

A strategic
approach to

framing digital
opportunities



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Introduction

In this age of the Sharing Economy, Artificial Intelligence, and many other trends which bring an abundance of digital opportunities, it seems that most companies are trying to figure out how their business should grow. To keep up with the latest digital trends, companies are required to extend the current platform with a chatbot or to apply gamification in the onboard process for new customers, and often it is unclear to see the relevance of such an initiative.

The challenges involved in making these trends work are big and the stakes are high, but the strategic approach is often vague or missing. The ambition and the budget may vary per company, but when it comes to digital there is a clear need for 'some sort of strategy' and a list of practical next steps. There is a sweet spot that lies between a sweeping strategy and something actionable and this whitepaper describes an approach that has just enough of both. A sequence of activities will guide the opportunity framing for digital growth. Follow these steps and you'll know what opportunities to invest in tomorrow and where to start today.



Why you need a strategic approach

Before we describe the steps in this strategic approach, it is important to define how it relates to a 'digital strategy'. It really depends upon who you ask, but a strategy is often considered to be a thorough, research-based grand masterplan. As Jeroen Kraaijenbrink highlights in his Forbes¹ article, it's more than just dealing with the next trend; it's an ongoing and active process about how a company is organized and can create sustainable value. Digital disrupts this process and affects strategy on corporate, business, and functional levels. There is no magical, one-fits-all solution to manage this and each plan is custom-designed for a company-specific context.

Nowadays digital is an integrated part of almost every process and service, and because of that, you should build your digital strategy from the ground up. The reality, however, is that we are always in the middle of running a business and playing catch up with the latest trends. The digital industry is moving faster than companies can cope with and big strategy decisions are often slow.

1. Kraaijenbrink, J. (2019, June 4). What Does Strategy Really Mean? Retrieved 1 May 2020, from <https://www.forbes.com/sites/jeroenkraaijenbrink/2019/06/04/what-does-strategy-really-mean/#509a248462e2>

Therefore it can be smart to put the big strategy project on hold (for now), and to start with a more pragmatic approach, just to get some momentum and focus. An approach should be nothing more than a plan that leads towards a goal and a future state. You need it to motivate and shape your decisions and it functions as guidance for the pragmatic next steps; it's a light and hands-on version of the digital strategy.

Projects are already happening and there never seems to be an opportunity to rethink how digital can help your business. This reality is illustrated by a survey that McKinsey² did among 700 executives in charge of digital initiatives. Most executives said their organizations are behind the curve when it comes to digital and when confronted with digital or organizational challenges, their common reaction is "If I'm going to be disrupted, then I need to create something completely new". This response is caused by the duality that digital has; the current business needs to be digitized and new innovation models are supposed to be invented at the same time. This mix of urgency and business transformation often triggers unconsolidated initiatives and higher management all of a sudden has a spark of genius and sets a fresh new course. Board members then have a couple of post-it workshops, add some ideas, and the dream is then translated into an abstract slide deck with a lot of visionary thinking. The new course sounds very convincing and stakeholders nod their heads, but it remains quite abstract what actually needs to be done to make that dream a reality. This scenario might sound somewhat exaggerated,

but it does illustrate an issue that we encountered a number of occasions. The problem here is that the strategy is mainly based on ideation and alignment sessions, and not so much on research and validation. Therefore the proposed strategy ends up having little connection with the organization itself or with the day-to-day challenges and then fails miserably.

The strategic approach described in this whitepaper is therefore not a recipe for a digital strategy. It certainly shares a number of ingredients, but the purpose is much more practical. You need enough depth and various perspectives to found your assumptions, but don't overdo it. The idea is to establish a sensible direction for your strategic decisions but to avoid piles of dusty consultancy documents. The steps described in this whitepaper include a broad set of perspectives that help to rationalize strategic choices and are focused to connect these choices with a tangible outcome; a digital roadmap. In a few weeks, you'll have a validated set of concepts that can kickstart your strategic approach.



2. Bughin, J., Catlin, T., Hirt, M., & Willmott, P. (2018, January 25). Why digital strategies fail. Retrieved 1 May 2020, from <https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/why-digital-strategies-fail>



The main ingredients

The foundation for setting up a strategic approach is to base it on a variety of perspectives. You need thoughts on user, business, market, tech, viability, and timing, to make sure that your strategic approach covers a broad context. The number of activities listed here can seem pretty daunting, but it's important to keep it light and do 'just enough'. Use research as your foundation but keep in mind that you don't need a full-fledged strategy to see where the opportunities lie.

Since no company is the same, you can probably skip or need to add one or two perspectives, but overall these are the main things to take into account. It seems like a lot of work, but the good thing is that most companies already have one or more

of these insights laying on a shelf somewhere. If the data is still valid, there is no reason to do all of the research all over again. Of course, you should validate if it still represents your company, but there is no need to reinvent the wheel. The recipe for a strategic approach to framing digital opportunities follows a simple three-step process:

1. Research
2. Experience mapping
3. Concepting

The steps themselves are pretty straightforward, but the magic lies in the fact that all of the activities within these steps are interconnected. You don't create one-off deliverables, instead, you gain insights that will be used throughout the process in every step.

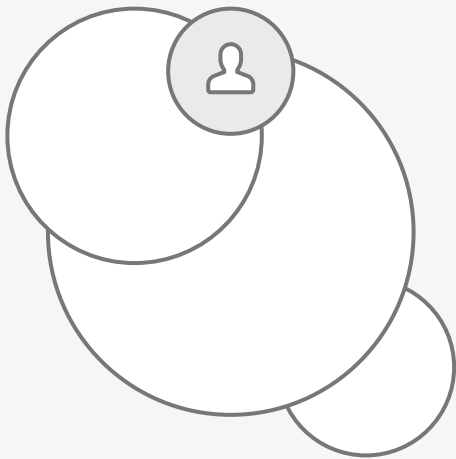
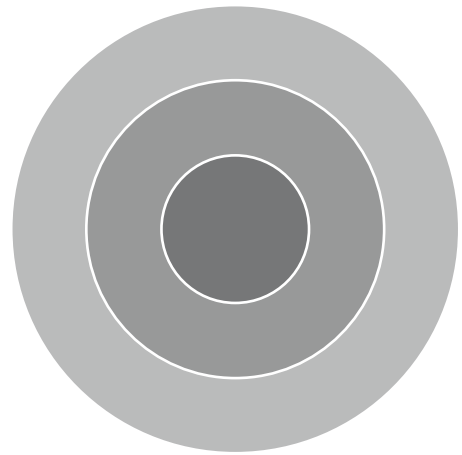
1. Research

The goal of the first step is to get a proper understanding of the market, the organization, the target audience, the business, and the relationship between these perspectives. You'll learn the most by conducting interviews and to use empathy as your primary tool, but any existing documentation that is still relevant can speed up this first step. Most activities here can be initiated right away (eg. Stakeholder Map, Market Analysis) and when needed, some research methods can be done 'guerrilla-style' to reduce time and cost. Each of these activities includes some sort of prioritization, which will help in the Concepting phase later on.



1.1 Market Analysis

You need to start with knowing what is out there, so identify current trends on macro, market, and local levels as inspiration for future ideation. This should not be a full-blown market study, but it is important to identify what (digital) trends could influence your business. What is happening on tech, environmental, political, social, legal, and economic levels that you can use to your advantage? What is shifting internally that you need to incorporate into your plan? These are all findings that provide the context for your roadmap later on.

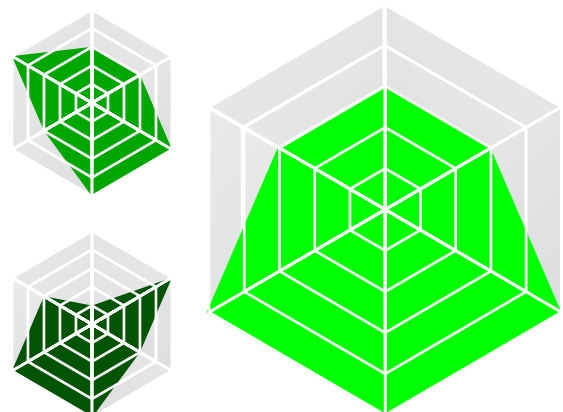


1.2 Stakeholder Map

A crucial part of this approach is to identify who will be affected by it. Who do you need to convince that this is the right direction and who has the mandate to make this a reality? How can you set up the governance so that the right people have influence? A mapping of the people connected to the strategy will help to align both internal and external parties and strengthens your strategy. A draft assessment of the division of responsibility is often a good conversation starter that helps to create the Stakeholder Map.

1.3 Personas

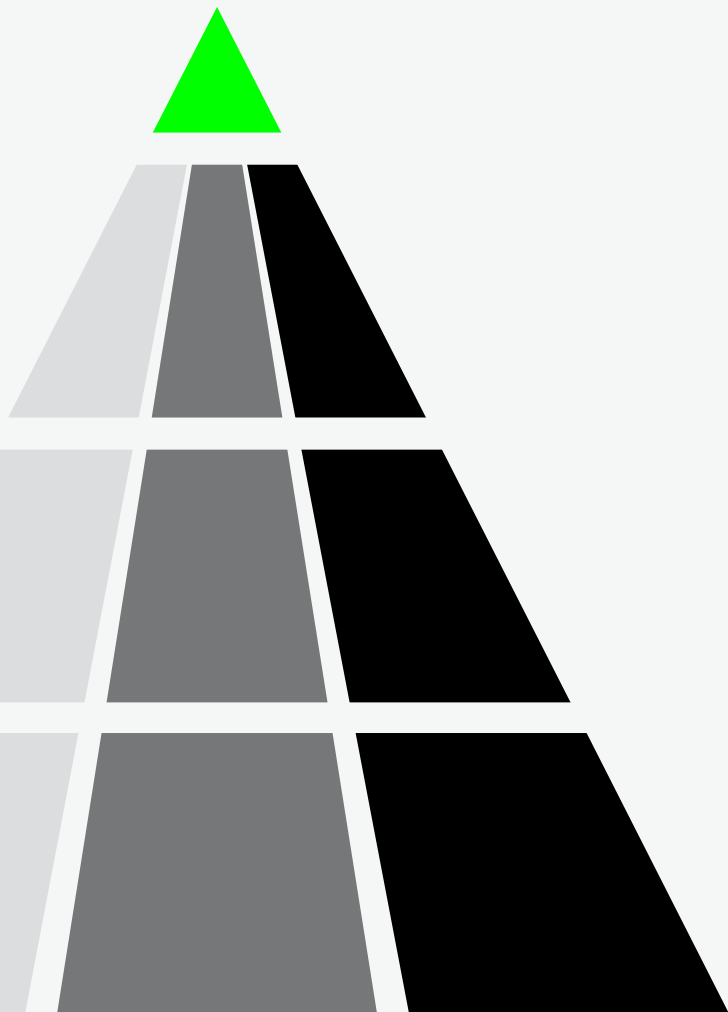
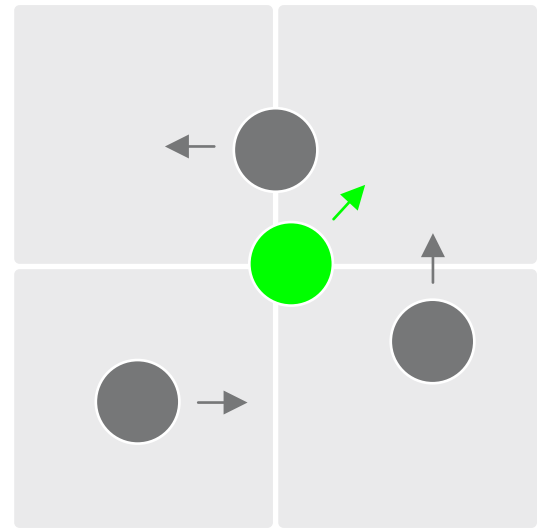
Define your target audience to create focus for your project. You simply cannot please everybody, but you can identify who will benefit most of your new strategic direction. Create archetypes of the top-3 audiences, so stakeholders can relate to the various user perspectives. Prioritize these personas. Any existing target audience segmentation is a good starting point for Personas.



1.4 Omni Channel Balance

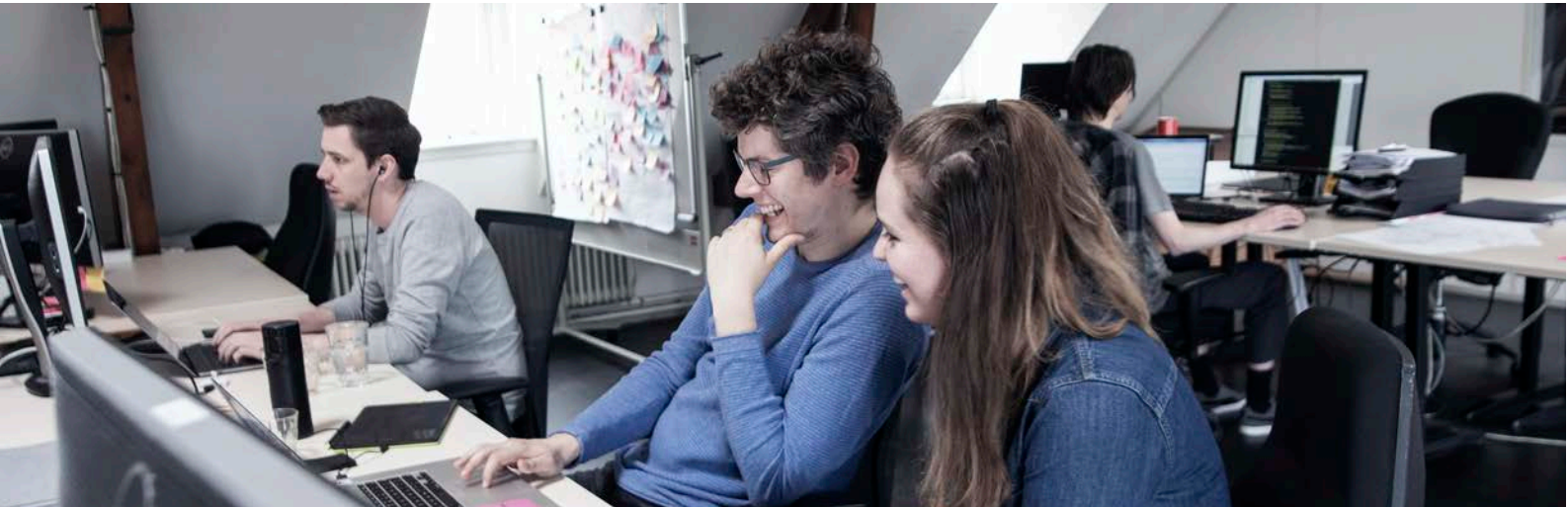
Understanding the user context is crucial when defining a strategy, and the as-is mapping of the context provides an insight into the current dynamics between relevant channels.

Automation of certain processes can affect the experience of a service as a whole and an optimization in one part of the service (e.g. 'call') can trigger a need for 'click' somewhere else. The mapping of the various channels in a service clarifies how the business vision can be supported and how it might change in the future. The market and local trends from the Market Analysis can be used as inspiration to define the to-be state.



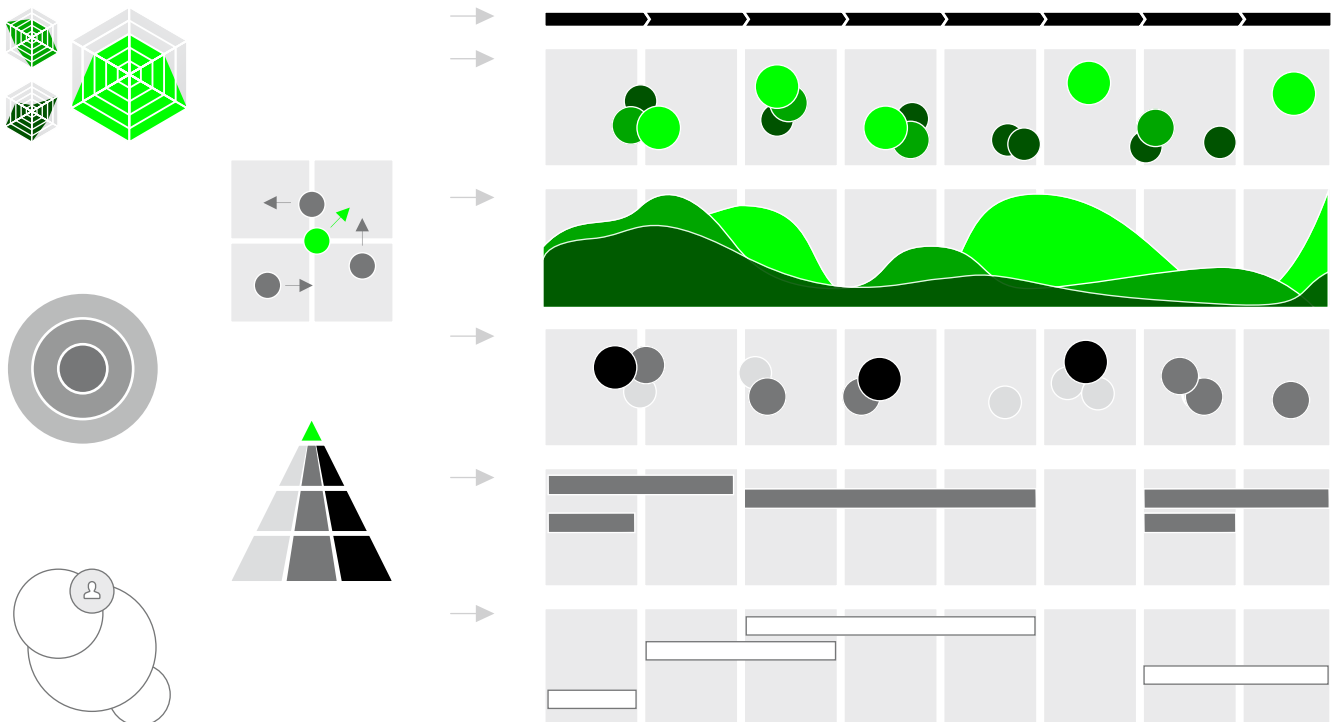
1.5 Strategy Pyramid

The most crucial element in a strategic approach is the fact that it should connect with a business vision. Pinpointing this can be a tough exercise because it can trigger a lot of discussions, but it is crucial for the strategic approach because it draws a literal connection with the business. The top layer of the Strategy Pyramid reiterates what the company wants to pursue; agreement on this business vision is very important. The second layer identifies which themes can support that vision. The third layer in the model contains initiatives that help to achieve those themes. The bottom two layers help to define the success of these initiatives and set targets. The Strategy Pyramid translates the business vision into tangible themes and forces a relation between initiatives and the business strategy. The macro and local trends from the Market Analysis can be used to formulate the business vision and the vectors in the omnichannel balance can help to shape the themes.



2. Experience Mapping

All of the research in the previous step is connected to various layers of the Experience map. Each perspective is mapped onto the same structure, which facilitates a broad user and business context. When needed, you could add or remove layers that match your company-specific context.



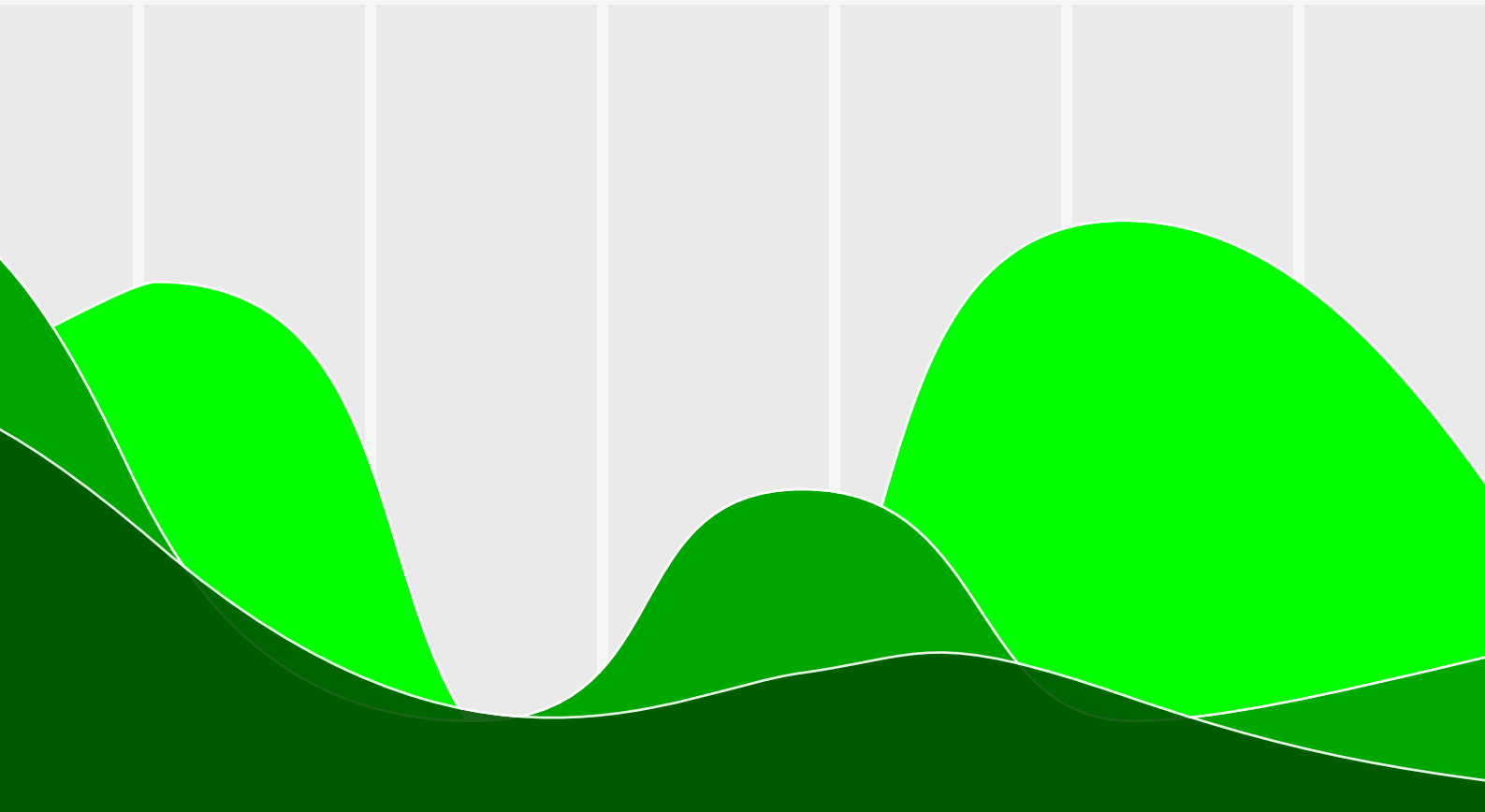
2.1 Customer Lifecycle

The customer lifecycle is the human-centered backbone of your Experience Map and consists of the various stages that your personas experience. The stages before, during and after interacting with the service must be defined because these will be the linking element that connects multiple perspectives of the strategy. Any flow diagram of the as-is situation can be a good inspiration to define the various to-be stages.



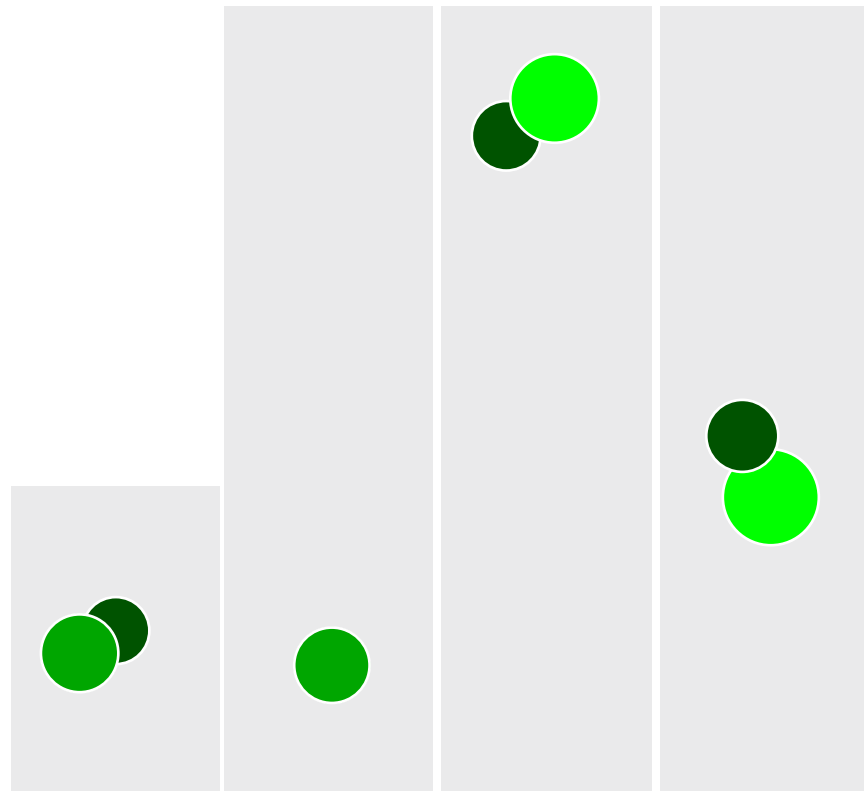
2.2 Emotion Curve

When the various customer lifecycle stages and the personas are defined, you could do a first read of how customers experience the current service. What are the highs and lows as seen through the eyes of the various personas? What should a new service take into account? Map the curve for each persona in the first layer of the Experience Map. When this Emotion Curve is backed by quantitative data (e.g. NPS scores), this can be a driving force to optimize your strategy. When needed, the Customer Lifecycle can be refined based on the findings.



2.3 User needs

The perspective of your personas should be based on qualitative data. Conduct interviews to learn what their context and their struggles are. Use empathy to identify the true needs of your potential customers and learn what they feel and want. After observing and listening to your customers, you could refine the Customer Lifecycle and personas when needed. Map the learnings as a second layer in the Experience Map.



2.4 Channels

The various channels that the user encounters while interacting with your service should be mapped as the fourth layer in the Experience Map. These can be information sources or platforms managed by the company, but external channels such as competitors and other information sources can be just as interesting. When there is a clear view on which channel covers what part of the Customer Lifecycle, you can identify where the gaps are or which services overlap. The mapping of which platform does what can be an invaluable insight when framing digital opportunities. The input for this mapping should be done based on the user and stakeholder interviews.

2.5 Business Goals

Business Goals are identified and plotted onto the Customer Lifecycle and form the third layer in the Experience Map. This provides a structure to visualize the business goals into a user context and to connect them to one of the strategic themes in the Pyramid. These connections force the business to relate their goals to a user context and to identify how this supports the main business vision. It's often very tempting to 'just have a new idea' or to follow a trend, but mapping this in the Experience Map drags a lot of product discussion into the right context. When the initiatives from the Strategy Pyramid are translated through a Customer Lifecycle context, they can be a useful inspiration to define the business goals.

2.6 Projects

Mapping how current and planned projects connect with the customer lifecycle can bring an important practical perspective. Which initiatives are currently happening and which User Needs or Business Goals does that project fulfill? The relevance of a project may fade over time and mapping makes it clear where the internal opportunities lie and what the right timing is for a fresh idea. The Stakeholder Map is crucial input for the project's mapping.

3.3 Concepting

After mapping the various research efforts into the Experience Map, it is now time to draw some conclusions and to identify possible opportunities. The goal here is to ideate and come up with innovative concepts, but within the boundaries set in the research phase. The vision should be directly connected to tangible solutions.



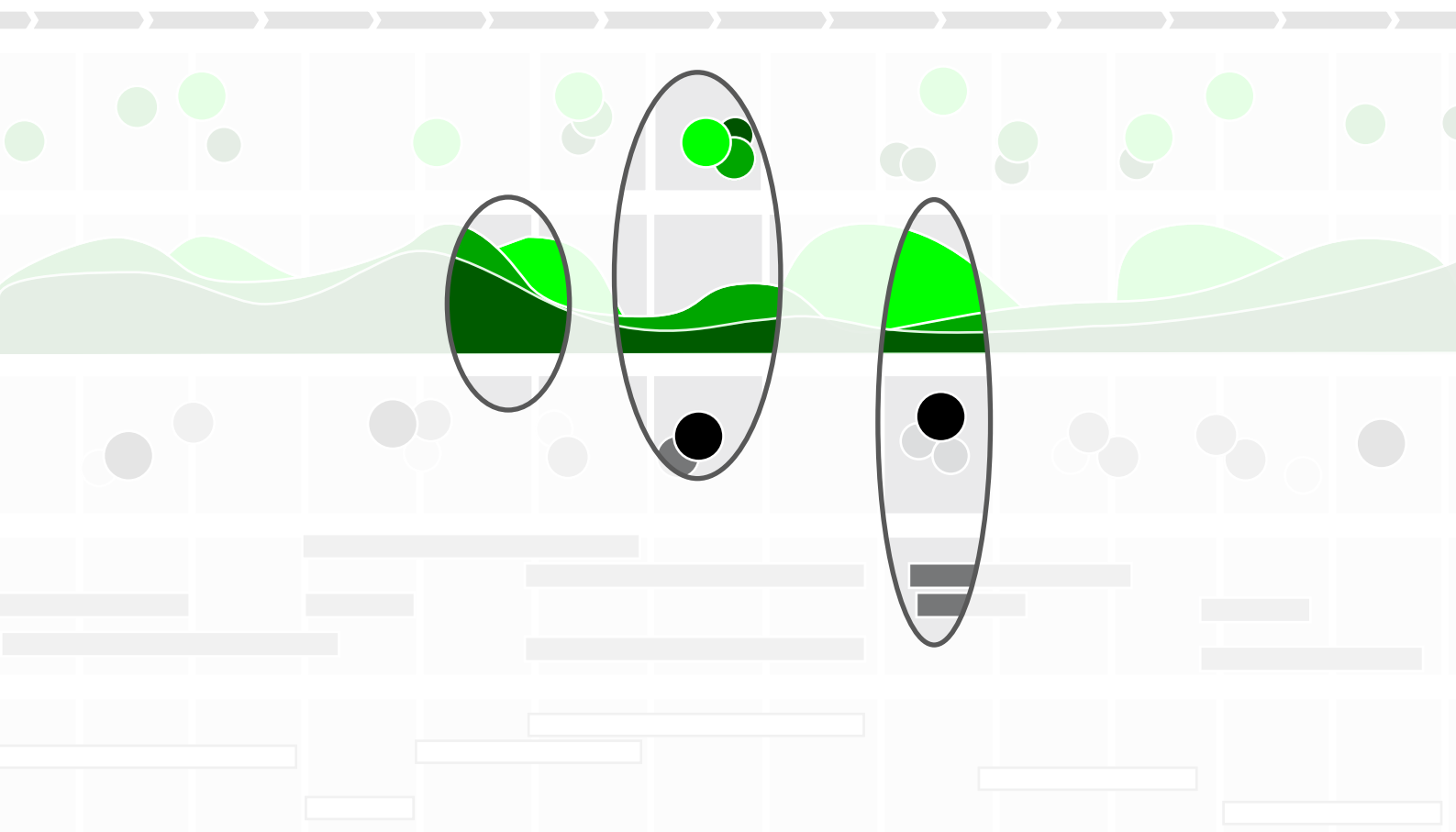
3.1 Opportunity spotting & ideation

When all of the layers in the Experience Map are completed, you can start with the opportunity-spotting workshop. All of the different perspectives put together showcase the relevance for a number of current initiatives, but can also trigger inspiration for several fresh ideas. For instance:

- When a certain cluster of needs or goals can be identified, but there is currently no channel utilizing this need, this might be interesting to spot as an opportunity.
- The same goes for a gap in the emotion curve; if there is currently no project addressing this, this could be a relevant opportunity.

- Another thing to look for is overlapping User Needs and Business Goals on a similar topic. A solution that combines a need with a business goal is often successful.

This is where ideation starts. The process of opportunity spotting and ideation is not an absolute science, but it works because multiple perspectives of the business are included in the decision-making process. It focuses on the future, without losing connection with current activities. In a workshop the top opportunities need to be identified, ideation should take place and the various concepts must be added to a list.



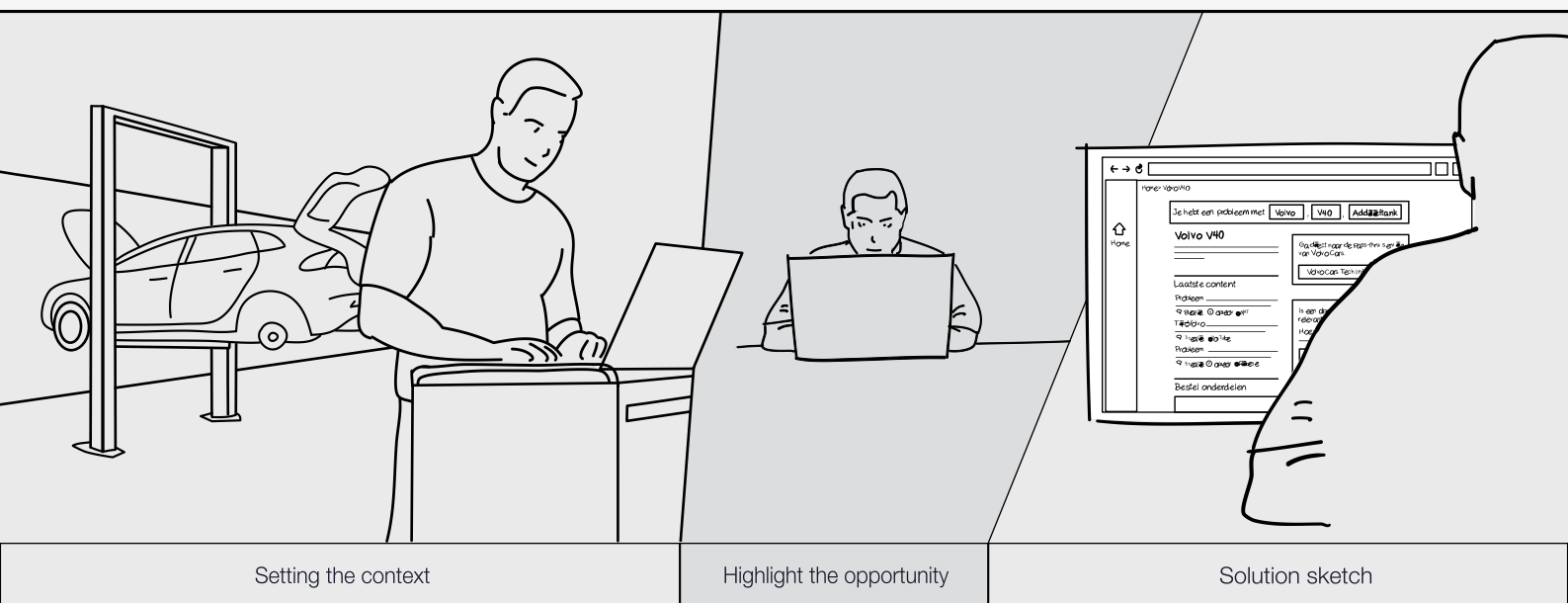
3.2 Roadmap

In order to shape the list of opportunities into a roadmap, each of the concepts needs to be assessed based on a set of criteria. When the relevance, the impact, the frequency of use, the urgency, and the technical and organizational dependencies are identified, the list can be reordered. The priority of a couple of initiatives will probably shift after a few discussions on the criteria themselves, but that will only help to decide which are the top initiatives that should be on the Roadmap.

	Green	Green	Green
	Black	Green	Green
	Green	Black	Black
	Black	Black	Black
	Grey	Grey	Grey

3.3 Storyboard

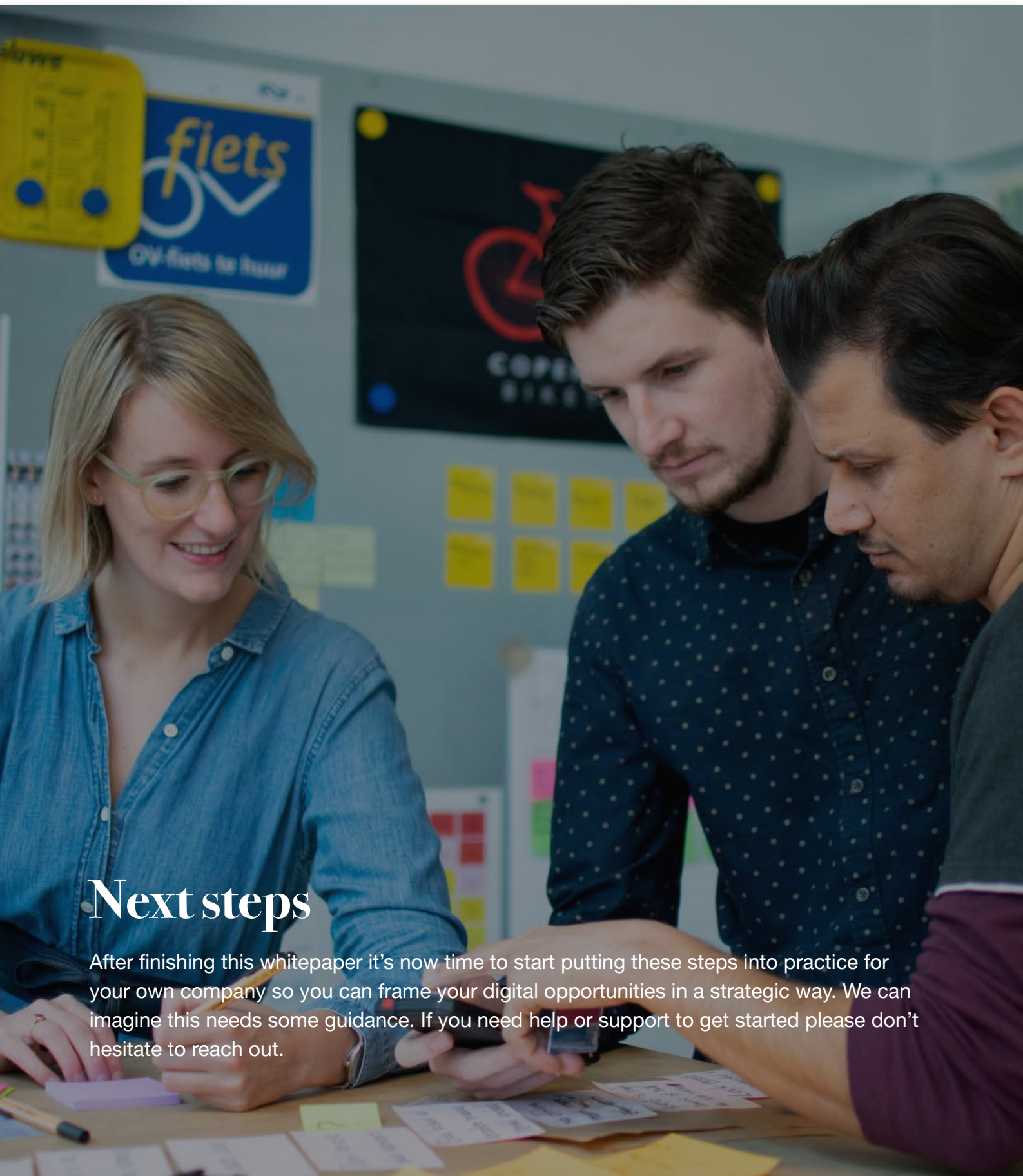
Often, the concept of a roadmap is still quite abstract. Therefore it can be helpful to visualize the roadmap items and to add some context about how this initiative is going to be used. The various criteria that have been defined can be connected in a visual story and possibly a rough prototype. This makes the concept and its context a whole lot clearer and helps to pitch the roadmap item to stakeholders. A storyboard can help to create ownership and to trigger investments that are needed to make this initiative a reality. Not all roadmap items should be turned into a storyboard; in reality, you won't initiate more than the top-5 in the upcoming year, so focus on that.



Setting the context

Highlight the opportunity

Solution sketch



Next steps

After finishing this whitepaper it's now time to start putting these steps into practice for your own company so you can frame your digital opportunities in a strategic way. We can imagine this needs some guidance. If you need help or support to get started please don't hesitate to reach out.

Want to know more about how to use this strategic approach to frame your digital opportunities?

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