

Digital transformation isn't about branding, it's about your business

By Shaune Jordaan, CEO, Hoorah Digital

Ten years ago, the JSE was dominated by big mining houses, with BHP Billiton at the top of the pile. Today, almost everyone else is dwarfed by Naspers, a media house that made some early bets on digital technologies and rode a wave of disruption to become one of the world's largest internet companies.

Over the years, Naspers has digitally transformed every aspect of its business, sometimes through judicious acquisitions and sometimes through internally fostered innovation.

Unfortunately, and despite having such a great role model on their own doorstep, too many South African companies have failed to fully embrace digital transformation. Sure, they might change up their IT systems or employ a digital marketing agency, but that doesn't really cut the mustard.

Real digital transformation isn't just about branding, it's about business, opening up fresh lines of revenue, and new ways of doing things.

Don't be a dinosaur

No matter what industry a company operates in, and no matter how big and established its customer base is, there are new digital first and digital-only disruptors itching for the chance to take it on.

For far too many South African companies, the solution to this threat is to tackle one aspect of digital at a time. They might, for instance, engage a digital agency to ensure that they have a good online presence. Alternatively, they might update their IT systems and digitize some of their processes, or throw up an ecommerce store.

While those efforts might make a difference to that business' existing operations, they won't keep the wolves at bay.

Let's take Kodak as an example. Once one of the world's largest companies, the film manufacturer missed the digital photography wave entirely. That's why it's a fraction of the size it once was, not because it didn't spend enough on marketing, didn't make use of influencers, and didn't have up to date IT systems. In all likelihood, its digital marketing budgets were sizeable and its IT systems the envy of most other companies.

The problem was that it was selling something no one wanted any more and had stopped trying to figure out what they did want.

The same thing is happening, at varying levels, across nearly every industry. South Africa is no exception either. Just look at what Travelstart has done to the travel industry, what the likes of Leadhome have done to the property space, and what WeBuyCars have done to the car sales space.

Keep exploring

Compare that with Naspers. When it invested in Tencent back in 2001, it was still known largely for its media properties, including a staple of newspapers and its satellite TV business. It could've continued to ride those properties and been a reasonably successful company.

Instead, Koos Bekker recognised the growing value of internet businesses and made one of the great business bets of the 21st Century.

When it comes to real digital transformation, businesses need to be following Bekker's example. Rather than figuring out how digital marketing or ecommerce can help supplement their existing operations, they need to find new digital business streams and disrupt themselves before anyone else has a chance to.

Getting the right help

Of course, this isn't always easy for businesses to do on their own. And the bigger the business, the more difficult it becomes.

But who should they call to help? Specialists in individual disciplines, such as digital agencies simply don't have the capacity to totally transform a business and massive consultancies, for all their promises, often don't have relevant digital skill-sets.

What companies should instead be looking for are digital consultancies, staffed with people who are up to date with the latest digital technologies in a variety of fields and can spot opportunities as they emerge. These consultancies will also act more like a partner than a service provider, ensuring that your business' needs are best served.