

## WHITE PAPER

Why you should invest  
in Industrial Digital  
Transformation



## The Fourth Industrial Revolution is here - are you prepared?

Disruptive technologies have a long history of introducing substantive changes across industries and nations around the world. In the first of the four Industrial Revolutions, steam power was the disruptive technology that changed the world. Assembly lines introduced a more productive way to create and deliver products during the second revolution, while the third had computers putting entire industries and services out of commission. Today, we are undergoing the fourth Industrial Revolution - and it's digital.

Intelligent digital applications like Artificial Intelligence (AI), automation, the Internet of Things (IoT), advanced analytics, and robotics have begun to change how we work and do business. **89% of all companies** have already adopted a digital-first business strategy or plan to do so, and for a good reason. There are many advantages of digitally transforming your business, just as many dangers of neglecting to do so.

**Executives say** the top benefits of digital transformation are improved operational efficiency (40%), faster time to market (36%), and the ability to meet customer expectations (35%). In addition, **56% of CEOs say** digital improvements have led to increased revenue. Companies that do not embrace this digital transformation are likely to fall behind in efficiency, productivity, and revenue. However, **despite 87% of companies** believing that digital technology will disrupt their industry, only 44% are prepared for potential digital disruption.

This whitepaper will highlight the opportunities digital transformation offers for four specific industries: Life Sciences, Utilities, Banking, and Oil & Gas. It will also briefly cover the differences between digital transformation and digital transition and select a better fit for your business.

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## Digital Transformation vs Digital transition

Businesses today have a choice between digital transformation and digital transition. While both terms refer to businesses changing the way they approach their daily operations, each has its specific place and use. Many people use digital transformation and digital transition interchangeably. However, this is simply incorrect as the two concepts have significant differences.

### Digital transition

Digital transition is the automation of existing processes without changing the fundamentals of that process. It more often than not involves technology integration rather than replacement. Companies that adopt new digital automation techniques or deploy new applications that make current processes easier are digitally transitioning rather than transforming.

Some examples of digital transitions include:

- The move from paper-based media to digital media
- Introducing automation to processes
- The reliance upon online video conferences instead of in-person meetings
- Digital storage techniques over physical storage

The critical factor for digital transitioning is introducing a new tool or solution to assist with existing processes. These new approaches could increase productivity and make things more efficient for your organization overall, yet avoid or substantially mitigate the adverse effects of a complete digital transformation.

Briefly, the advantages of digitally transitioning include:

- Cost-savings
- Less operational disruption
- Less employee pushback
- Faster implementation
- Less training required



## Digital Transformation

Digital transformation refers to more sweeping changes, reengineering processes to take full advantage of new technology that takes more time to implement. While a company in the digital transition process may concern itself with optimizing processes with new approaches and tools, a digitally transforming company will ultimately seek to replace the processes and the thinking behind them.

Some examples of digital transformations include:

- The move from email as a communication method to social media
- Replacing processes entirely with digitally optimized approaches
- Relying on advanced AI for business insights
- The move from digital storage to ECM platforms

The critical factor for digital transformation is introducing a new process or solution to replace existing processes. While this approach could have substantial, long-term benefits for your organization, they do come with a price. Strong employee push-back, extensive training, and long implementation times are all to be expected when digitally transforming your organization.

Briefly, the advantages of digital transformation include:

- Better decision making
- Boosted agility
- A rise in customer and long-term employee satisfaction
- Greater efficiency and productivity
- Increased resilience and sustainability

## How to choose which is better for your business

Digital transformation is a long, complex, and arduous task that should not be taken lightly. [According to Forbes](#), more than 50% of digital transformation efforts fizzled entirely in 2018, and [Mckinsey reports](#) that approximately 70% of digital transformations fail, most often due to resistance from employees.

In most circumstances, businesses should always opt for digital transition rather than transformation to avoid the complexities of long-term implementation and retraining. However, there are specific circumstances for each approach.

### Choose *digital transition* when...

- Your business processes are still effective but can be optimized
- You require a rapid change to seize immediate opportunities
- You are currently contending with budget constraints
- You can't afford long-term operational disruption

### Choose *digital transformation* when...

- Your business processes cannot be improved, or improvement is too complex/expensive to justify
- Specific processes are stopping others from performing optimally
- You can afford the disruption, minimize the pushback and the price tag
- You don't have access to specific capabilities that could improve your operations

## Industry opportunities for digital transformation

While digital transition may be preferable wherever possible, the pace of technological development means that organizations will inevitably have no choice. All organizations will have to digitally transform to stay competitive and relevant, replacing older processes with more efficient and compatible ones. This means that companies have to be aware of the opportunities that exist for their industry.

This section will discuss the digital transformation opportunities for four major industries: life sciences, utilities, banking, and oil & gas. These transformations could revolutionize the way they operate to ensure a more productive and efficient approach to business.

### Life sciences

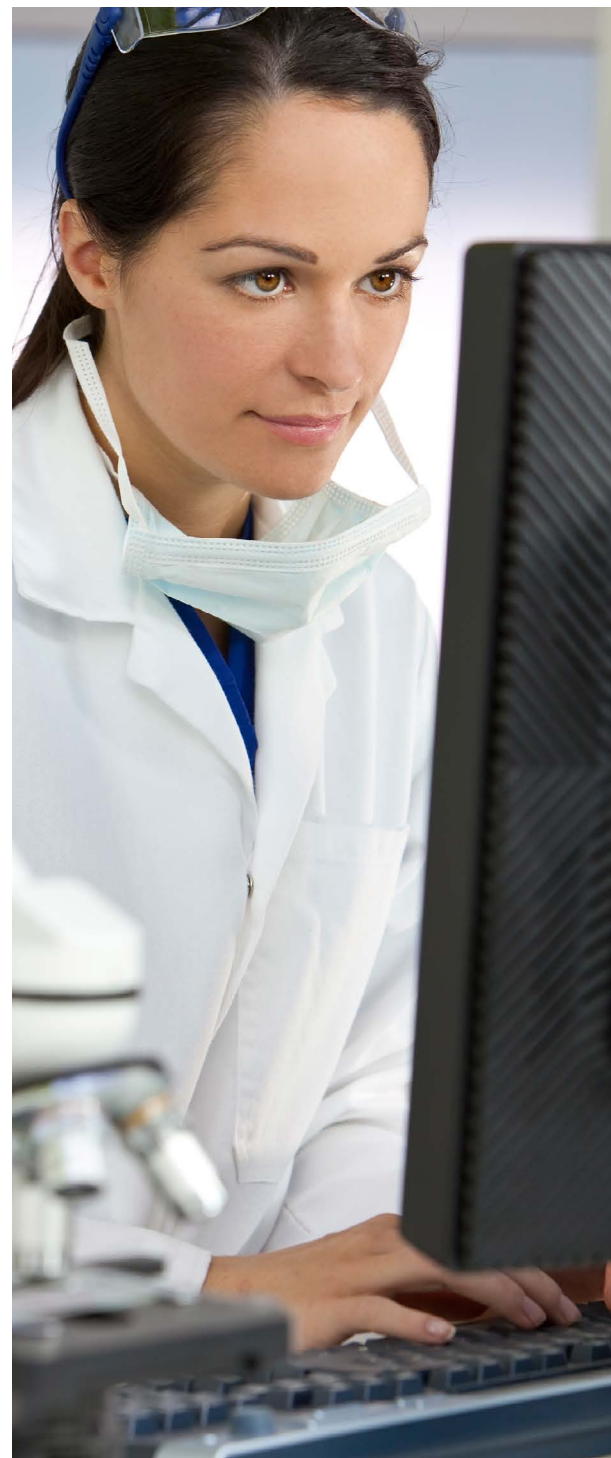
The life sciences industry comprises many processes that may benefit from digital innovations and solutions. From improving financial functions like invoicing to manufacturing operations, there exist solutions and options for organizations to transform or transition alike digitally.

Despite this, **Deloitte estimates** that only about 20% of biopharma companies are digitally maturing. On leadership, more than three-quarters of biopharma respondents (78%) say their organization needs to find new leaders to succeed in the digital age. Only 20% think their companies are effectively developing the type of leaders who have the capabilities necessary to lead the organization in a digital environment.

Life sciences organizations must evolve by discovering opportunities for digital transformation throughout their operation.

#### Important priorities

- **Efficient Execution** - digital solutions can help life science companies to increase their performance and reduce costs. These concern digital's ability to streamline delivery of services, boost access to data, and enhance reporting and analytics.
- **Effective Engagement** - the industry has long lacked effective customer experience capabilities that engage their patients and stakeholders. Today, organizations can tackle this challenge with digital platforms.
- **Better Products and Services** - digital transformation enables life science companies to enrich their products and services to provide more value to their users. Applications like AI, machine learning, and more can contribute to a seamless, intuitive experience for customers.



### 3 Areas where digital transformation can help

When applied specifically to the challenges and goals of the life sciences industry, here are a few use-cases for digital transformation.

#### Streamlining Content Efforts

Through a global content management system, pharmaceutical and medical companies can save costs and eliminate errors. By aligning with version control and document management, these organizations can avoid human error and duplication. One such biopharma company in [Deloitte's report](#) cut 20% of its base cost by setting up such a system. The company in question found that up to 60% of localized assets were regularly duplicated. The centralized content development hub can now provide standardized material in flexible formats to over 40 local markets.

#### Intelligent Document Management

Many of the processes involved in the life science industry concern themselves with handling documents on an unprecedented scale. Digital transformation efforts can result in solutions that address document management initiatives quickly, efficiently, and more accurately than a manual approach. One such solution that could assist in this is [Doc.ai](#). As an artificial intelligence company, Doc.ai has built a platform that develops insights based on personal data that users are willing to share. Doc.ai then uses AI to process health records, wearable device data, and social media accounts to draw conclusions and create comprehensive documents. This could efficiently serve as a new platform to collect and generate insights from patient reports.

#### Connecting patients directly to services

Instead of using a traditional appointment method, patients become more comfortable with self-service and accessing platforms for their needs. The right solution can enable organizations to serve more people simultaneously and with the same resources as previously possible. Deloitte's [PatientConnect](#) solution is one such platform. Through connected apps and devices, PatientConnect supports digital therapy, helps improve patient outcomes, and helps health care providers coordinate to manage patient care. The platform analyzes internal and external data to gain insights into patient treatment and interactions.

Of course, to make such a platform work well, the life sciences organization in question would have to migrate their current content and implement change management across their content and document repositories. [Global Cents Controlled Change Management](#) tool would be an ideal candidate in achieving this.

## Utilities

Fundamental changes in the utility industry have caused an unprecedented amount of volatility throughout the market. Energy markets, in particular, are becoming more globally interconnected, progressively transforming what used to be a collection of logical industries into a regional market. The introduction of automation and IoT innovation have caused further digital transformation throughout the industry.

New demands for sustainability and stringent regulations have caused utility companies to adopt more efficient and responsible approaches to business, which, while causing disruptions, have the potential to result in revenue savings.

Like many industries, utilities need to adopt new technologies and approaches to stay competitive and relevant.

### Important benchmarks and priorities

- **Optimizing supply** - a top priority for utilities is optimizing the actual generation of their product or resources. New digitally-based approaches can help build plant effectiveness, commercial optimization and boost maintenance efforts.
- **Streamlining transmission and distribution** - providing service delivery to customers is just as important as generating the resource itself. Many solutions can assist with this, promoting load and consumption optimization, network operations, capital effectiveness, and workforce efficiency.
- **Retail and customer engagement** - with competition rising across the industry and new and better approaches presenting themselves, customer satisfaction and meeting revenue targets will become a higher priority than in the past. Digital solutions that enable companies to respond quickly and become more transparent will become standard for much of the industry.
- **Regulatory compliance** - having immediate access to the most accurate maintenance documentation and procedures will offer a substantial competitive advantage to the industries that embrace digital transformation. Regulations that demand the correct documents and security measures will quickly be dealt with for companies with the right tools and resources.



### 3 Areas where digital transformation can help

When applied specifically to the challenges and goals of the utility industry, here are a few use-cases for digital transformation.

#### Digital Asset Management

With the growth of renewables and distributed energy resources, **utilities are now managing ten times more** assets than twenty years ago, driven by \$110.3 billion in cumulative investment between 2020 and 2025. Digital analytical tools can help utilities manage their assets more effectively and efficiently. Leveraging cloud-enabled analytics can further assist in evaluating conditions and investments. In addition, field workers can have immediate access to the documentation they need at the moment to perform critical maintenance and routine checks without having to worry about the validity or version of the document they access.

#### Intelligent Grid Operations

**According to Frost & Sullivan**, in 2019, Energy utilities only leveraged between 2% and 4% of data acquired from intelligent grid devices for analytics to enhance the efficiency of their grid operations. IoT solutions can help companies improve fault isolation and outage management while optimizing voltage and power output. Through sensors that offer real-time feedback, companies can quickly respond to potential threats to plants while issuing maintenance requests.

#### Enhanced Customer Interactions

The transformation of the customer interaction model can enable digital interaction that spans traditional channels and web, mobile, social, and connected home solutions embedded with customer analytics. This can also optimize demand response by integrating consumer technology and grid management with cloud-based analytical tools.





## Finance

Digital transformation in the finance industry has only recently become part of a successful business strategy rather than just a helpful technology. The industry is beginning to change from a digital transition approach to one of complete digital transformation. When you consider how far modern banking has come, you can start to understand how digital transformation has offered greater efficiency and convenience for stakeholders and customers alike.

However, while the finance industry may be more mature than other verticals, it still has a lot of room for improvement. Since 2018, we have witnessed the rapid evolution of digital transformation trends across all financial services. Operations will continue to be primarily automated, and self-service solutions will proliferate the industry.

Having said this, the industry must constantly focus on its core objectives to remain successful.

### Important benchmarks and priorities

- **Organizational agility** - an important lesson learned from the last few economic crises, finance companies now need to optimize their response to disruptions. Firms and banks alike are looking at ways to improve and support innovation that promotes efficiency and agility.
- **Increased collaboration** - by working according to regulations and standards, the need to work collaboratively and communicate efficiently is an age-old requirement. Today, however, organizations are making this a priority and have recognized digital's ability to enhance this aspect of business.
- **In-depth risk assessment and analysis** - compliance management and regulatory considerations have forced the financial industry to take data seriously. This wealth of customer data imposes both opportunities and responsibilities in using the data for more significant insights and protecting that data alike. Digital solutions can help with both, assisting with data collection, storage, analysis, and security.

### 3 Areas where digital transformation can help

When applied specifically to the challenges and goals of the finance industry, here are a few use-cases for digital transformation.

#### Financial Technology (FinTech)

FinTech is gaining momentum year on year for the finance industry. Implementing the technology could take digital transformation or transition, but the complete transformation will be the inevitable outcome for companies. **Already, 66.7% of bank executives** believe FinTech will impact the industry globally.

Automated technology and machine learning algorithms working in tandem with thousands of documentation and data will power current technologies such as digital banks and blockchain. We will also see the influence of FinTech capabilities through automated chatbots, online budgeting tools, and spending tracking.

#### Digital Banking Solutions

Banks worldwide are beginning to adopt an online-first business model, but digital banking challenges how banks are established themselves. Some digital banks operate entirely online, with very few or no buildings or branches at all. The majority **(65.3%) of Americans are expected to use digital banking by 2022** due to the increased mobility offered in smartphones and sophisticated applications.

The more popular digital banking becomes, the higher the likelihood we'll see the disappearance of many of the traditional buildings, branches, and physical documents of the financial institutions of the past.

#### Artificial Intelligence-powered automation

AI already plays a pivotal role for the industry in identifying and predicting the possibility of fraud. However, AI is becoming more practical on the customer front. AI will increasingly be used to reveal exciting observations and trends in customer behavior and decision-making.

In terms of document management, AI will streamline workflows and approvals for internal processes and external applications.

## Oil and Gas

The oil and gas industry has traditionally lagged behind other industries when it comes to implementing digital transformation. In today's world, they can no longer afford to do so. The potential benefits of going digital are clear - increased productivity, safer operations, and cost savings across the board make a case for digital transformation every day.

Adopting digital technology could provide a strategic advantage for oil and gas companies that are already grappling with weak oil prices and the moderation of operational gains. Digital solutions help extend budgets and provide insights for better spending and more intelligent strategic decision-making.

Automating many regulatory requirements and extensive document creation and approval offers some of the most efficient approaches to running an oil and gas company. However, traditional wisdom has prevented the industry from rapidly embracing digital transformation. As **one oil and gas executive put it**, "Consumers and IT-based firms know the early bird gets the worm, but oil and gas players would rather be the second mouse that gets the cheese. This is because it's more costly to be the first to adopt new oil and gas innovations."

There may yet be a practical approach to introducing new systems and processes for better operation with today's technological solutions.

### Important benchmarks and priorities

- **Operational efficiency and cost-cutting** - oil and gas companies remain more focused on cost-cutting and operational efficiency than other industries. The data indicate a strong desire to improve business processes via, or in conjunction with, technology. There are many automation opportunities within the industry where digital transformation can encourage saving and productivity.
- **Regulatory compliance** - the processes involved in staying compliant and in line with an internal policy are another strong candidate for digital innovation. Solutions like document automation and streamlined workflows or approvals can ensure regulatory compliance throughout an organization.
- **Organizational agility** - while agility and innovation lag slightly behind other industries, they are still recognized as important areas for growth and keys to success for the oil and gas industry. The ability to use predictive analytics and real-time responses to situations boost organizational agility through digital transformation.



### 3 Areas where digital transformation can help

When applied specifically to the challenges and goals of the oil and gas industry, here are a few use-cases for digital transformation.

#### Predictive analytics

With IoT innovations and sensors, the oil and gas industry has access to a vast amount of data and information that can be used to enhance operations and identify deficiencies. Predicting failure reduces downtime and provides a substantial advantage towards improving plant operations.

Companies today have already experienced the benefits of predictive analytics. According to a report by **McKinsey**, a typical offshore platform runs only at 77% of its maximum production capacity. On average, this shortfall represents \$200 billion in annual revenue. Each percentage point that predictive analytics improves thus represents millions to billions of dollars. In addition, predictive analytics can increase production. **Bain & Company** predicts that data analytics can increase oil and gas production by 6%-8%.

#### Intelligent Automation

Intelligent automation offers the industry the opportunity to use the information they have at their fingertips to uncover efficiencies at a rapid pace – allowing them to monitor their operations better and improve business performance quickly. Intelligent automation can be used to boost an organization's bottom line, manage operational risk and drive operational excellence.

The **AI in the oil and gas market** was valued at USD 2,040.89 million in 2019, and it is predicted to grow at the CAGR of 10.15%, reaching USD 3,554.56 million over the forecast period 2020-2025.

Devices such as logging tools, sensors, and geophones generate diverse data sets that hold transformative value. Digital enablers like intelligent process automation offer a way to leverage these data streams for critical insights and deliver enterprise-wide connectivity. It is emerging as a crucial cornerstone of digital transition across upstream, midstream, and downstream oil and gas operations.

#### Robotic Process Automation

Robotic Process Automation (RPA) solutions can assist with interpreting transactional processes, data manipulation, communication with different digital services, and triggering the appropriate responses. RPA is the oil and gas industry's solution to efficient regulatory and document management, taking up substantial time and resources.

According to the Deloitte Global RPA Survey, over 53% of enterprises have already begun the Robotic Process Automation journey. Top adopters have earned four times on their RPA investments, while others have earned double. It has also been predicted that if the RPA growth trend continuous, it will achieve "universal adoption" status in five years.

## The Global Cents approach to digital transformation

Digital transformation is a complex process that requires a lot of planning and forethought before making the leap. If you lack the necessary resources, knowledge, and experience, you could end up disrupting your organization for little gain at best or implementing counter-productive measures at worst.

For this reason, our own Global Cents approach to digital transformation takes a measured approach that incorporates the stakeholders of your organization to embrace change and work towards a shared vision. A [2020 Oxford Economics](#) report surveyed 3,000 executives across ten industries, including automotive, banking, consumer products, insurance, industrial manufacturing, oil and gas, professional services, public sector, retail, and utilities. This research revealed that digitalization – and all business transformation – works best “when every part of an organization, including its external partners and customers, is agile and interconnected. Executives need to ensure that high-quality information is flowing across their entire business ecosystem, allowing all participants to interact in ways that advance the goals of the organization.”

Our goal is to promote this agile, interconnected state throughout your operation to help you achieve digital transformation success within seven steps.



### Assessment

The first step should be to audit your existing assets and processes to determine your technological capabilities. With this information, you can decide if digital transformation is even necessary or if you can get away with a less disruptive digital transition.

In addition, we will also examine external considerations such as your competition, incoming trends and risks, and which quick wins are available to you at the moment. Assessing your workforce’s capabilities to identify skill gaps and training or upskilling opportunities is also paramount to this initial phase.



### Establish KPIs

The next step is to identify what you want to improve and how. This question may seem obvious, but you need to dig deeper for practical change. To answer this question, begin by looking at your business objectives. From there, drill down deeper and get specific Key Performance Indicators (KPI) that could indicate the success of that objective.

Some professionals may struggle to find KPIs that best fit their objectives. To this end, we suggest using the ‘how’ process. Here is a real example for a business that wants to achieve more sales:

1. **What do you want to accomplish?**
  - » More sales.

## 2. How do you get more sales?

- » By getting more leads
- » Approaching more customers
- » Converting more leads to sales

## 3. What are the KPIs for those?

- » Lead generation rate.
- » Sales efficiency - the number of prospects addressed.
- » Lead conversion rate.

Once you have the KPIs related to your desired business strategy, you can begin to examine what the figures mean concerning your industry. However, many companies are not entirely sure if a KPI shows the functions it is associated with are performing well or not. Many factors could play a role in poor and excellent performance alike that internal change will have little effect on. The recent events of the Covid-19 pandemic are a great example of something beyond the control of any company.

An excellent way to determine a KPI you can influence through change is by comparing your figures with industry benchmarks or competitor data. This way, you can effectively take the external factors into account by comparing your performance against a benchmark experiencing the same external influences. From here, it's easy to determine if an internal change is needed.



## Identify how to work towards top priorities and quick wins

Digital transformation is something that doesn't happen overnight. Unfortunately, business and team leaders have a bottom line and need to demonstrate the transformation value as early as possible. To win your organization over, you need to make progress on your top priorities and secure quick wins to provide the most meaningful boost to your success.

If you have followed the previous two steps, you should clearly understand what those priorities should be and where the opportunities for quick wins reside.



## Have a plan to get everyone on board

Implementing digital transformation is as much a technical challenge as it is a people problem. As discussed earlier in this paper, the primary reasons for digital transformation failure are internal pushback and employee adoption.

When implementing change, it's essential to communicate why the change is happening. People across an organization may feel threatened or confused about the changes. Informing them of the reasons behind the change and their contribution to that change will help you resolve these adverse reactions and get your team on your side.

It is also vital to eliminate communication silos and blind spots as much as possible in this step. Get everyone involved in the transformation to create a highly interconnected company that can work quickly and adapt to changing circumstances together. To accomplish this, business leaders, employees, and stakeholders must have an open mindset to change across the business and commit to optimization.



## Use data-driven insights

Once the changes have been incorporated into your organization, you can assess their effectiveness and make further changes to achieve the optimum result. Data-driven insights are essential to this stage and can support a smoother and more efficient business transformation.

In other words, for digital transformation to succeed, you have first to understand your data management processes and select which actions affect your data return. Ensuring your data is secure, available, and accurate is the first step towards this initiative. From there, you can leverage the data to identify how your business can scale, adapt and grow in a myriad of directions.



## Listen to your customers

Customer feedback and input are critical to the changes you make throughout your organization, and thus you should pay attention. In a [Deloitte study](#), more than 80% of business leaders surveyed reported customer feedback to be “core input to business decisions,” versus only 45% who held that view in 2013.

If the transformation impacts your customers, you need to open a line of communication with them and get them on your side. In addition, you should always consider what the changes mean for your customers and whether the difference will provide a positive effect for them.



## Establish a digital transformation road map

With the above information and considerations, you can initiate digital transformation through a road map towards success. A digital transformation road map provides the strategic framework to help you capitalize on opportunities and roll out new systems and processes as quickly and seamlessly as possible.

At this stage, you need to ensure that your technology vendor offers assistance and capabilities to help you execute your unique roadmap and optimize your new business processes. To help you keep on track, you can review the **5 Ws** that must be answered in the road map or plan:

**Why** - Have you kept pace with technological innovation? Are you meeting customer demands? Are you lagging behind competitors?

**Where** - Where is your business today, both internally and within the more significant global market?

**What** - What are your goals and targets, and how will you measure and track their achievement? What technological and cultural transformations are best for you?

**Who** - Who are the people you need to include on the journey (including staff and customers), and how can you best define new roles and learn from them during this process?

**When** - When will all your teams be ready, and how soon will they start?

## The Global Cents Difference

Digital transformation is set to change the world in a big way. A large part of preparing your organization is ensuring your documents, records, and data are easily accessible and ready to be leveraged by innovative solutions. Global Cents offers the capabilities to ensure this fundamental aspect is prepared for a digital transformation immediately.

If you'd like to find out more about how you can get the most out of your digital transformation initiatives, Global Cents has the knowledge, experience, and expertise you need to optimize your complex documentation processes and prepare your organization for the future.

Since 2005, Global Cents has been recognized as the leading provider of value-added information life-cycle management solutions within the OpenText ecosystem and now supports over 100 companies around the globe.



Contact Global Cents today, and unlock your company's true potential.

To learn more visit our website [globalcents.com](https://globalcents.com) or  
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