INTRODUCTION

Transcript
LESSON 1:
THE DMI METHODOLOGY
So let’s think about the DMI 3i methodology. The three core tenets or principles that underlie the DMI 3i methodology – they’re on your slide – are initiate, iterate, and integrate. Simple words, perhaps, but what exactly do they mean in the context of digital? Well the first thing is to initiate. And in essence, when thinking about an initiation process it’s all about going back to basics: Marketing 101. What do your customers want from a digital journey? How do you deliver in a more compelling way to your customers through digital? And then how do we think about some of the first key steps that we have to put in place to be able to initiate and start up our digital strategy as a whole?

Now this essentially builds the building blocks to actually create the right foundations for a robust digital strategy. We can then take those foundations and then think about what are the key pillars or tenets that we need to start building out to be able to make something concrete that’s going to add value for the organization, but importantly for the customer as well. So interestingly, when thinking about the initiation process, think about customer research; and the key question you need to ask yourself is how would my customer want to be spoken to, initiated by through these various digital frameworks that I’m creating? So go back to the customer and think about it from their point of view. It may well be that you can go back to data that you’ve already got from your organization to understand exactly what are the key bottlenecks that are currently being faced by your organization as a great starting point to see how digital can help overcome some of those key bottlenecks that you may face.

The other way to think about understanding what your customers are after is simply by going out and undertaking a research study with your customers. Now you can do this in two dimensions; it can either be a quantitative study or a qualitative study. Now it very much depends on the type of understanding that you’re trying to get, which will determine the methodology that you use to be able to understand what your customers want. We will cover some of these key techniques throughout the module, so please listen out for them, but overarchingly what is really important as part of the initiation process is to make sure that you make a start by starting with the customer and then understanding and translating your customer research and view and insights into something tangible from a digital point of view. What are the building blocks that you’re going to put in place to actually create a robust digital strategy?

The second tenet that you must then think about is how do you iterate that strategy. Now one of the best things that digital gives you is the ability to iterate and pilot. So creating and initiating an initial skeleton framework of a digital strategy, and then actually putting it into real life or into the marketplace, is a great way of doing something called in-market testing. Now what’s the benefit of in-market testing? Well in essence it allows you to understand in real time what exactly and how your customers are responding to the various treatments or strategies, or tactics that you’re putting into the marketplace. Now what this gives you is a real life understanding of how some others respond to you if this was a normal business process. Now what you can do is you can take the great things that you’ve learned as part of this iteration process but also start to tweak things that you don’t think are working as well from a customer perspective.

Now doing this on a small scale has a range of good benefits. The first one is clearly it’s a less risky way of going to market. The second thing is it gives you a real time and best understanding of how your customers are responding to things. And thirdly you actually have the ability to then reach out to your customers later and then be able to ask them for real time feedback. A good example of this is beta testing. Now a lot of organizations, Google as a classic one, always beta test their products before they take them on to the market. Beta testing is a great way to get real life experience and
exposure to what your customers want before you launch your product. Now you’ve done that – you’ve created what you think is the best product for your organization – you then need to think about how do you take it from pilot phase into integrating it across the board.

Typically, people say moving it from pilot to BAU, or business as usual. Now how do you go about doing that? It’s often far harder to get organization buy-in to what you’re trying to do simply because it involves perhaps a rigorous level of change. So you need to start to build the business case for how this change is going to help your organization either gain commercial value or gain customer value. Now gaining proof points of this at the iterate stage, the previous stage, is really important. So building up your data and proof points to show people that there is robust objective commercial value to what you’re doing from a digital perspective will actually help you integrate that into your organization when it comes to it.

Now when thinking about integration you also have to ensure that you’re sticking within the realm of integrating with existing systems; for example, existing processes and procedures. Also, sometimes – if it’s radical change – you need to think about the cultural aspects of how you integrate your technological advancement into the organization as well. Now we will cover how we do this across the diploma as well. So what you’re going to get is a holistic understanding across this entire methodology of initiation, iteration, and then integration.

**DMI Framework**

Let’s now move on to think a little bit about the DMI Framework, and in essence, the framework encapsulates all the various elements of the diploma, starting from traditional communications, all the way through to strategy formulation and planning. Let me talk you through some of the key aspects that we will cover as part of this framework.

Now, starting at traditional communications, why is this a great starting point? Well, to begin with, it’s really interesting to contrast what has gone in the past with what we believe to be the future realm of omnichannel communications. Thinking about how traditional communications can then be integrated into a digital channel mix is becoming really, really important. In today’s fast-paced marketing world, it’s no longer enough to simply advertise on TV, but it’s actually how TV can start to complement a range of other channels, which is becoming an extremely important feature. And we will start to think about how this integration takes place. The second module is that of digital communications. Now, contrasting one versus the other will be extremely helpful. We’ll cover a plethora of what digital communications actually are, how they work in practice, and then what are some of the key tools and techniques that you should think about when designing a digital communications plan. Now, not forgetting, we need to be holistic and ensure that we’re integrating digital and traditional together to create what is a compelling marketing plan that’s going to truly impact your customers.

The fourth module that we will look at is that of digital channels. Now, the channel mix, again, is dramatically changing, and in fact, over the last ten years, you’ve seen a plethora of new channels come into the marketplace. You don’t have to look much further than social media as one of the key tools that have been rather new into this era, so what we’ll look at is the various digital channels that we have at our disposal, which then starts to help the planning process. One of the major shifting changes that are taking shape, is the rise of marketing no longer just being about a communication process, but also acting, living, and breathing through the customer experience and the service delivery side of things as well. So we’ll explore some of these concepts and dynamics as part of Module 5.
The next module that we will then look at is that of budgeting and resourcing. Now, this is fundamentally important in the era of digital communications, because on the one hand, we need to be able to implement new digital techniques which replace traditional, you know, marketing tools that we've used in the past. Now, being able to create a robust budget and align the budget to both be able to absorb these new techniques that are coming through and whilst an organization is trialing some of these techniques, you may still want to use those traditional marketing tools that you've always done that have been, you know, giving you success in the past. So there's a really interesting way and contrast that the budgeting process needs to work to be able to accommodate all these various tools and techniques across the traditional and digital channels.

Now, bear in mind, one other major aspect of digital is that it can deliver equivalent communication perhaps even more effectively than what the traditional channels have always done. A very small example is that, clearly, traditional television is one of the most expensive channels, and yet, perhaps, it's one that's the least engaging from a customer perspective because, clearly, there's only a one-way communication stream. Now, digital, on the other hand, does something tremendously different and allows organizations to have that two-way communication with their customers. Now, that can be done way more cost-effectively than traditional TV, so organizations today need to start making some difficult decisions about where they allocate their budget. When it comes to resourcing, it's, again, as true, simply because traditional marketing teams very much focus their effort on these traditional channels. And now, new teams need to be erected to be able to cope with some of the latest marketing tools and techniques coming into the space. Social media teams are a great example of that, where, traditionally, you probably, five, ten years ago, would never have heard of a social media team. And now, today, it's becoming a dominant force within the marketing department.

The next thing is around analytics and big data. Now, why is this becoming an extremely important use? Well, interestingly, there's a renowned quote by Peter Drucker, who always talks about the fact that, you know, he knows that half of the marketing budget is wasted. He just doesn't know which half. And analytics, today, as a consequence of digital communications, is giving people a much more rich and robust understanding about the impact and effectiveness that their various communications are having within their customers and marketplace.

Now, furthermore, when we think about big data, it's another very interesting and compelling area to start to think about as we gain and join more dots to be able to gain richer insights about our customers. And the simple, understanding framework to use is the who, what, how and when framework, which big data and analytics really helps to uncover. We will cover more of that as we go through Module 7. Module 8 in Digital Leadership talks about bringing all these things together, these various parts, and then starts to determine how best you can formalize and create digital leadership and transformation within your organization context. And then, finally, the strategic formulation, because, clearly, all these various parts are small parts that lead up to the bigger whole of creating a great digital strategy within the organization. But how do you do that, and how do you galvanize the organization to be on the journey with you? We'll start to look at that in more depth in Module 9.

So there you have it, the entire end-to-end framework, which encompasses the actual diploma as well, to bring a digital strategy and a digital plan to life. So let's get started.
LESSON 2: KEY DIGITAL STRATEGY TOPICS
Traditional Communications

So the first thing let’s look at is that of traditional communications and specifically the integration of traditional communications. And why do we do that? Well, think about an example [when] you’ve seen a television advert by an organization which then doesn’t have a consistent message across the various other channels in which it operates. Quite frankly, all that it leads to is a bit of clunkiness or confusion amongst the customers. So what’s really important about integrating a various number of channels – whether they be traditional or digital – is that it’s to maintain a consistent brand message. Essentially, the brand and company needs to sing off the same hymn sheet. Now, this also extends much further than just the communication realm but also into perhaps a customer experience or customer service aspect too. A good example of this is that when you call up a call center, for example, and not only do you hear consistent music that you would perceive in the advertising but also the agents speak in a similar tone of voice as you would expect the brand to be. And that, again, just creates this entire consistency of what the brand is all about. And remember, the agent who’s sitting in front of you or over the phone is effectively the brand to your customer. So it’s important that they too portray a consistent message.

Now, what’s really interesting around traditional communications has been the inability to track the effectiveness of them in the past. Now, this is dramatically changing in today’s environment. There’s a host of tools and techniques and statistical techniques that are being used to be able to track the impact of offline campaigns. Classic examples are techniques such as AB testing, for example, or a variety of statistical techniques as well out there to be able to track the impact of your offline campaigns. And it’s important that you do so in an integrated way because ultimately you need to be able to dissect and disseminate the impact a specific channel is having to your bottom line.

Now, the problem that you have within an integrated campaign is there might be a multitude of different channels that are at play at one time. How do you then determine exactly which one is having more impact than the other? There are a couple of tools and techniques that we’ll come onto as part of the modules moving forward. And the third aspect we should think about is capitalizing on real life interactions. Now despite the advent of technology and more people and more customers preferring digital, you need to think about how you can still implement and integrate real-time, humanistic interactions either into the digital experience or even into the offline traditional experiences as well. Think about your in-store experience as a way to integrate some real-life interactions with your customers; gain those insights, track those insights, effectively digitize those insights as a way to then gain more of an understanding about what your customers are looking for. And more and more people are looking to use digital techniques for real life interactions.

Web chat is a great example of that, where effectively you’ve got humanistic interactions that are taking place in digital platform. Think about social media customer services – a module totally dedicated onto that we’ll come onto later – as another great way in which to actually create real-life interactions in a digital-based environment. Now – thinking about some of the key aspects around education when it comes to digital marketing – the first thing to think about is how you integrate and support digital marketing. Now, this is really important, particularly because it’s a relatively new area in the marketing spectrum, as it were. And often, people can become quite skeptical or cynical of something new. So how do you educate your marketing teams, and beyond it, into the entire organization, about the effect and impact that digital marketing can have when it co-exists with traditional marketing techniques? Now, another key aspect of this is thinking about how you create a single customer view, and what is exactly a single customer view. Well, think about the traditional ways that organizations have operated. They would’ve had a multitude of systems to deal with, say, a branch-based customer versus a call center customer and perhaps now an online-based customer.
Now effectively, there may have been a variety of different products that are being recorded on different systems as well. So take a banking product as a good example where you may have a personal customer where there's a profile that's saved on a system somewhere. But then if that same personal customer may also be a business customer, but unfortunately the two personal business systems hadn't been, you know, developed, integrated with one another, you'd see that single customer as two customers. Now, the problem with that is that basically if you're reaching out to them, you won't understand what the holistic relationship is worth to the organization. So one of the key tools and techniques that digital allows you to do is to create that single customer view where you're bringing together a multitude of different customer data sets to truly understand who that customer is, what's the value they bring to your organization and potentially what other products and services could they want from your organization.

Clearly, there's a really interesting lead-on from that which then helps you to determine exactly what type of products and services you should be offering them in the future. Now, the benefit to that is the customer then feels that the organization truly understands them better and beyond what other organizations may feel or may have that understanding of. And then clearly, it means that an organization will gain a higher degree of loyalty within their customers.

Now, the other thing, or the third aspect of training and education we should think about in this digital environment, is that of up-scaling employees across a multitude of different disciplines. Now, it's becoming a redundant thought to think that there's going to be one job for life or that an employee simply has the ability to do a narrow set of duties or tasks. In fact, there's a much greater need to actually integrate the organization, and employees have a multitude of different skills. And increasingly, those skills are becoming more digitally orientated. Think about the classic social media context where, for example, traditionally call center agents may take customer services calls. Now, the majority of customer services perhaps in some organizations is done through social media. So there's a much wider need for a call center agent not only to have the ability to answer calls and, you know, speak to customers verbally, but also through digital orientated platforms as well. So employees need to actually gain a much more holistic skill set to be able to be effective in today's digital-oriented organizations.

Now, let's think a little bit about the linear approach when considering how to move into a digital-oriented organizational sort of atmosphere. So the first thing to think about is actually small steps. An old mentor of mine always spoke about the fact that small acorns always lead to great oak and big oak trees. And I think this is no more true than in the digital context. So start small. Create small digital campaigns which actually have a small level of upfront digital commitment or financial commitment. And the reason why we're doing this is we're trying to create an environment where we're proving the case to have more digital communications. Once we do that, we can then start to prove to the organization the value of moving from, say, traditional comms into more digitally-orientated communications as a way to both help the customer to be more effective and efficient in their interaction with the organization, but also for the organization to be more cost-effective and to have an increased commercial gain. You can truly, you know, do more with less.

The second thing that we need to think about is how to iterate and grow those incremental small campaigns to truly build on traditional communications. It could well be the case that that organization starts to dabble in more digitally-orientated communications through blending traditional comms with digital comms, for example. It may be the case, even in the most slight way, where at the end of a TV campaign you may direct people to a website as opposed to, say, directing people to a call center, or, you know, a branch that organizations may have traditionally done. And that way, you can then start to understand some of the impact that digital could have on your organization.
And then, finally, the integration piece that we’ve talked about before and creating highly effective campaigns with the ability to complement both traditional and digital communications. Great examples of these include people like O2 who are one of the largest telecom companies in the UK. They have created great TV advertising which actually is supported by digital assets in a really compelling way. They did this over the World Cup Rugby period a couple of years ago. So do look up O2 World Cup Rugby and look out for that British adverts, a great example of integrating various campaigns. Another good example is that of Chipotle, where they live and breathe some of the vision that they have in their stores around their ethical stance on their food, and then think about how they created games as well as digital communications and TV advertising as well to bring everything together. And get their employees behind it was critically important, which their CEO did really effectively by trying to communicate their overarching vision that they're trying to get to over the long-term.

**Digital Communications**

Now, let’s think a little bit about the digital communications aspect of things and some of the key benefits that you may find within digital communications. So the first thing to think about is that actually you need to tailor your digital communications to the message and to the channel. So, for instance, given the fact that mobile is at the next frontier of communications, and in fact it’s probably one of the most embryonic digitally-led channels out there at the moment, a huge opportunity for organizations, it’s really important that you tailor the message. Say, for example, a population viewing a communication on mobile, say, versus a tablet or a laptop or even a traditional channel like television. It’s important that that message is completely tailored to the channel of choice. It also gives you an increased ability to reach out to new target audiences over and above the ones that you're currently penetrating. So think about the millennial audience, a great audience to capture, and yet you could largely do so through digital communications as opposed to, say, traditional communications. So increased targeting options is one of the key benefits of digital communications.

Furthermore, the ability to measure the effectiveness of their digital communications is way more enhanced than that of the traditional communications counterpart. So you can actually have less wastage. So, for example, given the ability to track how people are interacting with your various adverts and communications gives you the ability to then tailor those communications more effectively the next time around. So the concept of iteration becomes all the more important when thinking about digital communications. In fact, some organizations like Netflix actually iterate their products suite hundreds and hundreds of times a day.

Now, the third aspect or benefit of digital communications is in the data, the data that it gives you to be able to then analyze what's happening from your customer perspective and then create more enhanced levels of effective communications which give you increased commercial value. So this encompasses some of the key benefits that digital communications actually give you. Now, one of the important things to consider as part of digital communications is that of reputation management. Now, what do we think about when thinking about reputation management? Well, again, go back to Marketing 101 and think about what your customers are saying about you. In today's context, organizations have the ability to listen on a variety of different social platforms to truly understand exactly what organizations are saying about them. So social listening has become a really great way of gaining new insights in an un-intrusive way, in a way that you're not diluting any of the results because it’s a real-life environment. And you can respond to those various communications that customers are putting out there as well. So social listening is a great tool. And you can then do something about it proactively to then be able to manage your reputation, as well.
The next thing is having an open engagement and dialog with your customers. It's really, really important that we think about this two-way communication stream that we have with our customers today. Quite frankly, it's become easier than ever before to be able to reach out to either senior managers in organizations or actually tweet in a social atmosphere and create a sort of more rippled effect when you have a bad service experience. So, for example, the advent of things like LinkedIn give you the ability to reach out to anyone within the organization that traditionally may have been kind of harder to reach because you wouldn't have known their contact details, for instance. So open engagement is really, really important. That's something that digital communications are starting to allow people to do more frequently.

The third thing is, more than ever before organizations have become really accessible to their consumers. Ultimately when you're posting a whole host of TV channels across the nation, it's very difficult for people to reach out and actually open an open dialog about perhaps that communication or the products or services that that organization, you know, has. Now clearly in a digital context, that is completely turned on its head. So, for example, you know, any organization or any consumer has the ability to reach out to, you know, the organization via Facebook and leave a comment, or Twitter, and leave a comment. Now, quite often, organizations are quicker to respond through that channel than when even going through some of their more traditional service, you know, platforms.

The fourth when thinking about reputation management is that of teamwork. So teamwork, you have a greater ability to coordinate. And that's why the marketing department is moved much more into the realm of customer experience than it ever has traditionally. And now, why is that the case? Well, quite simply, the ability to coordinate the communications with what actually happens in practice is actually starting to be much more easily done through digital communications. And now as a consequence of that, organizations need to be much tighter on, you know, what they say versus what they do. And if that's not necessarily the case, then in effect, it actually hinders the reputation of that organization.

And finally in a digital context, in relation to reputation management, it's clearly a global phenomenon. In fact, we come onto some examples with communications that had been put out there in one part of the world which has actually affected both service and sales in another, simply because there's been an adverse impact that communications have had, you know, in that context because perhaps it was not culturally sensitively done. So you can just see that everything wraps around into this global context in which we live in that we need to be very, very conscious about.

**Digital Channels**

Let's think a little bit about digital channels and how to reach priority audiences. Now, as part of Marketing 101, it's really important to think about who exactly is your core target audience. Think of it as a bull's eye segment of people that you want to reach with your communication. Now, particularly, digital enables you to do so, understand who they are, understand how effective it is, and then deliver more of the same communication through things like marketing automation, for example. So in effect, it helps you to reach priority audiences whilst also reducing the resource wastage that you may have which could be a consequence of, say, traditional communications. The fact that you're doing so in a medium that is attractive to the core target audience will also enable you to seem as if you're forging a greater relationship and understanding with that target audience as well. It'll have a positive affiliation to your brand as well.
Now, finally, when thinking about the usability of tracking capabilities, clearly, digital has a superiority over some traditional channels. For example, let's contrast a sales web advert or an ad banner on Yahoo with a traditional TV campaign. Now, in traditional TV you can have a regional TV campaign or aspect. However, quite frankly, you don't generally know how effective that TV campaign has been on sales within that particular region. Some of the key issues that may arise is you don't quite know if the person who's bought the product has been exposed to that TV advert, for example. Or you're not quite sure what other things are going on in the ether which may have impacted on a person's purchase decision to buy that various product or service. Now, if you think about it from an ad banner point of view, you know exactly who's seen it because you have that insight data by the number of people who have seen your campaign because you can see how many people have gone on to that various page.

You can also then see or track it through to the end result. So for example, you can see how many people have clicked on that banner, how many people have then gone to your website, and then finally, how many people have gone on to purchase your product. So the tracking that that gives you, that digital medium gives you, is superior perhaps to some of the traditional TV campaigns. Now, however, be aware no tracking mechanism is foolproof. And in fact, even the digital communications can well have drawbacks, too. So for example, the last click effect is one that's traditionally used as a major drawback of digital comments. So for example, an organization would attribute 100% of the effectiveness of that purchase or sale to that click, though that happened a few moments ago. Now clearly in reality, a consumer may have been exposed to a number of different channels. And yet if you only attribute the sale to that one final channel, then you're clearly missing the majority of the picture. So we need to be conscious and careful about how we understand and track our various organization, our various consumer interactions, and then attribute them to have these commercial values. We will come on to that more and more as we go through the modules as well.

Now, thinking about aligning channels to objectives. Now, effectively, we need to, in every single campaign, more and more, ROI is becoming an extremely important measure and metric to use to determine the effectiveness of that communication and whether you continue to use it in the context as well. Now, thinking about the level at which of cost that's going into the campaign and also some of the core business objectives are going to be really important to determine that overall whether the campaign has been a success or not. The one caution I would make in this area is that, traditionally, people, particularly in social media, think that there's no cost attributed to developing great communications across these mediums does take time, effort, resources, which ultimately leads to the magic word budget, as well. The other thing to think about is: What are the business objectives? What exactly are you trying to drive?

Another major thing is this concept of jumping on the band wagon when it comes to the latest digital tool or technique. And I would caution against doing that as well. First of all, understand exactly what your organization needs from a communication platform or communication strategy; understand how it then links to the business objectives, and from that point onwards, you can start to determine the most appropriate creative or message and also what the most appropriate channel would look like as well. So you have to kind of create this multi-dimensional approach to developing your campaigns based on a strong foundation of exactly what are the costs, and also what are the objectives that you're going to drive. And finally for the digital campaign, make sure that you've got tracking in place to be able to observe the level of output that you then have as a consequence of it.
Now, when thinking about a resource perspective, as I said, the digital perspective can actually be quite cost-effective. And there’s a number of different reasons why digital can be more cost-effective than television. But ultimately, by media space, for example, can be more cost-effective. The cost of production and creation of some of these assets, again, can be way more cost-effective as well. So for example, we can save time and money. It can also offer better technology. So you may have that ability to offer that two-way communication flow as opposed to that one-way which traditional comms gives you. You can also tap into expert services. And what that effectively means is linking into affiliate networks which may be similar to yours or actually add value to the service that you're trying to drive through as well. So to take, for example, a simple financial services product. You may be able to actually link in with other services, say a citizen’s advice bureau. And that could be a really nice way to add value to your customers. It also provides an unbiased perspective. Now, clearly, you know, like most communications, given, say, social media, you have that ability to get expert knowledge pieces into the forefront, and also you have perspectives of customers being able to, you know, reach out and tell people in an unbiased way exactly what some of the drawbacks and positive points are for that various communication. And when thinking about the digital plethora or mix, there’s clearly a multiple channel use that you can have. So in essence, it allows you to reach out to a much greater audience than you perhaps sort of had traditionally. It also lets you be more creative because, clearly as mentioned before, when thinking about digital, you have to do so in the context of the appropriate channel mix. And as part of that channel mix, you also need to think about the creative message that’s being delivered across that channel mix. It needs to be a seamless flow. So think about that and be more creative as a consequence.

And finally, digital enables you to scale as need be. You have to look no further than doing a simple AdWord campaign or even a Facebook advert to understand that you can be very directed about the number of people that you want this advert to be put in front of. You can clearly expand that based on the level of impact that you’re having and the amount of ROI that you’re receiving as a consequence to that advert.

**Marketing Automation**

Let’s now move into marketing automation. So let’s start by defining exactly what marketing automation is and how it can benefit your business. So marketing automation refers to the software that exists with the goal of automating marketing actions. Now, in essence, one of the best parts about marketing automation is it enables you to respond in real time to what your customers are thinking and feeling and doing as opposed to waiting for some level of manual intervention, which actually means you may lose time on the opportunity that that customer interaction presents. So marketing automation also has an additional advantage that by taking away that manual intervention, what you’re essentially doing is reducing cost as well. So major, two major advantages by automating your marketing function.

Now, there are a couple of other benefits to think about. These happen during the lead management process. So it enables you to respond in real time to a particular query or outcome. So take, for example, someone lands on your website, but then decides to actually go somewhere else. Marketing automation may enable you to send a message to that person in real time to try and get them back. Perhaps offering them a deal to move to the next stage of the buying cycle.

The other aspect is that of lead generation. It enables you to actually understand who your potential new customers are and track them through that funnel. You may also be able to use automation to create evangelists. So by engaging with customers on a regular basis, it enables people to get more entrenched in your organization. And also to form greater relationships with you. You can nurture people, nurture the leads and sales, by being able to do this as well.
And finally, it's a great sales enablement tool. Because simply, once you've got someone who's sparked an interest in what you're trying to offer from a service point of view, you also have an ability to then sell to them, which you can do...so in an automated perspective, at different intervals. Perhaps, when you think is relevant. So for example, you may have an automated campaign based on the time that they come up to renewal of a competitor product. So you don't need to constantly keep track. You can basically automate that within the system.

So what are some of the key benefits? It's essentially time saved on repetitive tasks. It enables you to have increased testing and optimization. It also leads to higher lead generation. And leads can be highlighted in an automated way, which means there's a less chance of human error. You can make more personalized and relevant communications. And finally, when you sum all of those things up together, it enables you to have a much more focus on ROI.

When thinking about marketing automation, there are a variety of platforms that you can use. A number of them are actually on-screen at the moment. I'll really urge you to actually research these various platforms and see if they're of benefit to your business. Often, these platforms give you a freebie model which enables you to use their services to begin with on a limited subscription basis, possibly for free. And then, thereafter, as you scale up, take more paid services from them.

Another thing to bear in mind when you're thinking about marketing automation is the fragmented nature of the various software out there. As you saw in the previous slide, there are a number of different tools that you could use to be able to develop or go after marketing automation techniques. The various downside, or the major downside with the various tools you can use, is they seem to solve a particular problem or offer a particular service in a particular area. As a consequence, your marketing efforts could get highly fragmented. And it's something you must really, really be conscious of. So fragmentation software comes in a variety of guises. All the way through down the list are a different number of functions where you can get different type of software to meet your automative needs.

**Budget and Resourcing**

Let's now move on to think a little bit about budgeting and resourcing. So what are some of the benefits of doing or having a robust budget and resource plan? Well, the first thing to think about is that it could actually reduce costs. If you put a robust plan with great benchmarks in place, it can really be good to make sure that you don't overstep the mark. And in today's constrained context, it's becoming even more important that organizations have this robust plan in place to be able to control their costs. You can also get expert personnel into the fold. It's really important that you have the right experts around the table to be able to help to understand what exactly the budget is and looks like; what adequate level of resourcing do you need so you don't overspend on the one hand, or underservice on the other, and then also to advise you on an ongoing basis exactly, you know, how the plan should evolve for maximum impact.

The third aspect to think about is that you're able to consult these people on a regular basis. It's that iterative approach that we need to think about as well. So how does your budget evolve and your resourcing evolve over, say, an annual cycle? Perhaps it's reviewed every month or every quarter. And these experts really help to determine exactly the level of budgeting up and down, resourcing up and down, that you need to go to based on past experience and past data. You also can tailor some of the payment methods that you actually have as well so you're able to create the terms that work for your business. A classic one that, you know, causes a lot of businesses to fail is that they get into cash flow troubles. And one of the key ways by, say, managing your payment cycle and also having
products and services to bolster any cash flow issues is a great way to be able to mitigate against that from happening in your business.

And then finally, it's an effective use of time. So in effect, if you overwork people, then you're not going to get the best out of them and, quite frankly, there's a good chance they'll leave. If you underwork people, all you're doing is wasting resource and budget. So getting the optimal mix and balance between the two is really important. And that's what some of the benefits of being able to, you know, conduct a robust planning process across these two dimensions will actually give you the ability to have an effective use of your time and your team's time and then ultimately leading to higher levels of productivity across the organization.

When thinking about budgeting and resourcing it's really important to consider the entire organization, and naturally engage wider stakeholders, as part of the activities that you're doing to be able to create synergies across the entire organization. So here we have a flow or a map as the best way that you can...or things that you can use to be able to execute a stakeholder engagement strategy. The first thing is to clearly articulate exactly what the engagement approach needs to look like, what are the various strands to that approach, what are the ways in which you want to engage with your customers, and then be able to map that out in a robust way. Once you've done that, it then becomes critical that you do a stakeholder mapping exercise, and effectively what a stakeholder mapping exercise is, is to determine the key players that will be influenced and need to be brought into the mix in order to be able to execute the engagement strategy that you have.

Now remember that the stakeholder mapping exercise, there could be a variety of different individuals, even, perhaps, people like compliance teams or agencies that sit slightly outside the formal organization. Stakeholder mapping could also involve getting in touch with your customers. You may want to co-create the experience with them.

The next thing, once you've got everyone on board, is to actually start to make preparations, to plan out a robust process to be able to execute that plan. Now this will involve the budget and resourcing, how long will it take, how much money will it take, how many people are required to be able to deliver to the plan. It's really critical that you give individuals and stakeholders, a sense of the level of engagement that is required from them. Because if you don't, they may disappoint you later on if they're unable to do the things that you need them to do within the time scale that you require. There are updates all about engagement, constantly keeping them up-to-date with how the plan is progressing. Quite often, when I was working in a corporate organization, we would have so many stakeholders that it became quite difficult to keep track of all of them, and also, to keep them continually updated and engaged. Remember that most stakeholders won't feel as passionately about the project or strategy as you will. So how you bring them on, on the journey, will be a critical component to see the success of that plan.

And then, finally, creating some level of action plan, to be able to go out and make stuff happen. Remember it's often advisable to do this in a phased way. Don't be unrealistic about the goals that you can achieve within the time period and the budget, and resource constraints that you're under. Often, it's a case of creating something in the first instance, which perhaps could be a 1.0 plan. Once that's executed and in market, for instance, you can then take the feedback, and then start to craft out what 2.0 looks like. It's a really effective way to not only get something quick to market, but also to be able to engage your stakeholders because you'll have proof in the pudding that the plan is working and, also, one of the things that you need to iterate, to make it more effective for your customers moving forward.
So this five-step process is a really nice, neat way to think about how you engage with your various stakeholders. Ultimately though, this comes down to your own context, and what you must do is take some of these key points around stakeholder engagement and apply it to your organization. Always easier said than done, but do have a goal. Now when thinking about some of the organizational considerations around budgeting and resourcing, it's always quite a complex issue. Now, why is it complex? Well, because quite often organizations themselves are very restrained and constrained in the environment in which they operate. One bad operating period can mean that budgets and resources need to be slashed quite considerably and, as a consequence of doing that, some of the key strategic focus and plans that the organization had need to be either put on hold or executed with less people and less money. So we need to think about how the wider organization, and the plans that they have in the pre-operating context in which they are in, starts to have a massive determinant about some of the ongoing plans, the budgets, resources and how the strategy plays out over the longer term.

Now one of the saving graces that organizations have in today's context is that quite often putting money in doesn't always mean a certain level of money out. So quite often if you think about challenger brands, they have less budget and yet they're able to take that budget and do much more with it. So you can just see how, you know, that can play out in your own context, perhaps to actually do more with less. Now some of the overall considerations, particularly in a digital environment, is clearly using digital allows you to lower some of your costs that you may have done or you may have used, traditionally, which have been higher, when going for traditional channels. You may also be to have better experiences to raise revenue. Now we talked about the multitude of channels that you can then use as a consequence of digital. Now bear that in mind and then you will have an ability to be able to create a better experience for your customers – give them more touch points, for instance – but yet, not necessarily have to increase cost as a consequence. And what this could give rise to is incremental opportunities to raise your revenue.

Now a good example of this is cash-back sites. Now cash-back sites present an additional way to reach out to new segments of different customers whilst being able to maintain your existing channels of revenue generation. So cash-back becomes a really nice way to gain incremental revenue opportunities.

The third thing to think about is that it's far cheaper to sell to an existing customer or to retain an existing customer than it is to actually get a new one. Now, this holds mostly true in today's constrained organization environments. So customer retention becomes even more critical to protect the existing revenue that you actually have within your organization.

The fourth aspect of this is how do you scale up? Growth of an organization is absolutely critical. No organization wants to stay static. So organizations need to put plans in place to invest in key areas in the business that will effectively give them the biggest bang for their buck. Now, often digital communications and digital strategies are a good way to be able to do this, and to scale up, without actually having to increase a huge amount of cost into the business.

And then finally, think about diversification. Now often when trying to come up with new ideas to generate revenue people stay within the same vertical, and try and offer more of the same product. And quite frankly, in a saturated market or a mature market, there may not just be the market potential to be able to have and offer that same product. So what do you do? Well, quite frankly, you have the ability to diversify. You create different product ranges across different types of product segments, which then enable you to perhaps offer these products to your existing customers, so you're gaining incremental value by your existing customer base as well, and that's a really important way of thinking about things, too.
Let's now turn and talk about analytics and big data. Now, this is a major topic that is currently, perhaps, one of the most in-vogue within the digital marketing spectrum. Now why is that the case? Well, quite frankly because the growth of digital has enabled information flows at a quicker pace than ever before and as a consequence of that, it's up to organizations to be able to harness some of that data that they have both in-house, as well as what they can append from external sources to create and generate new opportunities. When I think about analytics and data, and big data, I always think about the role of both small data, as well as big data, and what do I mean by that? Well, small data is what you can actually leverage from your in-house systems. Quite often, in large organizations that run across a plethora of different systems, just by simply bringing a couple of data-sets together you can have a profound and new understanding about your customers than if you were looking at your data through siloed systems. So perhaps a first pathway to think about data is to think about what you already have. Once you have that, you may want to be able to add different aspects of your customer’s lives to be able to enrich the data that you have. So, for instance, in an insurance-based context, you may want to append post office data because you know that the post office has redirected mail. So a customer may tell them first, before they’re about to move home. It then enables you to be able to then do something with that information, coupled with your existing data, to understand that that customer may well be a customer of yours. So, if you append that data-set together you can create new products and services.

There are a number of additional value ways that you can use data. The first one is cost reduction and, in simple terms, it basically means by becoming far more effective about the type of customers that would, you know, like your product, that want to purchase your product, and that are likely, perhaps to even gain incremental value from that customer. Quite often, we have data as a way to predict certain outcomes, so you’ve got things like predictive models, as a consequence of data. It enables you to understand the extent to which someone is likely to do a certain action, whether that’s leave your company, buy an additional product, or create an advocate out of that customer. So you can use that data to be able to make predictions and then be smart about where you spend your money as a consequence. It leads to faster and better decision making, particularly in an automated sense.

Now, often algorithms are another big area that are coming up, as a consequence to having more insights and quantifiable insights about your customers. So take things like pay-per-click or Facebook advertising. Often, there’s automated systems to enable you to determine where best to place your buck, and that’s an important part of the role of data. Now also, data has the ability to break down silos because, clearly, if organizations hold different data-sets in different parts, bringing them together makes a massive difference, and also prepares the organization for a world of digital. Because once you’ve got these data-sets together, and remember we talked about the single-customer view, it leads to you having an enhanced view and ability to reach out to your customers with different products and services. In essence, it leads to an increased efficiency.

And then finally – thinking about it from a cross-channel conversion perspective – understanding why someone starts in one channel and then ends up and completes a transaction in another is a really nice way, or a good way, the data and analytics can work together across channels. So you get a more holistic understanding of your customers, what they’re about, and how they want to transact with you. Now thinking about the viability of big data. Now large unutilized data-sets are often collected by organizations, and it’s all about harnessing all those key insights that that data-set gives you. And now big data allows you to do that and it often gives you this great insight around powerful insights to be able to transform the business and give you competitive advantages. So there are a lot of tools that exist online that you must look at; things like Salesforce, that will give you that ability to
join up different data-sets. There's a really interesting Ted Talk out there that actually talks about what is America's favorite pie? And interestingly, the predominant logic would be that it's always apple pie which is America's favorite pie, and in reality through big data, and a collection of different transactional data points, it was identified that the apple pie was actually America's second or even third favorite pie. But the way that they found that out was because traditionally apple pie was the family's biggest compromise because you had to choose one pie for the whole family to eat around the dinner table. But as a consequence of smaller pies, you actually identified that more people were buying other pies on an individualistic basis than that of the apple pie. So just an interesting insight into what big data can actually do for you. We'll talk more about that as we go through the module.

**Digital Leadership**

Let's now move on to digital leadership. Let's think a little bit about what are the benefits of effective digital leadership. Well, the first thing that you do is that you inspire education. You get people to want to follow you, as a consequence of you being a thought leader in this space. And that's really important, both from a personal brand point of view, but also to enable the organization to be uplifted and actually gain a competitive advantage in this digital revolution. When thinking about digital leadership, you're also thinking about creating some sort of gap analysis. Understand exactly what the organization is currently doing and what they're currently failing on, as well. Once you can get both those perspectives, it enables you to create a robust plan to fill those objectives up.

Now an interesting way of doing this is not by doing a create in-house approach, but rather by actually being smart, and using what else is out there as a way to form partnerships, to fill some of those key gaps. And digital leadership is about helping to identify who your key partners could be. And in tomorrow's landscape of business, it's going to be much less around harnessing competitive advantages, creating a win/lose, but much more about how do you create win/win relationships within your larger suppliers and the people you work with. And don't forget the role of the consumer as well, in creating great partnerships too. In the UK, for example, we're going through a wave of new start-up and entrepreneurial opportunities opening up in the economy and these, themselves, create great opportunities for larger organizations to come to the forefront and actually form partnerships with them too. So don't just discount smaller start-up-based organizations when thinking about partnerships and the opportunities that it could leverage.

And, clearly, one of the last points is about iterative and replicable processes. Being a digital leader should be about enabling you to scale the organization appropriately through the most cost-effective means. But still being able to be iterative, agile, flexible and also robust, in the way that you operate to be able to, you know, replicate what you currently do, as well. So there's a couple of dimensions that you need to consider when thinking about the effects of digital leadership. But often, when you're thinking about creating a digital transformation program, it's really important to think about how do you actually get other people onboard. How do you encourage digital leadership? Well, quite frankly, there are a number of key tools and techniques that one can use to be able to do this. So, the first thing is around communicating results to employees. Gain a fan following, based on iterative or iteration of pilots or small-scale pilots that you currently have in the marketplace. Once you do that, you then have the ability for people to jump on board, and quite frankly, the snowball effect comes into play. The second thing is around encouraging innovation. Now, what do we mean by that? It's creating a mindset within the organization that anything is possible, and that what we need to do is, we need to foster an approach where innovation is both accepted, encouraged, and also employees want to get on the bandwagon, as well. We also, as part of that process, need to be honest and realistic about exactly what approaches we take. So leadership and digital leadership is also about being constructive to the people who are trying to undertake that transformation with you. Be constructive, be critical, but also be positive about how they can improve in a robust way and in a
tangible way. And then finally, think about culture. It's extraordinarily important that employees invest in themselves and invest in their learning. If an organization is not willing to encourage this, then clearly it's going to be a big drawback for employees to want to do it on their own backs. So think about the learning and development requirements of your organization, and then as a consequence of that, make sure that you're putting steps in place to be able to deliver on that, as well.

Now one of the major changes that senior leaders need to start embracing, as a consequence of digital playing a much larger role in our lives, is the loss of control, and what do we mean by that? Well, a couple of things. Traditionally, leaders wanted to have their boundaries of control very well-defined. This is the message we put out to our consumers. This is how we expect our consumers to behave. This is what we expect our employees to behave like. Now, quite frankly, in the new digital world, that's just not the case and, in fact, it's more to the point that actually organizations need to embrace the fact that they can't control everything, all the messaging, all the processes, and in fact, consumers, themselves, will create new customer journeys to converse with that organization as well. So a really good quote, as we see on the screen, is “Embrace the loss of control, and start fostering new mutually beneficial relationships with the customers, employees, that are empowered through digital today.” A great quote put out there as a consequence of making sure organizations really embrace, you know, the new working dynamics that digital engenders.

**Strategy Formulation and Planning**

Let's now finally think about strategy formulation and planning. Now why is it important to actually put a robust strategy in place? Now there are a couple of key things we need to think about. The first thing is strategy recording. Now if you don't have a plan in place, first of all, it could be anywhere, but more so to the point, you need to understand and ensure that you create some level of benchmarks and a road map to be able to determine how well your organization is doing and achieving some of the objectives they have set out to do. If you don't actually record the strategy anywhere, then it becomes very difficult to be able to understand how successful an organization has been.

The other thing that you need to think about is that of a situational analysis. Every organization operates in some kind of context whether it's global, or national, or local context, and quite frankly, the opportunities that arise as a consequence of conducting situational analysis could be absolutely huge. In Europe today, there's a whole range of different things that are happening in the external environment, where organizations can really take advantage of. You don't need to look more for things like Brexit, for example, or that of the newly implemented General Data Protection regulation that's coming out throughout Europe to see that, and organizations have the ability to jump on and take advantage of these various changes. Now how they take advantage of these changes is another really big strategic question. Now, clearly, people are constrained by both budgets, resources, existing infrastructure, existing mindsets, culture, etc. And it's about an organization figuring out the various tactics that they can then use as a consequence of the constraints that they're under to take advantage of some of the key things that perhaps are happening from a situational analysis perspective. Now the way that they reach out to customers, whether that be from a sales perspective or an advertising perspective, again, is extremely important. And, as I mentioned before, when thinking about it from a strategic perspective, the plethora of different channels that you can reach out to your customers today is more than ever before. Now how do you determine which ones are the right ones to use which will give you the greatest bang for your buck? Now that's a strategic question you need to answer and, largely, go back to Module 101, back to your customers, to determine where are your target audiences – where they are and how they want to interact with you – and the managing of these projects is another massive area for strategy formulation and planning. Being able to put these key things in place to determine what the key priorities are, and resource up adequately to be able to execute on these type of your priorities. If, for instance, you try
and go for too much breadth and too many projects, you won't be able to resource it adequately and then, effectively, you're risking actually failing at everything. So the sincere advice is to choose a small, few key things that can lead to biggish results. Now when thinking about the validity of strategy planning, we have a little bit of a workflow that you can start to think about when kind of considering how best to engage in this process, and also, how to be able to do some level of measurement, as well.

So the first thing to do when thinking about the validity of strategy planning is to go back to your customers. Ask exactly of your customers what are they after. What are the key things that they're looking for as part of your strategy? Formalize your strategy with your customers in every single thing you do, and one of the best ways to ensure that your strategy is robust is by going back or putting your customer hat on at every stage, and ensuring that what you're proposing will still be worthwhile from a customer perspective.

Now at the end of the marketing cycle, ensure that, you know, you have a robust set or a plan at that point in time. Now, most organizations do this on an annual basis, for example, but it probably starts about six months before the end of the previous year. So make sure that you have a robust plan in place when the cycle begins, but also, that you have an ability to iterate that plan every so often. So quarterly reviews, for example, are a great way to be able to put a stake in the sand to say, "Every quarter we will review that strategic plan to ensure that it's still fit for purpose, and we can iterate that if we need to...if the marketplace changes or the sentiment of the customer changes as well." Now ensure that the entire plan fits across your organization. It's extremely important that everyone's on board with this plan. It's no good just being a marketing-led campaign when the operation is doing something entirely different. If you can't unify together, then ultimately, you're due for failure because customers are going to get really confused by what you're saying, and then what you're doing. Now as part of ensuring this unified plan, you must ensure the commercials fit together because, ultimately, if you don't have a robust commercial orientation, then quite frankly, you know, your organization isn't going to last very long. So know what your return or your estimated return on investment is going to be, for the plan that you're setting out. Have those benchmarks in place because it's going to be important to be able to then measure the extent to which you were successful. So when developing a new product or a service which then meets that consumer need, it's important to make sure the whole organization is on board, and everyone is on board by understanding exactly what benchmarks they need to then be able to hit. Once you launch that product, make sure that you're checking the numbers on a weekly basis. It's really important that you're constantly, and on a tactical level, tweaking exactly what you're doing to be able to change up that approach to make sure there's a robust plan in place. And then finally, gaining advocacy. You know advocacy is particularly important, and something Bain & Company came up with around net promoters score. Now the whole reason why advocacy's important is because it doesn't only demonstrate someone's satisfaction with the company, but also the fact that they're so satisfied that they will actually recommend somebody else to join. Now that has an enhanced level of pro-activity over and above, just say customer satisfaction, and hence, why it sits as the last cornerstone aspect of the strategic planning process.
LESSON 3:
ADDING VALUE TO A DIGITAL STRATEGY
Business Strategy

So let’s think a little bit about business strategy. Now, what are the key reasons that you would develop a business strategy in the first place? Well, first of all, let’s think about a little bit around a definition. So a business strategy is the methodology or the way in which an organization perceives themselves that they are going to win in a particular sector, marketplace, or any environment in which they operate. It’s really important that they have this robust plan because clearly there are a number of different ways in which an organization can go at any time and operate in it any time. And actually defining how they are going to position themselves and how they are going to win is really important. It also plays to this harmony within the organization. Quite often employees will suggest that there is no strategy of a business or are certain that it’s not communicated. And actually if that be the case then nobody really knows what they’re aiming for. So to create a harmonious environment within an organization, it’s imperative that a business undertakes a robust strategic approach. And quite frankly it needs to be a forward-thinking advanced view of how the world works. It’s not just about how we are going to win today, but it’s how is the marketplace evolving for tomorrow and what does our position look like tomorrow to be able to win in that space. So a forward approach is critical. And then finally, it’s how are we going to gain a marketplace advantage. Clearly most organizations operate marketplaces where there is intense competition.

So, quite frankly, how are you going to be or how are you going to differentiate yourself to win in that marketplace is going to be critically important. Now, you need to adapt the business strategy to align to the overarching vision and goals that the organization wants to drive to inform. So, in many ways, the business strategy can be crafted at the same time as the organizational goal; the strategy that they’re trying to think about. So aligning, you know, the strategy creation is very, very important. You then want to be able to, especially in large organizations, have a robust way to actually communicate that strategy to your population or to your employees. In fact, you may want to, you know, communicate it more widely than that across your various stakeholders, whether they’d be shareholders, for example, or other suppliers that need to know exactly the direction that you’re going down to be able to help you along the way. And then, think about execution. There needs to be alignment between executing your goal setting and how exactly do you intend on actually taking it to market and it becoming a reality. There’s absolutely no point if a strategy just sits, and lives, and breathes on a page. It has to be much more than that. It has to be a fluid document. And also, that will encompass how do you intend to go market and win in the various spaces that you’re going after. An execution plan, for example, with different phases is critical in this respect. The other thing to think about when delivering a robust business strategy is that of a product strategy. Now, why is this important? Because in essence the product shapes everything about how the customer perceives you. What exactly are you planning on selling in the marketplace, and does it fulfill a consumer need? Also how is it differentiated between you and your competition?

So thinking about market needs is very, very important. Ultimately a product-based strategy has to add value to someone, somewhere along the line. Now that can either be end consumer or you could be part of a larger value chain which then aids, or forms a component within a larger product which then helps a consumer at the end. So you can go for a B2C play or a B2B play.

The other thing to think about is how is your product-based strategy achieving the overarching corporate goals that you’re going to go for. Quite often it’s the case that a small, young organization may start as a B2B play, but have an ambition to move into a B2C world, perhaps in a few years’ time, once they’ve gained traction and got cash flow. A product-based strategy could actually aid both a
B2B while it’s gaining a key capability to actually create a B2C strategy as well. So how would you then create a linear path is quite important.

And finally, how do you future-proof yourself? Now, think about some of the key features and innovations that you can have which either complement existing products out there or enabled you to get one step ahead and think about where the market is moving too, so you can capitalize on that and get ahead of your competitors. So again, thinking about product-based strategy is vitally important for the future.

Another key aspect which is more than an external type of strategic imperative is that of the competitor analysis. One of the really dominant tools that I’m sure you’re familiar with is that of the SWOT analysis. Understanding both internally and externally what the market opportunities are out there and then how you as an organization can take advantage of some of those opportunities is really important for the success of your organization. So, for instance, doing it the opposite way around where you do an OT first, the opportunity and threats first, and then you bring it back to determine, well, how well is your organization placed to take advantage of some of the opportunities and mitigate against the threats is a great way to think about this.

**Strategy Objectives**

Now consider the objectives to define a business strategy. There are a number of different ways in which you can come at this jigsaw. So the first thing is to identify, perhaps, what are your brand-based objectives. What is the brand trying to achieve by being and operating within a particular marketplace? So, for example, in an organization that I used to work with, Direct Line, it was all about being disruptive. It was all about being an organization where customers could actually come to you ahead of anybody else or rather than having to go through a middle man to purchase their insurance. Now that’s the ethos of the brand. How do all the other objectives that you have try and support and strengthen that approach? So, for example, some of the marketing communications objectives could well be to highlight some of those proof points around the brand objectives and what they’re trying to drive, for example. You could also think about the customer experience as part of the marketing objectives. Clearly if the brand is trying to drive a direct experience with cutting out the middle man, it’s then important to think about how your customer experience plays to that, and then create a seamless experience for your customers. As a consequence of doing that, you’ll hopefully be able to increase your commercial imperative and get more sales under your belt.

But how would you drive those sales in this environment? For instance, having direct digital sales is a great proof point of your brand to be able to determine exactly that customers come to you directly as opposed to go somewhere else. And finally, your audience objectives. What exactly would you want your customers to go through? Again, very much linked to your brand. It may well be the case that your core target audience are, you know, really busy people with busy lives and all they want to do is purchase insurance very, very quickly. So then, being able to create an experience which actually gets them from A to B through the purchase journey in the most efficient way is probably one of the most important things that you can drive from an audience object perspective.

You may also want to think about how you can drive your audience through different channels that you have at your disposal. You may want to get someone to start on the app, which then leads them on to the website to finish their sale, or vice versa. It’s completely up to you how you drive that connection with your customers through, but it’s important that you think about this holistically. Otherwise you won’t create a great strategic plan.
Integration Strategy

Now, think about the integration strategy. This is particularly important in the digital context. And we talked about some of the key things around meshing traditional and digital channels. Now, why is this so important? Well, because quite frankly there's only a limited amount of resource available. So how you think about integrating your channels and which do you play up more than others is going to be a real differentiator for you, you know, when thinking about your competitive advantage. How many suppliers do you currently have in the market? And, you know, how high is the profit margin of your current suppliers, distributors? All these things play a massive role in determining what your overarching integrated strategy could be. So, for example, going back to Direct Line Group, they operate a brand portfolio model, where, say, for example, one of their brands, Churchill, is on a direct comparison website. As well you have the ability to actually purchase on the Churchill website as well as a telephone. Now, for instance, it's clearly more profitable for Direct Line Group to get customers to purchase through say online as opposed to the price comparison website who will take a commission.

So when thinking about your integration strategy, how do you get customers to form a preference to go through the channels that you want them to go through as opposed to the ones that, say, you know, they may have a preference going through. Now, could your business alone support a supplier or a distributor? One of the key things to think about is the level of commitment that these various external people are giving your organization. Now this comes with a level of risk and reward type thing going on here. Because a very successful supplier could give you a lot of your revenue, but however, one of the big dangers is if they go under, if something changes from their strategy clearly it has a massive impact on yours. So thinking about how that integrates and also, as a consequence, particularly and after the likes of the credit crunch people have started to try and diversify their ranges more to have a much more, you know, diversified way of generating revenue, for example. And how reliable are your distributors and your current suppliers is another great question to ask yourselves, because that clearly will be a determinant.

Now, this in the marketing context is really important. Often smaller organizations love to work with big massive agencies. However, they may feel that they're getting a raw deal because they pay more for it and actually they may get under-serviced because those agencies failed to see them as a small client, which on...that's important as the bigger relationships. So actually trying to be on the same level as your partners and distributors is no bad thing because it gives them the same level of importance, and perhaps it aligns your organizations better, and perhaps if there's a massive disconnect between, say, organization size, although that's not the only variable to think about.

Defensive Business Strategy

Now when thinking about business strategy, you also need to think about how you adopt defensive strategies. Now, what do these mean? Effectively in a competitive landscape, not only are you trying to win and grow your business, you're also trying to evade any sort of financial loss or loss of market share or revenue. So thinking not only about the growth perspective but also how you defend your current position is really, really important. This comes down to a number of key things. One is the ability to kind of think about your core capabilities. Now this doesn't have to be in-house but you have to have a strong sense of how you can deliver to the client and always iterate with that customer, always offer them new key things so they don't get bored of your products and services.

So defining those things outright and creating objectives around future focus and how you can take your customers on for the journey is really important. Also it makes you think about your financials. There are many strategies out there where customers and organizations choose to take a financial
hit in the short-term in order to gain market share and clearly profitability over the long-term. Now, how long can your organization sustain that level of strategy is really, really important. So, you know, market challengers are more likely to want to do this. Now, if they’re going to be cutting you for that length of time, clearly that poses some really big risks for your organization because you don’t want to necessarily take that loss, but yet you may be forced to do so. So coming up with alternative strategies could be the only way for you to maintain your market share.

Now, thinking about things like stockholders’ content with growth and profits, a lot of time there’s a lot of shareholder angst and issues that they have to try and grow profits. Now, quite frankly, that’s very, very hard to do. And particularly when you’ve got big CEOs who are under a lot of pressure to deliver, how do you make sure that you communicate it to your stockholders and shareholders, the extent to which your company is going on a trajectory and you’ve got it under control? Now is one department being more productive or failing than the other? Often this happens when there are different capabilities across the organization. How you invest in one part of the organization over another becomes a critical component of that success. Now, you may need to reorganize, particularly when there’s cost-heavy departments versus ones that are coming up which are very, very cost effective. How do you then balance this out from an organization dynamic? And has your organization been truly, hand on heart, growing exponentially? Can you basically defend your market share by constant growth, is a great question, and one that you should ponder as a leader within your organization?

Value Proposition

Now let’s think and turn to the value proposition. What exactly does it mean? Well, the first thing to think about is it’s the ultimate overarching offering that you give your customers that adds value to them, their lives, or a service, or product that they then offer to somebody else. Ultimately it’s the total sum of both the product as well as the experience that you give them. The best analogy in this context is McDonald’s – the product is a cheeseburger, a proposition is the Happy Meal. It’s the total sum of the experience, the toys, the service, the various things, the ability to pick and choose what you want in your Happy Meal, all of these things form the component of the value proposition.

Ultimately you need to think about this from a consumer needs perspective. What exactly is a consumer asking of you and are you delivering that to them in a robust way which offers the most value over and above other offerings that they can get in the marketplace? So the marketplace offering becomes quite critical. And it’s not just that the offering is important but it’s also how you communicate that offering and how you position that offering that becomes particularly relevant as well for you to think about. So these are just some of the key nuggets to think about as you define your overarching value proposition.

Now, when thinking about this, you can apply this into the customer realm. The product and service ultimately fulfilled a certain task or job that you’re asking it to do. Now, that effectively means basically having some level of value or need that it’s fulfilling. You must be very clear about the value that your product is actually fulfilling and then be able to deliver more of that to the value. One of the latest things that are now starting to come through is a jobs-based approach. View your product through what is the final outcome that a customer is using it for. What job are you fulfilling or what job is your customer filling as a consequence of using your product? And ultimately your product will have pain points and pain gain or pain points as well as incremental gains or satisfaction points within your customers. Now clearly, as part of that proposition iteration process, you must try and minimize the pains that you’re offering that customer and try and increase the gains that you currently have. The key rationale for doing that is because if you get that right clearly customers will be more satisfied.
with you, stay with you for longer, want to purchase more of what you've got, and also become keen advocates of yours and the proposition that you are supplying them.

Let’s think a little bit about the characteristics and components that make-up the digital value proposition. Some of the key things around avoiding business jargon. It’s important just to be clear and concise with what exactly you will be offering. It also needs to be quite unique, given the level of transparency that digital products can have in the marketplace. It’s so easy for consumers to be able to compare one product with another. It’s important that yours comes and stands out as the clear winner because of the unique nature of it. Now, clearly if it's not easy to understand, it’s going to be very, very difficult for anybody to want to actually make that purchase. So a convoluted customer journey, for example, or a convoluted product description, then becomes a barrier for people to adopt that product. It also must be very specific about what need it is then fulfilling. So being specific about the customer need becomes a real differentiator. And, in fact, more and more people are communicating the need that a product is fulfilling or the jobs done that it’s fulfilling than anybody else. And that bring us sort of to the down the holistic customer need to be... you know, that it needs to be fulfilled, which needs to be very, very clear at the outset.
LESSON 4: IMPROVING A DIGITAL STRATEGY
Strategic Management

So let’s think a little bit about the process that you would go under as part of the strategic management imperative. The first thing to think about is to develop a robust strategy. Creating a strategy about where exactly the vision of the organization is and how it aligns the operational and business goals and strategic objectives is critically important. Like I said, if you don’t know where you’re going, anywhere is good enough. The second thing is to then plan a robust set of activities that you are going to undertake that helps you deliver to the business strategy that you put in place. Once you have that set of activities, it’s then critical to align your resources to be able to fulfill those various activities that you then have. There’s no point planning 100 activities if you only got two people to be able to do it. So creating a robust structure of framework and a realistic understanding of exactly how you can achieve it is really important.

You then need to think about how you go about executing on those various activities that you would have, and measure some of those key results to be able to then empower yourself to then be able to do other things by being able to apply data and decision making to get the next data on iterating so 2.0 and 3.0, for instance.

Now, there’s a whole host of influencing factors and strategies that you must take into consideration as part of this. It’s almost about creating an ideal strategy, but then overlaying both the internal and external context to the whole strategy to see and to sense proof it to make sure that it’s robust and actionable. So internal factors are things like existing organization constraints around budget resourcing. They could be things like culture, process, bureaucracy. How quick an organization typically responds and how do you then, if you are in a slow-moving environment, rapidly increase the way and rate at which someone can execute on that strategy. It may well be the case that you may want to take that strategy and ring fence it to a certain section of your organization. Whilst on the other hand that could cause issues when trying to embed it back into the normal running of the organization. So it’s that careful balance that you have to try and achieve. Whilst on the other hand you may want to think about the external factors, the environment is constantly changing and that presents both opportunities and challenges for your organization.

The key to this whole process is latching on to what you think would be some of the key things that are going to happen in the future; try and plan for them and then be able to integrate those key actions into your strategy moving forward. So anticipation is a key tenet to be able to plan effectively for your strategy and not be vulnerable to attack later on. One of the key things we can think about when developing a strategic plan is the review process. When exactly should you be constantly reviewing what you’re doing? Now, the key to this is being flexible; it’s being nimble and making sure that your organization has a robust way and method to be able to change quickly. So having quarterly review cycles could be a really nice way to be able to do this. Although this could be flexible depending on the type of activity that you’re in; some organizations have to review their approach on a daily basis, sometimes even hourly, and that’s when technology is a great enabler to be able to determine and help you make some key tweaks and changes. We will come onto that as part of this module as well and come up with some cool techniques and ways in which to rapidly change and evolve your approach.

C-level Reporting

Let’s think about C-level reporting and the importance of C-level reporting. It’s really important that the C Suite have a really good understanding and finger on the pulse of your organization. If you don’t have that then it’s very difficult for them to make key strategic decisions that are going to have a
dramatic impact on the profitability of that company. So for example, it’s important for a number of reasons. Keeping the most influential stakeholders informed and engaged is important, and also it enables you to try and secure and retain existing levels of resources to get on and do the important things that actually matter. Now, quite often, and you’ve seen from great examples of organizations’ scandals that the C Suite tend to try and shun away from accountability. Now, quite frankly, having great reporting structures up to the C Suite doesn’t let them to do that and also ensures that they can have a governance process which is robust within this context as well.

So what are some other key characteristics of having C-level reporting? So effectively the first thing is actually having concrete reporting headings. And what that means is that you know exactly what the C Suite are after to hear about. And it’s important that the C Suite themselves are clear about the key KPIs that are going to make a massive difference to their business. This is an iterative approach and in fact I think over time some of the key things will come to the forefront and be more important than others. So there needs to be some level of prioritization and also some level of adaptation that the C Suite have over time to ensure that they are robust in what they’re trying to deliver. Also, thinking about queries, at the end they should have this feedback loop where the C Suite have an ability to kind of go back to the source of some of that MI and be able to determine what exactly is the underlying causes for it. It’s really important because a lot of the time numbers don’t actually speak for themselves and understand the true root cause of what’s happening. So actually the C Suite has a big role to play in being able to determine what exactly are some of those underlying root causes, so that constant loop and feedback loop becomes critically important. There needs to be a high level of MI that’s been reported. The C Suite doesn’t necessarily always need to delve right into the detail, although often they need to have the ability to do so when they want to dig down further. It also requires the C Suite to have a robust team of analysts that can dig down to the detail when required. Now often skimming about the surface may not really underline or create causes of concern of what may be going down below. So actually analysts dig in the surface and then rising up the various issues from a lower level can be really, really important. C Suite, generally speaking, will be time pulled. As a consequence, they want to hear short snippet pieces of information in a concise way. And clear language, because quite often they’ll be dealing with things that are quite technical, and actually simplifying it to kind of understand exactly what’s happening and what it is and what they’re talking about will be quite important as well.

**Strategy Improvement**

So the key about strategic improvement and the adaptability and the requirement to adapt different strategies becomes very, very important. But how do we effectively do this within an organization context? Well, the first thing is around consistent measurement. The organization tends to have a lot of KPIs within it and also the way that those KPIs get measured sometimes can be quite convoluted. And they may not be one version of the truth from a KPI perspective. So we need to create that one version of the truth in order to maintain consistency in the measurement frameworks that we use. Having a regular performance reviews is another great way to adapt the strategy. Hearing it from the horse’s mouth can be really good to determine what needs to change and how to you increase the levels of profitability of the organization. And maintaining the pace with the digital landscape, again, is critically important.

Things are evolving rapidly in the space and what organizations need to do is ensure they’re keeping pace from a digital perspective. And then finally, increasing that investment over time. Organizations all too often try and give out the levels of profitability and margin to shareholders, for example. Whilst in reality, what they should try and do more often is to actually retain that profit because, quite frankly, in a changing environment more and more investment is required.
Let's move on to thinking about evolving and creating our digital tactics. Now how to keep up to date, this is one of the most important things to think about, particularly from an R&D perspective. Ensuring your employees and senior managers are abreast with the latest thinking from a digital perspective becomes really important. Alternatively, you could just get left behind. So how do they keep up to date from a knowledge perspective? Well, there's a host of things to think about from this slide that you can read, but ultimately it's about having a curious mind. And that curious mindset often comes down to the culture of an organization. How much are you trying to foster a curious mindset within your organization and context? And it becomes important to be able to do that and give people time and resources to be able to go out and explore ways in which they want to learn in that way.

Often you can also harness the group. So make sure there's a feedback loop of no matter where and when people are learning new cool techniques and things that are happening in the market, and then being able to bring them back into the organization. If you don't have that kind of loop, then essentially you're losing out on what could be a really rich source of ways to learn within your organization context.