

7 Pillars of Digital Transformation Framework for Continuous Business Growth

Yasaman Javadi

International Chief Marketing Officer, Tehran, Iran
Email: yasamanjavadi@gmail.com

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Abstract

Extant literature has increased our understanding of specific aspects of digital transformation, but a comprehensive picture remains elusive. Through a review of 50 case studies, we inductively build a framework of digital transformation articulated across seven building blocks. Digital transformation has brought the emergence of an advanced breed to help organizations scale up quickly, innovate throughout the processes, and lead markets. The increased use of advanced technologies such as Artificial Intelligence, Advanced Analytics and high-performing computing has enabled organizations to adopt an agile and efficient business structure.

Keywords

Digital Transformation, Marketing Strategy, Digital Marketing, Business Strategy

1. Introduction

Digitalization has become crucial for continuous business growth in the competitive business market. Digital transformation is all about using digital and advanced technologies to transform traditional services and business processes into smarter and digitized forms. For enterprises, digital transformation seeks advanced ways to improve user experience and achieve revenue goals.

Digital transformation is getting huge demand in the business market due to its array of opportunities to help enterprises grow faster. A survey shows that the digital transformation market is expected to grow at an annual rate of 19.1%, from \$521.5 billion in 2021 to \$127.5 billion in 2026 (Market Research Report, 2022). If businesses are not evolving in the industry, they are most likely to fall behind. Digital transformation helps companies keep evolving to win the race in

the competitive business market.

2. Benefits of Digital Transformation

Digital transformation is the integration of digital technology into all areas of a business. The result is fundamental changes to how the business operates and what it offers its customers. Digital transformation offers an array of benefits fundamental to the success of modern businesses.

- Increases Customer Satisfaction
- Enables Future Digital Growth
- Enhances Operational Efficiency
- Limits Human Errors
- Increases Agility
- Improves Communication and Encourages Collaboration
- Ensures High-Quality User Experience
- Enables Software Monetization
- Drives Data-Based Insights

Digital transformation enables enterprises to digitally transform three areas of their business: business models, operational processes, and customer experience.

3. Challenges to Digital Transformation

Digital transformation is more than just adopting new software, technologies, and processes that are more efficient and automated than traditional business practices and processes. It could be a complete reinvention of an organization's core business model. The way to digital transformation is not always easy. Some obstacles and challenges can hinder ambitious initiatives. Digitization of business framework faces many challenges such as;

- Ineffective Data Management
- Inefficient Business Processes
- Budget Constraints
- Lack of Defined Business Strategies
- Evolving Customer Needs
- Lack of Dedicated IT Skills

4. Seven Pillars of Digital Transformation Framework for Continuous Business Growth

The digital transformation of an organization is based on seven main framework pillars. Audit and analysis include exploring the marketing environment to determine its performance. It gives a detailed overview of the tools and strategies companies use for their marketing framework. Digital transformation is not only about implementing new technology but also about involving talented and skilful people at the early stage of your project.

Successful digital transformation mainly depends on the company's objective and goals. Without vision and objectives, digital transformation is more likely to

fall behind. Process governance and alignment in sales and marketing are also essential to digital transformation. If an organization's sales and marketing team are united, the company tends to boost sales and achieve revenue goals faster. Advanced technologies such as advanced analytics and artificial intelligence have enabled companies to make successful digital transformations and get an efficient marketing framework.

Companies need strategic plans and marketing techniques to make a stable position in the modern business market. Effective marketing channels, activities, segmentation, and marketing KPIs are essential for strategic development. Last but not least, companies need to ensure regular performance checks and optimization to determine the effectiveness of their marketing campaigns.

Here we have given the 7 pillars of the digital transformation framework needed for businesses to grow faster and achieve revenue goals (Figure 1).

4.1. Audit & Analysis

Marketing audit and analysis is the main pillar of any digitization that includes exploring the marketing environment to check its performance and target specific marketing activities. Audit and analysis give a detailed overview of companies' marketing framework tools. This process helps businesses identify their pain points and get efficient ways of improving their outcomes in the future.

Basic Steps for Marketing Audit and Analysis

- Identify your marketing activities/strategies/channels
- Determine your company's goals and objectives
- Collect information and data
- Make a detailed comparison
- Identify gaps and uses
- Design an action plan
- Repeat

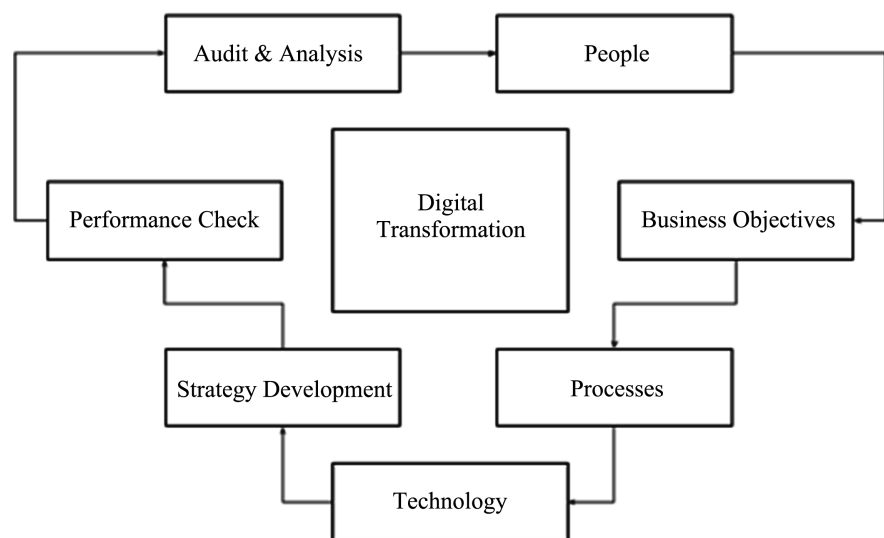


Figure 1. 7 pillars of digital transformation.

A successful marketing audit and analysis has the following characteristics:

- They must be performed regularly rather than when your company faces a marketing crisis.
- You must apply audit and analysis to all marketing activities of your company.
- Marketing experts must perform audits to determine the effectiveness of their marketing campaigns.
- A successful marketing audit must determine the company's goals, marketing environment, marketing activities, and internal marketing system.

Auditing and analyzing involve exploring every internal and external aspect of marketing strategies, activities, and goals.

Components of marketing Audit and Analysis

Audit and analysis strengthen a business's marketing framework, help them improve its position in the market, and determine its weaknesses and strengths.

- **Marketing Environment Audit**

A marketing environment audit includes the company's external environment, such as the political, demographic, natural, and economic. This marketing audit and analysis help businesses make effective marketing strategies/campaigns.

- **Marketing Strategy Audit**

It is critical in determining the company's objectives and marketing strategies. A marketing strategy audit and analysis determine whether the company's goals are clear.

- **Marketing System Audit**

It finds the company's ability to collect and analyze data and information. A marketing system audit helps businesses plan and control effective marketing activities.

- **Marketing Content Audit**

Marketing content audit helps online marketers gain a high-level perspective to get the desired results from all their content marketing efforts. They give a detailed insight into which marketing strategy works and give tailored results. Content audits primarily give opportunities to improve the Search Engine Optimization (SEO) of the existing content and specify the weak points of your website's search engine presence.

- **SEO Audit**

SEO audit analyzes the foundational issues affecting the search engine performance of your business website. It reveals the competitive marketplace insights, content gaps, user experience issues, potential off-site problems, and technical SEO issues.

4.2. People

People might be the most crucial pillar of a digital transformation. Your organization can't reach a higher level of growth until you have the right talent and a dedicated team of employees. Modern technologies such as AR, VR, and AI are

penetrating the business markets, but you need employees to push your digital transformation efforts to their peak.

Previous research showed that only 16% of business owners said that digital transformation improved their performance and helped them grow faster (McKinsey & Company, 2018). And the additional 7% of the business owners said that digitization improved their performance, but it was not sustainable. The main reason for this failure was effective leadership and the right talent to perform the tasks. People are crucial for developing a vision and crafting a marketing strategy (Sutcliff, Narsalay, & Sen, 2019).

Two groups of people are important for any organization to make its digital transformation successful.

Leaders

Digital transformation is not only about implementing advanced technologies in your workplace. Using reliable modern technologies, it transforms your organizational culture, business models, and processes. An organization that puts a talented group of leaders in their workplace and then starts working on digital transformation is more likely to get improved performance.

Businesses must embrace talented leaders to get a clear vision of their digital path. Dedicated leaders inspire employees to work hard and achieve the desired results from digitization. They adopt pivot strategies to remove the roadblocks that may come during the digital transformation.

Employees

Surveys show that employees play a great role in the success of the digital transformation. Every organization needs a talented and dedicated team of employees to turn their visions into reality. You can get insights from the ground by involving the right employees at the start of your project.

The employees you involve in your digital transformation project have the potential to assist you throughout the way. They help you design a top-notch approach to meet the organization's needs and achieve the desired revenue goals.

Benefits of People in Digital Transformation

- **Leadership**

Involving the right leaders in your digital transformation project helps you maximize efficiency and easily achieve organizational goals. They supervise and guide the employees to perform their tasks effectively and efficiently.

- **Skills**

The people you involve in your company's digital transformation project have the skills and efficiency to help you get the tailored results from your project.

- **Culture**

People help create a strong organizational culture that defines the employees' and leaders' collective attitudes, practices, and behavior. The organizational culture has a great impact on the way a company approaches outside business transactions.

- **Roles**

One of the major benefits of involving people in your digital transformation

project is that you can assign different roles to them, such as management, Liaison officer, spokesperson, etc. It will help companies to perform bigger tasks with greater efficiency.

4.3. Business Objectives

Business objectives are the most crucial pillar in determining the success and failure of your digital transformation. It is reported that more than 84% of companies fail in their digital transformation because they don't understand their vision and objectives (Rogers, 2016).

Before a company starts digital transformation, the business leaders must specify the vision and goal of the transformation, creating a clear path to implementation. Companies must consider the following digitization goals to get success in the competitive business market:

Optimize Operations & Processes

Most companies undergo digital transformation to get operational improvement. In the early stages, digital transformation included only information conversion into the code. Now digitization needs automating business processes and creating an agile business structure.

Improved Customer Experience

A great reason to undergo a digital transformation can be an opportunity to improve customer experience. Companies can deliver services and products more effectively by implementing advanced and modern technologies. It can help companies improve customers' satisfaction and create long-term and loyal relationships with potential buyers.

Higher Efficiency

Higher process efficiency can be a great objective for digital transformation. Digitization can automate certain phases to complete the tasks with greater efficiency. It can reduce the number of manual human errors, complete tasks quickly, and deliver high-end products or services.

Increased Agility

The digital landscape is continuously changing, so businesses must be ready for sudden changes. They must implement the agile management change to follow the latest business trends and keep running in the advanced business market.

Companies may undergo digital transformation to remove complex legacy systems and adopt the changes easily. They can use advanced technologies such as IoT and AI to shift their teams to new and advanced processes. It will help businesses bring innovation to their marketplace and attract more potential buyers.

Cost Reduction

Companies can improve their ROI and achieve revenue goals much faster by adopting digital transformation. It can help businesses build strong relations with buyers and encourage them to buy more. Digital transformation may improve your business offerings, helping you create new revenue streams.

Sustainability

Companies may undergo digital transformation to make them more sustainable. Business sustainability can help you earn more money, reduce business costs, and boost your bottom line.

Competitive Analysis

The main objective of a business is to get more customers and open new revenue streamlines. They can achieve these goals through digital transformation. But it is important to do a competitive analysis to determine your competitors and their marketing strategies.

4.4. Process

Digital transformation helps to improve business processes, promotes a digital mindset, finds the perfect balance between talent and technology, and digitizes legacy systems. The process of digital transformation includes:

Marketing and Sales Alignment

Sales and marketing alignment is a reliable and effective strategy for communication, planning, and goal setting to help sales and marketing departments work together as one team. Successful organizations and businesses implement sales and marketing alignment to deliver award-winning and seamless customer experience. Because they know clunky communication with customers can affect the credibility and reputation of their business and change the buyers' perception.

Sales and marketing alignment is a unique and biggest opportunity to grow your business faster and achieve revenue goals. When an organization's sales and marketing departments are aligned, they work with better efficiency to boost sales and achieve the goals. Sales and marketing alignment statistics reveal that 19% of aligned companies boost their sales targets, and 56% meet their revenue goals (Sarah, 2021).

Benefits of Sales and Marketing Alignment

- A better understanding of your potential buyers
- An agile approach to the buyer journey
- Increased conversion rates
- Better and qualified leads

Sales and marketing alignment overcomes the differences between sales and marketing teams and helps them set common and unified goals.

Governance

Process governance is the key ingredient for successful digital transformation. Process governance is the combination of processes and rules by which organizations/businesses are operated and controlled. It has long-term commercial implications that shape the regulations around the development.

Executions

The quality of execution determines the success or failure of your digital transformation. DE (digital execution) gives businesses a roadmap to support the company's strategy and help them to reach organizational goals.

Roles

An organization needs the following roles to build a successful digital transformation strategy:

- UX designers
- Digital trainers
- Writers
- Brand strategist
- Ethics compliance manager
- Digital product manager

4.5. Technology

Technologies play an integral role in helping businesses transform non-digital business operations into digital ways. It is not wrong to say that digital transformation is the adoption of advanced technology. The digital transformation uses the following technologies to show effective results:

Analytics

Analytics is the process of examining datasets to get final results about the information they contain. It is the main key factor towards the successful digital transformation of a company. You can use different analytics technologies to make your marketing efforts successful and grow your business faster.

Automation

Automation technologies have become crucial for digital transformation (DX). Socializing and deploying automation across your digital transformation strategies can help you streamline your workflow. Without automation, your team has to deal with the processes manually, which may cause human error. The automation process offers:

- World-class customer services
- Increase accuracy and efficiency
- Improve strategic oversight and transparency
- Increase security and compliance
- Reduce costs

CRM (Customer Relationship Management)

CRM (customer relationship management) helps to improve digital transformation strategies. The platform includes various technologies and tools to help online marketers better understand their target audience. Businesses can use CRM in several ways to get fundamental benefits, which are:

- Better customer service
- Increased sales
- Detailed analytics
- Improved customer retention
- Centralized database of data and information
- Improved efficiency and productivity
- Automated sales reports

AI (Artificial Intelligence)

AI (artificial intelligence) is a driving force to push the digital transformation towards your desired goals. Businesses can use several AI tools such as NLP (natural learning processing), machine language, predictive analytics, and data labelling platforms to accelerate their digital transformation.

IT (Information Technology)

IT technology has become the fastest way to transform traditional organizational processes into advanced and innovative operations.

4.6. Strategy Development

Strategy development refers to organizational plans to achieve continuous growth. It typically represents the short and long-term goals of an organization. An effective strategic development can help businesses:

- Increase profitability
- Complete the task/project within budget
- Gain higher market share
- Boost customer satisfaction and increase approval ratings

To develop an effective strategy, you must fully understand the internal and external factors that determine your digital transformation.

The process of strategy development includes

Defining Quarterly Goals

Defining quarterly goals allows businesses to create four annual opportunities to encourage collaborations, celebrate wins, and increase recognition. Quarterly goals give a straight direction to make your digital transformation successful.

Marketing KPI (Key Performance Indicator)

A marketing KPI is a specific value an online marketer sets to achieve in a specific period. Marketing KPI can affect the overall performance of your digital transformation and help you increase your revenue.

Marketing Channels

Strategy development also includes determining your marketing channel to reach your target audience. You can use different marketing channels such as catalogue direct, network marketing, digital advertisement, SEO marketing, direct selling, and email marketing to appeal to your target audience.

Marketing Activities

Marketing activities include businesses' methods and strategies to sell and promote their products/services. You can use several marketing activities such as content marketing, digital ad marketing, market research, search engine optimization, and social media marketing to build robust marketing plans.

Market Segmentation

Market segmentation refers to sectioning your target audience into smaller groups based on their similar interests and needs. Marketers use four different types of segmentation-geographic, demographic, psychographic, and behavioral segmentation to create a stronger marketing message.

4.7. Performance Check

A performance check is also an essential pillar of digital transformation that helps businesses determine their operational strategies' effectiveness. Performance check lets organizations benchmark their performance and take immediate action if anything goes wrong. The process of performance check includes:

Monitoring

Business monitoring is a process of defining organizational goals and monitoring the actions used to achieve those goals. In digital transformation, business monitoring saves organizations on operating costs and helps them achieve their revenue goals faster.

Optimization

Business optimization is efficient process organizations use to improve their performance, productivity, and conversion rates. Optimization gives a better overview of operational processes, eliminates redundancies, and optimizes workflows.

Regular performance checks and optimization ensure a continuous improvement in the company's conversion rates, yearly revenue, and ROI (Return on Investment).

5. Conclusion

Digital transformation is implementing new and advanced technologies to transform traditional business operations into modern ones. Digital transformation can offer an exclusive array of benefits to organizations and businesses. The process includes seven main pillars to show the tailored results. Companies can implement effective marketing strategies with digital transformation to grow continuously.

6. Limitations and Future Research

This framework can be applied to all companies in the SME and enterprise sectors. However, further research is required for companies in different industries, sizes and current status of their market, team and other business factors. This paper reviews the important factors and practices that help digital transformation succeed, in order to apply to any company it needs more customization toward specific companies and industries.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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