

DIGITAL TRANSFORMATION BENEFITS, STRATEGY AND POTENTIALS FOR NIGERIA AND AFRICA.

White Paper

Cutting-Edge Answers to Why, Where and How to Transform Private and Public Sector Businesses in Africa using Digital Transformation Solutions.



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Table of Contents

Introduction	1
The Digital Transformation Paradigm	1
Top Drivers of Digital Transformation	3
Key Benefits that Businesses Gain in Going Digital	4
Strategy for Effective Digital Transformation	5
Sector Potentials for Digital Transformation in Nigeria and Africa	7
About the Author	
Get In Touch	
References	

Introduction

A good part of the late 90s and early 2000s saw the massive internet revolution and web portal technology. The ability of having a single consolidated system that houses all web infrastructures for an organization was priceless at the time. Every enterprise wanted to be online so badly.

The horizontal portals of yesterday have evolved to become the 'Digital Transformation' and 'Digital Experience' platforms of Today.

According to the 2016 Gartner report on Magic Quadrant for Horizontal Portals, there are only five Tech giants who are leaders in the portal industry: IBM, Oracle, Microsoft, SAP and Liferay.

In the last two years, these leaders have extended the boundaries of portal platform technologies and tool kits. The primary beneficiaries of these innovations are corporations and governments in America, Europe and Asia.

Nigeria and Africa in general have new emerging economies with strong potentials of becoming global players. However, most businesses and governments in this part of the world are far from true business transformation and digital experience.

The Digital Transformation Paradigm

The basic concept and rule-of-thumb of Digital Transformation is to introduce and harness the use of technology to transform key parts of business operations irrespective of the business type.

There are four tenets of digital transformation and they hover around: Operations, Products/Services, Employees and Customers.

“

According to Microsoft (2017), A Digital Transformation Platform strives to: Optimize Operations, Empower Employees, Engage Customers and Transform Products.

In 2017, Liferay summarized Digital Experience Platform as the tool for businesses to Unify Customer Experience, Transform Business Operations and Evolve Digital Strategy.

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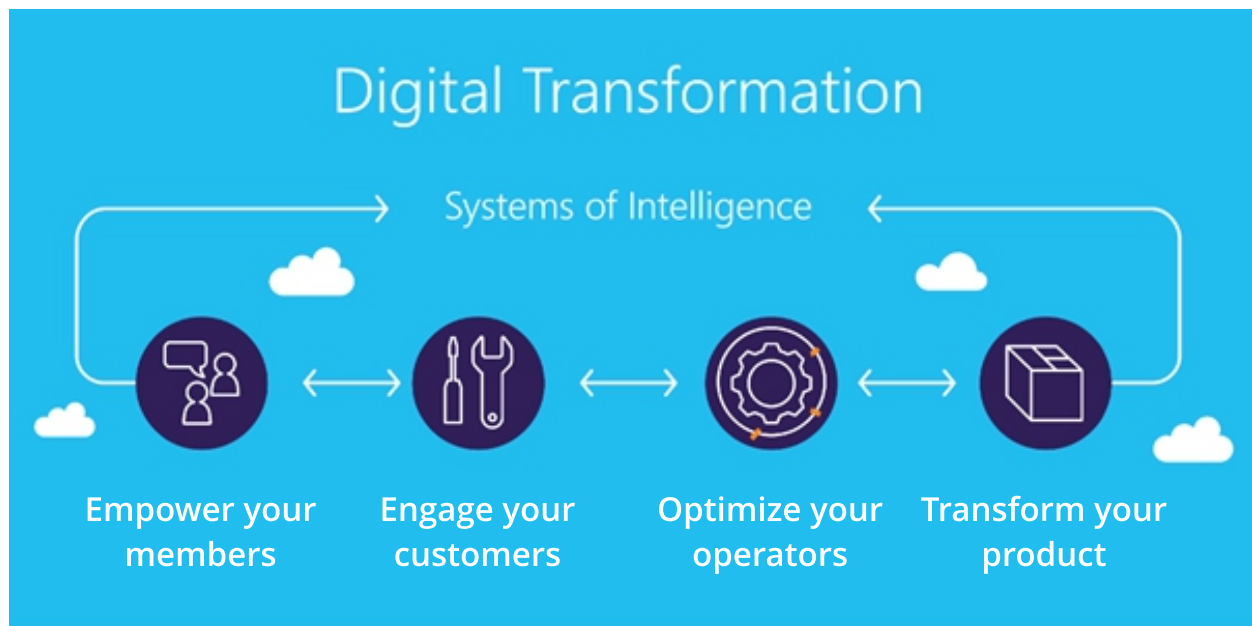


Figure 1: The 4 Pillars of Digital Transformation Image

Image Source: <https://blogs.partner.microsoft.com/mpn/making-sense-of-digital-transformation/>

It is obvious that the future is digital and that future is here. Time has become the new money and data has become the new blood.

With the rapid paradigm shift in information technology, the businesses that shall survive the 21st century are those willing to embrace digital transformation.

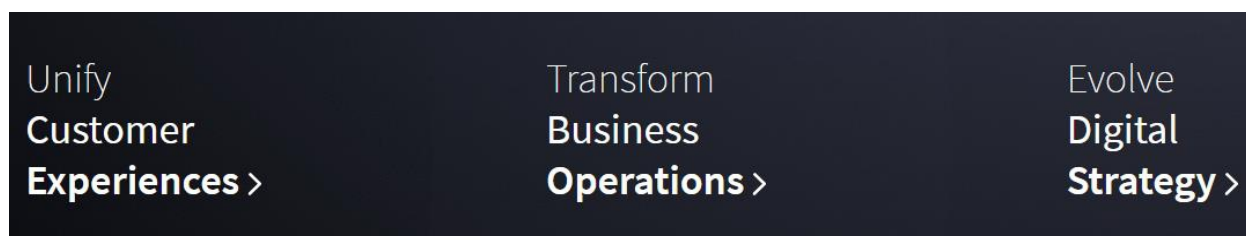


Figure 2: The Troika of Digital Experience Platforms Image

Image Source: <https://www.liferay.com/digital-experience-platform>

Top Drivers of Digital Transformation

Successful businesses and governments constantly evolve in line with positive global trends and customer behavioral changes; most often than none, this evolution is powered by IT. The willingness to change is mostly driven from within but also influenced by external factors.

The key Drivers for Digital Transformation are:

- Evolving Customer Behaviors and Preferences
- Growth Opportunities in New Markets
- Increased Competitive Pressure (Sector-Oriented competition)
- New Standards in Regulatory and Compliance Requirements
- New Emerging Technologies

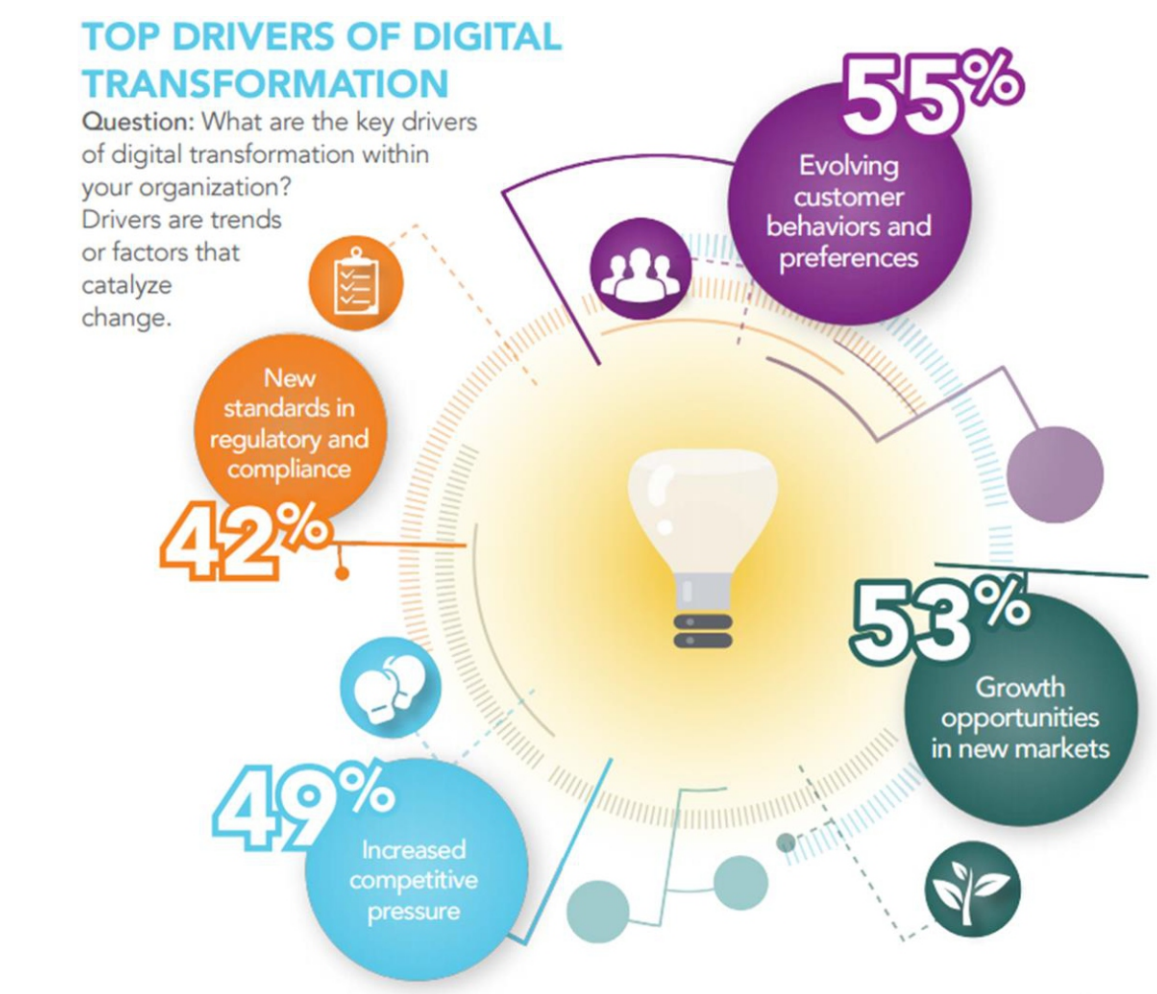


Figure 3: Top Drivers of Digital Transformation for Corporations and Government
 Image Source: <https://www.slideshare.net/42medien/the-2016-state-of-digital-transformation-altimeter>

Key Benefits that Businesses Gain in Going Digital

REDUCE CORPORATE RISK



Automation and Existence of Electronic Records reduces corporate risks that are inherent when manually managing processes, documents and business operations. Information and Corporate Data security is greatly improved by going Digital. The fear of data and knowledge loss is largely reduced.

BETTER SERVICE DELIVERY



With Employees empowered, customer engaged and operations transformed, the direct implication is visible improvements in service delivery. This occurs because employees get the job done faster and smarter, Customers get better satisfaction. The overall customer loyalty index rises.

BOOST REVENUE AND BLOCK LEAKAGES



Public and Private sector businesses can gain appreciable boost in revenue because automation platforms efficiently block leakages in the revenue value chain. Digital Transformation promises to transform products/services - by getting services/products online, a business can reach millions of customers at the same time. Time and Location no longer become barriers for fulfilment of business transactions. This ultimately boosts revenue and increases profit for the organization.

MEASURE PERFORMANCE AND GAIN INSIGHTS IN REAL TIME



Key performance indicators embedded in digital transformation solutions provide important metrics for Administrators, Executives and Business Owners to measure and evaluate operational performance and gain insights to data in real time. By few clicks, you can view desired reports and data visualizations which greatly analysis and makes sense of your business data.

QUICK AND IMPROVED DECISION MAKING



One of the direct benefits of business intelligence reports (which are an integral component of Digital Transformation Solution) for the Executive and Business Owners is Decision Support.

Quick and real time access to desired information aids in effective and better decision making.

Strategy for Effective Digital Transformation

The following strategies are guaranteed to bring about positive business changes and digital transformation across various sectors in Nigeria. In doing this, it is important to engage a reputable solutions provider. Africa is ripe for the digital experience.

1. Understand the Business Process

It is a known fact that you cannot automate what you don't know.

This is the very first step in achieving successful Digital transformation of any business. The truth remains that engaging with subject matter experts is very vital in understanding the business process of a particular sector. Without understanding the rules of the business, there is really no need to execute.

2. Identify the Gaps and Operational Challenges

Do not lose focus of the goal; ensure to identify the gaps in business process definition and the operational challenges as the case may be.

3. Document Everything

“There is no Knowledge that is not Power”

No information is too small or insignificant. Every single detail must be properly documented and reviewed during the requirements-gathering phase of solution deployment for digital transformation.

4. Ensure a Complete Digital Blueprint

Most Digital Transformation Projects fail and are short-lived as a result of Poor Integration Strategy, Little or No Technology Convergence and Incomplete Solution Design.

The solution blueprint must be holistic and cater for the key aspects of the business. The Choice of Technology, Integration Points and Deployment Strategies have to be defined in the design blue print. The design must demonstrate Completeness, Future-Proof and Mobile Readiness. The core tenets of Digital Transformation solutions should be strictly adhered to.

5. Think Mobile-First

According to the Gartner Tech predictions for 2017, “65% of enterprises will adopt a Mobile Device Management solution for their corporate clients. With the increased functionalities of smartphones, and the increasing popularity of tablets, much of the network traffic and corporate data that was once the primary domain of enterprise PCs is now being shifted to mobile devices.”

5 Billion People to Use Mobile Phones by 2017

Estimated number of mobile phone users worldwide (in millions)

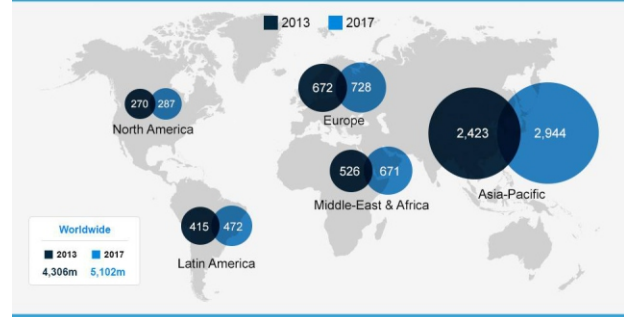


Figure 4: Growing Statistic on Global Smart Phone Users
 Image Source: <https://www.statista.com/chart/1517/worldwide-mobile-phone-users/>

These days, seven in ten persons will access an online platform using their mobile phones first.

As at June 2017, Nigerian Communications Commissions (NCC) reported that, an estimated 91.6 million Nigerians have access to the internet. This represents a sizeable direct market having about 50% of the total Nigerian population. Ensuring that the solution is responsive and mobile-ready will help in the area of engaging customers and unifying customer experience.

Strategy for Effective Digital Transformation

6. Adopt Agile Development, Deployment and Project Management

“These days, seven in ten persons will access an online platform using their mobile phones first.”

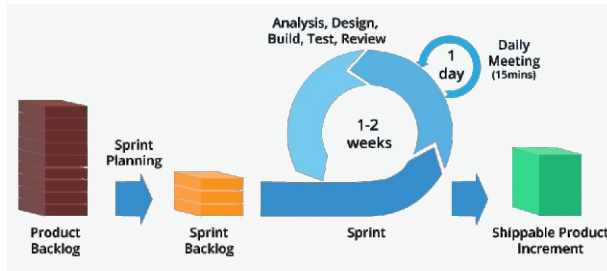


Figure 5: Agile Development Methodology

Image Source: <https://www.codingmart.com/blog/what-is-agile-what-is-scrum>

7. Efficiently Train End Users

“We now accept the fact that learning is a lifelong process of keeping abreast of change; and the most pressing task is to teach people how to learn.”

There is always a big inertia to change or switch from what one is used to and convenient with. Not training end-users effectively is one of the banes of successful Digital Transformation. End users must be periodically and effectively trained on how the solution works. The best way to learn is to do: users must have hands-on experience with the solution in parallel to their physical operations. Easy to Use User- Guides are also essential.

8. Document Everything

20% to 30% of most automation solutions are abandoned by employees in the first 6 months simply because they couldn't gain access to priority support which is essential for fault escalation, prompt issue resolution and efficient change management.

Onsite and Remote support should be an integral component of any digital transformation roadmap.

9. Put the Right Key Performance Indicators (KPI) in Place

“The use of KPIs is meant to improve and transform the organizational performance.” „Strategic- operational KPI alignment gives the organization a powerful tool to use when implementing change.”

Business owners, Executive and even employees should be able to empirically measure and compare performance statistics and indices across multiple periods. Dashboards, reports and charts are a good starting point to gain insights into operational performance data.

10. Harness User Feedback

The multinationals and Fortune 500 companies invest a lot in getting consumer feedback... There is really no point in deploying solutions or rendering services that do not meet user needs or align with customer and employee expectations.

Perfection in Product/Service Transformation, Process Optimization and service delivery is fully attainable when you leverage important customer feedbacks.

Strategy for Effective Digital Transformation

11. Utilize the 'Kaizen' Principle

Simply put, Kaizen means Continuous Improvements

The field of IT is not static so also is the everyday business of different sectors. Utilizing Kaizen guarantees continuous improvements in products, services and overall business operations: it becomes a regular habit.

Software solutions ought not to be static, there is need to constantly provide functional and UX (User Experience) update in the solution. This ensures that the digital transformation system dynamically evolves with the changing trends in the business and customer behavior.

12. Don't Believe the Myths

So many myths exist on why and how Digital Transformation can never work in Nigeria or Africa at large. Many of these false beliefs are largely attributed to reluctance to change and a stiff mindset towards technological innovation. Some of the myths encountered in the digital transformation road map include: „There would always be poor internet service†, „Our Staff will never use it†, „customers prefer to go the traditional way†, and „It will reduce our revenue.†etc.

A properly implemented digital transformation strategy is guaranteed to ensure successful solution deployment, user on-boarding/adoption and verifiable business transformation.

Sector Potentials for Digital Transformation in Nigeria and Africa

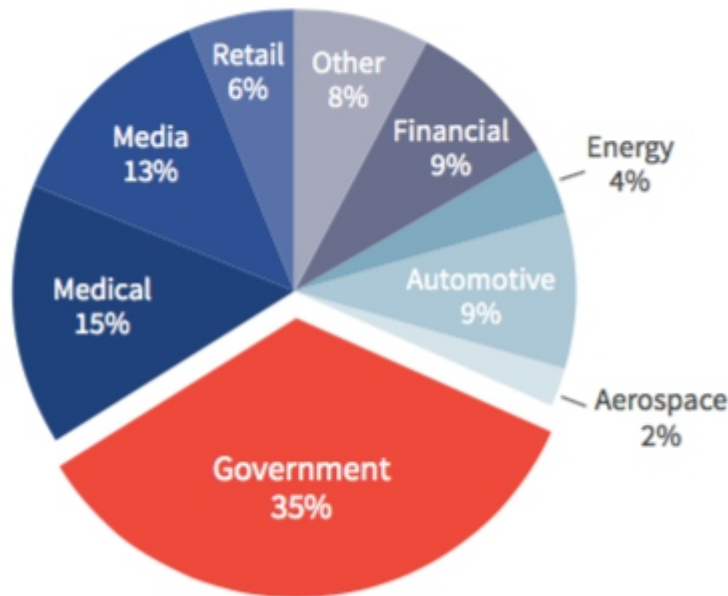
In Nigeria and Most African countries with emerging economies, the only sector that has executed successfully in terms of engaging customers, empowering employees and transforming operations is the Banking sector.

The strong will and right use of technology made it possible to reach millions of customers, increase financial inclusion and ultimately boost earnings for the commercial banks.

Many other sectors (including government) are beginning to see the merits of digital transformation and are also becoming poised for positive change in business operations and overall work culture.

Sector Potentials for Digital Transformation in Nigeria and Africa

The chart below shows the global trend in technology adoption by different sectors.



With over 35% Adoption, Government is leading the race in Embracing use of Technology to drive Business Transformation and Process Optimization for the Public Sector.

Figure 6: Global Trend in Technology Adoption
 Image Source: 2013 7th Annual Future of Open Source Survey

Since 2015, the Nigerian Government has focused on revenue diversification with a mission to have lesser reliance on Crude Oil revenue. This has created new frontiers as the public sector leads the race in adopting technology aimed at transforming business operations, engaging customers, empowering employees, improving efficiency and ultimately boosting revenue.

Positive indicators show that in no distant time, the public sector (and other deficient sectors) will adopt digital platforms for business transformation as there is a dire need to render services and place products online.

Sector Potentials for Digital Transformation in Nigeria and Africa



Figure 7: Opportunities for Digital Transformation in select Sectors

Image Source: <https://www.liferay.com>

Important statistics (based on analysis and review) on current sector-based Conformity Indices and Potential Market opportunities for Digital Transformation in Nigeria and Africa at large are summarized in Tables 1 and 2 below.

Table 1: Digital Transformation Conformity Indices in Nigeria (and Africa)

Rating	→	Leaders	Upcoming	Bottom
Sectors	→	Banking	Government Education Transportation Oil and Gas Capital Markets	Manufacturing Construction Informal Retail Health Care Insurance
Current Adoption Index	→	Above 75%	About 35%	Less than 15%

Table 2: Sector Potentials for Digital Transformation Market in Nigeria (and Africa)

Rating	→	Leaders	Upcoming	Bottom
Sectors	→	Government Education Oil and Gas Manufacturing Transportation	Construction Informal Retail Insurance Health Care Capital Markets	Banking
Willingness to Execute	→	65%	30%	90%

About the Author

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Charles Ofoefule is an avid Enterprise Software Architect and Developer with over 10years experience in the Software Industry. He is a tech-enthusiast with deep passion for Business Transformation through Technology.

He has worked with several organizations in the design, development, deployment and management of cutting-edge enterprise systems for private and public sector.

He is currently the Executive Director of Hemingway Global Services Ltd, a reputable software company in Nigeria on a mission to provide cost effective, digital transformation solutions for Nigeria, Africa and beyond.

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