

# The value of digital transformation for SMEs

Digital transformation refers to the overall change of organisational activities aimed at leveraging opportunities created by digital technologies and data. This requires companies to profoundly transform their business models, infrastructure, processes and culture, in order to steer them toward finding new sources of customer value.



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The use of digital technologies has transformed commerce and how businesses interact with their customers. To adapt to this changing world, organisations must embrace digitisation.

“For small businesses just getting started, there’s no value in setting up your business processes and transforming them later. You can futureproof your organisation from the get-go. Thinking, planning and building digitally sets you up to be agile, flexible and ready to grow,” says Trevor Gosling, CEO of Lulalend.

Equally so, Gosling says that SMEs can transform their business model to increase productivity and profitability.

“This could mean replacing manual processes with digital ones or upgrading existing digital resources or systems with newer, more capable ones.”

**The transition to digital is continuous**

SME owners should consider crafting a winning digital strategy through ensuring top to bottom support. Since digital transformation is a large undertaking that impacts any aspect of the enterprise, it is impossible to execute a plan without the buy-in and alignment of all the main stakeholders in the organisation.

While most companies have been moving online over the past few years, digital transition is not a one-time event. It is a continuous approach to how business is conducted that can affect all aspects of the organisation.

“SMEs need to understand how much capital they want, and can afford, to invest in a project. Your budget will help you define the scope, timing and phasing of your strategy,” says Gosling.

To do this, it will require business owners to critically evaluate their digital objectives, what they intend to accomplish, as well as defining the kind of experience they would like to offer to their clients and employees.

“Try to keep the long game in mind when you consider these issues. The aim of a digital transition is to help your business achieve its long-term goals. Your vision should be optimistic and positive,” he explains.

In addition, having access to data is critical to achieving transformation objectives. Companies who exploit their data and operate on it easily gain an advantage over their competitors.

An even more significant strategic advantage is developing the ability to collect useful data, convert the data into concrete observations, and, most importantly, act on those insights.

According to Gosling, data without insights and insights without intervention are meaningless.

The pandemic has shifted digital transformation into an overdrive. Gosling says that there is no turning back. “People have now gotten used to living in a digital world.”

The growing pressure of digital competition has compelled long-established companies to rethink their marketing strategies. It is important for businesses to recognise that digital innovation influences various sectors in several ways. It provides extraordinary opportunities to follow new market models.

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