies that automate and/or augment work processes will be pivotal for many companies.

# Digital Transformation Post COVID

Over the last decade, technology has been advancing at an amazing rate to the point that many companies have not been able to keep up and have been left waiting for the “right time.” For others, the strength of the market has meant that they have been able to continue to grow and thrive without the aid of new tech. Regardless of the reason, for many companies across a wide range of vertical markets, the opportunity exists to utilize new technologies to fundamentally transform their organization and its underlying cost structure. Let’s come back to the question of “Is now, in the middle of an unprecedented global pandemic, really the right time?” There is no doubt that for some, the answer is a clear no. However, for many others now is the perfect time to start transforming their businesses through the implementation of new, transformative technologies. The scale of change impacting most businesses and the business case created by the pandemic will make workforces more open to embracing new technologies for those that take that step.



So how do you know which camp you fall into, and how do you know exactly when the right time will be to get started? This requires a bit more thinking and a few more questions.

- Are there technologies on the market with the ability to significantly improve your efficiency, reduce your cost of operations, or reduce your manpower loading requirements?
- Are there proven technologies that will allow you to optimize production or the services you provide in a way that would not be possible otherwise?
- Will changes in your organization brought on by the pandemic make adoption easier by making people more open to change or by making the change a necessity?
- Will the changes enabled by the new technology(s) still be needed once markets settle into the post-pandemic normal?
- Can your balance sheet support the investment? If not,
  - Can the investment be phased to better support cash flow?
  - Is the vendor willing to be flexible with licensing terms?
  - Can cost reductions in other parts of the business be made to fund the investment?



Ultimately, these questions start the conversation around strategy and specifically around a digital strategy. Once you have a clearer view of the role technology can play, it is time to build out a specific technology strategy to ensure you not only have thought through the technology you need to enable your overall business strategy, but have thought through what work will be needed to prepare for the adoption of that technology.

So regardless of which camp you think your organization falls into, now is the right time to start asking these questions and to start looking at your strategy. In a tumultuous environment such as the one we find ourselves in, all businesses should be looking at their strategies and how their organizations work from a different angle and challenging their status quo. Even if the answer comes back a clear “no,” there is still value in the discussion because that discussion should focus on the business and the organization first to identify needs and opportunities, then technology second to address those needs and opportunities. One of the mistakes that many people make when looking at technology is that they look at a technology strategy from a perspective of what is possible independent of what is needed to



# Digital Transformation Post COVID

support the vision of the business. Remember that technology is a means to an end, and not the end itself.



It is always important to remember that when your world is in chaos, it is even more important to be strategic in your actions. This can be especially hard when everything that drives your business seems up in the air and outside of your control, but strategy brings focus and that focus helps ensure you are taking as much control of your situation as possible and not simply relying on hope and luck to see you through. As you work on a strategy to carry you through not only the pandemic but into a more stable future, make sure you consider the role technology can play in helping to transform your business and strengthen your bottom line. Regardless of what answer you arrive at, now is definitely the time to challenge traditional thinking and re-envision your organization's future.

## About the Author

### Kevin Smith



Kevin is the Founder and President of KES Global Advisors, LLC, and has spent the last 20 years driving business transformations for both his clients and with his own teams. His industry experience spans the globe, with direct work experience in over 40 countries across six continents.

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