

2022 Guide

How to Build Your Digital Transformation Strategy

Trends, challenges, and opportunities to consider when creating your digital transformation strategy in 2022

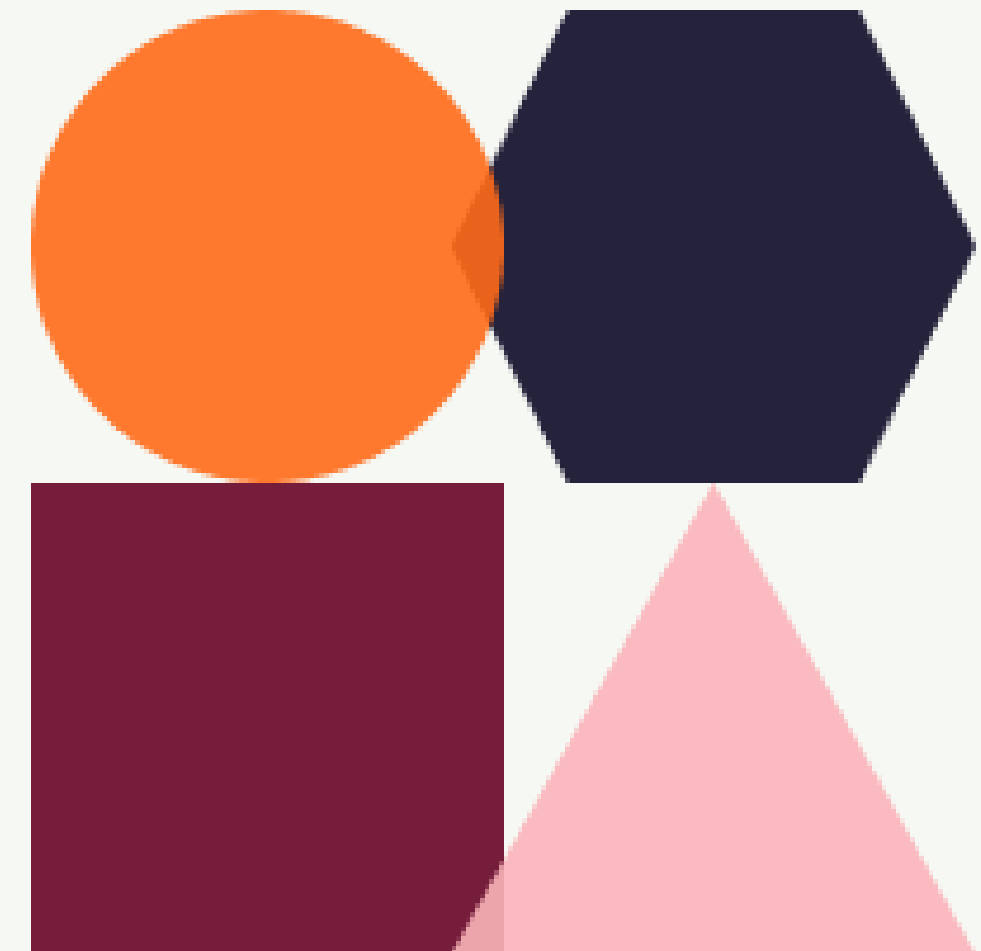


Whatfix

A digital adoption platform that empowers individuals & organizations with technology.

This guide is brought to you from Whatfix. With Whatfix's digital adoption platform, create contextual in-app content such as interactive walkthroughs, tools tips, help guides, embedded knowledge bases, and more to drive digital transformation initiatives, improve digital adoption, and manage change effectively.

Learn more at [whatfix.com](https://www.whatfix.com)



What Is the Strategic Purpose of Digital Transformation Strategy?

While every digital transformation initiative will have its own specific goals, the main purpose of any digital transformation is to improve existing business processes. Digital transformation is important because companies must evolve to remain competitive in their industry, adapt to ever-changing industries, and continually improve how they operate.

In this guide, we'll cover the benefits of a well-crafted digital transformation strategy, as well as challenges, trends in digital transformation, and a step-by-step tutorial on how to strategize an effective roadmap to drive your transformation initiatives in 2022.

only 8%

of global companies achieve their targeted business outcomes from their digital transformation investment.



CHAPTER 1

How Digital Transformation Differs from Digital Innovation

Often digital innovation and digital transformation are used interchangeably. But, the question here is if the two concepts are synonymous or different – and while digital innovation and digital transformation are similar concepts, they have stark differences.

While due to a mutually-causal relationship, one can lead to the other. But, digital innovation is usually a sudden change and in response to an existing (or new) problem. Digital transformation is a long, strategic journey leading to a fundamental change in the overall organization. Digital innovation is comparatively at a smaller scale than a digital transformation initiative in an organization.

For example, Intel acquired Mobileye for \$15.3bn to innovate its offerings and enter the driverless technology market, which required some business transformation but didn't transform the core business of Intel. ([TechCrunch+](#))

Benefits of Digital Transformation



Increases Productivity while Reducing Labor Costs

Using technology to work more efficiently is one of the most impactful ways to transform your business. For example, for enterprises, the time and money spent on training new employees and updating digital resources can quickly get out of hand. With the proper tools, you reduce operational costs and increase productivity.

Improves the Customer Experience

Tech-savvy (and not tech-savvy) customers want a great experience with omnichannel touchpoints — mobile apps, social media, email, live chat, etc. Digital transformation is the driving force behind better customer experiences.

Drives Innovation, Giving a Competitive Edge

Organizations that fail to embrace digital innovation — or are reluctant and offer resistance to change — will fall behind more savvy business competitors.

CHAPTER 3

Challenges Faced by Organizations in Digital Transformation



45.6% of employees experience information overload during a change, and 35.6% face challenges adapting to new digital trends and emerging technologies. ([Gartner](#))

Here are six of the most critical challenges faced by leaders while driving digital transformation initiatives.



Digital Transformation Challenges

Here are 6 of the biggest challenges faced by digital transformation leaders in 2022.

1

Lack of Change Management Strategy

2

Driving Adoption of Complex Software & Technology

3

Continuous Evolution of Customer Needs

4

Ineffective Digital Transformation Strategy

5

Lack of IT Skills

6

Budget Constraints

1

Lack of Change Management Strategy



A lack of a change management strategy including ineffective change communication & an unsupportive change culture set up any new project or implementation plan for failure.

2

Driving Adoption of Complex Software & Technology



Enterprise software is inherently complex and needs comprehensive onboarding training and continuous employee performance support to help employees become productive and proficient with a tool quickly, allowing them to understand the value of these new processes.

3



Continuous Evolution of Customer Needs

COVID-19 is considered a digital accelerant. Considering the longer timelines of a digital transformation project, the customer needs might evolve before the final implementation. Agility can go a long way when it comes time to adopting new digital technologies.



Ineffective Digital Transformation Strategy

Before replacing legacy systems, organizations must know the scope of improvement and begin there. The lack of a well-crafted digital transformation roadmap will result in higher employee resistance and reduced organizational buy-in.

4



53%

businesses reported that a significant percentage of their workforce would need to revise their capabilities and skills in light of digital progress. ([Deloitte](#))

5

Lack of IT Skills



54% of organizations said they could not accomplish their digital transformation goals because of a lack of technically-skilled employees. Lack of proper IT skills can result in cybersecurity, application architecture, software integrations, data analytics, and data migration challenges.

6

Budget Constraints



Digital transformation is expensive, and organizations with poor transformation strategies often exceed their budgets. Understanding long-term goals and expected ROI can give you a sense of what room you have to increase your budget.

CHAPTER 4

Digital Transformation Trends to Watch in 2022



80% of CEOs are speeding up their efforts to digitize work processes by implementing new technologies. Keeping up with trends is a great way to see how you can improve your digital transformations and prepare for inevitable changes in your industry.

With more organizations investing in their digital transformation initiatives, here are six transformation trends to keep your eye on in 2022.



Digital Transformation Trends

Here are 6 of the biggest digital transformation trends to watch + invest resources in for the upcoming year.

1

Increase in IT Budgets

2

Digital Adoption Platforms to Simplify New Technology Onboarding, Training, and Support

3

Digital Healthcare for Improved Patient Experience

4

Increased Focus on Cybersecurity

5

Contact-less Solutions

6

Business Process Automation

1

Increase in IT Budgets



Gartner forecasted that global IT spending will increase by 5.5 percent in 2022 to reach **\$4.5 trillion**. With no-code platforms gaining popularity, organizations are leaning towards digital transformation to become more agile, productive, and dynamic.

2

Digital Adoption Platforms to Simplify New Technology



As cloud software becomes integral to workplaces in every industry, digital adoption platforms transform how users learn, work, and improve their skills via interactive in-app features such as self-guided training and on-demand contextual guidance.



3

Digital Healthcare for Improved Patient Experience

Technological advancements such as online appointments, electronic medical records, and unified platforms for data exchange are all examples of digital transformation impacting the healthcare industry – while also improving patients' experience and increase interoperability.

The Brigham Health hospital registered a satisfaction rate of **97%**, and **74%** of patients felt that **virtual visits via video chats improved their relationship with the care provider.**



4

Increased Focus on Cybersecurity



Ransomware attacks are threatening organizations more than ever. Over **445 million cyberattacks** were reported in 2020, and organizational agility and cybersecurity are the only way to deal with such catastrophic circumstances.

5

Contact-less Solutions



Contact-less solutions such as online banking, digital payments, and contactless dining are all gaining prominence post advent of the pandemic and are expected to rise even further. **Statista** suggests that the volume of digital payments will cross **\$6,685,102 million** in 2022.



6

Business Process Automation

Gartner suggests that **77%** of businesses use a combination of automation applications, integration, and AI to automate mundane tasks. Organizations are increasingly adopting newer technologies to automate & improve their business processes.



90% of new enterprise applications will use **AI-powered technology** in their products and processes by **2025**.

IDC



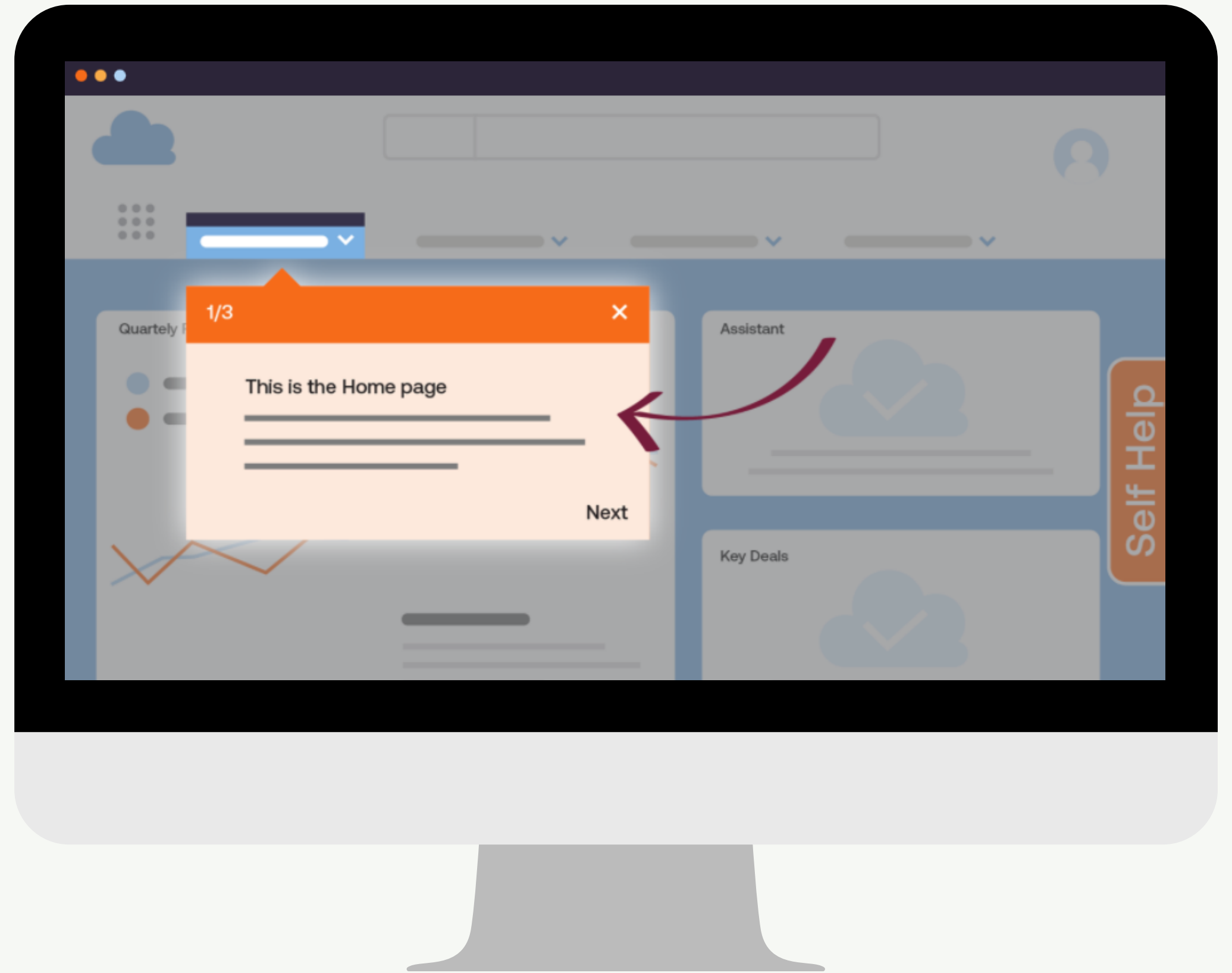


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CHAPTER 5

Creating an Effective Digital Transformation Strategy in 2022



14% of organizational change failures are due to employees' inability to cope with technology. ([PMI](#))

Organizations have adapted to a rapidly-changing corporate world by adopting new digital processes and technologies to help them be more successful in output, productivity, and revenue through digital transformation. To keep up with what has been termed the “fourth industrial revolution”, organizations must invest in a digital transformation strategy as a roadmap to meet new evolving customer demands.

Here are seven steps for organizations to craft a transformation strategy that is both effective and efficient in 2022.



STEP 1: Establish the Need for Digital Transformation

Before embarking on your complex digital transformation journey, you must conduct research on your existing business processes and competitor analysis gaps before implementing your digital transformation strategy.

STEP 2: Create a Change Management Plan

Creating a detailed implementation plan can make all the difference in making your digital transformation strategy into a reality. Building an actionable, realistic, and thorough implementation plan is an excellent way to ensure your transformation project(s) succeed and that you are well-prepared for any potential challenge

STEP 3: Establish Leadership Buy-In

Digital transformation impacts multiple areas of your business; it's crucial to gain support from managers, department heads, executives, and supervisors. Employees want to receive guidance from change leaders they trust. Be sure every affected department has a leader driving the transformation projects.

STEP 4: Create a Cross-Functional Team

A robust cross-functional team with adequate technical expertise and organizational experience can provide the necessary guidance to help your employees through the transition – as well as provide insights into how new digital changes will both benefit and impact various business areas.

STEP 5: Use Tools to Support Digital Transformation

Organizations focus on the transformation as a tool itself. However, exploring additional digital resources such as **knowledge wikis, digital adoption platforms, and e-learning solutions** can improve your adoption rates to provide a higher ROI on your technological investments.

STEP 6: Measure Progress

Establish clear, achievable goals with key milestones and track your transformation progress alongside to ensure you are on the right track.

Digital Adoption Platforms (DAP)

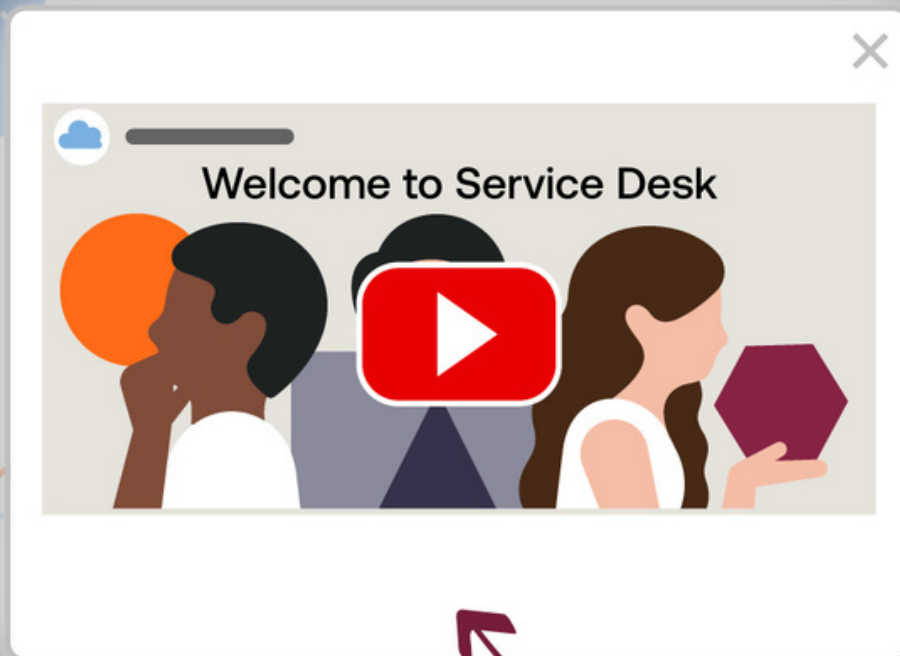
A digital adoption platform (DAP) is software that integrates completely with a host application in order to help the user learn the application. The digital adoption platform uses walk-throughs, videos, self-help menus, and more to guide the user through every aspect of the application.



Provide in-the-moment employee support with in-app learning content customized to your applications.

The Whatfix Digital Adoption Platform allows your to create in-app content such as interactive walkthroughs, product tours, field compliance validation, tooltips, knowledge bases, employee feedback surveys, and more – all in a no-code, drag-and-drop environment.

[Learn more about Whatfix](#)



STEP 7: Maintain Momentum

Take an agile approach to digital transformation. Implement at small scale and make adjustments after collecting regular feedback from the stakeholders to manage the setbacks. Anchor this change into the organizational culture to reap long-term benefits.





Empower your employees with in-app content to provide just-in-time performance support and increased use.

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