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# Three Steps for Successful Digital Integration



By , INSEAD Assistant Professor of Marketing

**The “uberisation” of the economy is making companies rush into digital integration, but they need to build some critical capabilities before investing.**

In the face of emerging digital disruptions across fields as varied as healthcare, transportation or even banking, companies have massively increased their digital investments. For instance, a survey by [eConsultancy](#) revealed that 77% of companies plan to increase their digital marketing budget in 2015, a sharp 71% increase compared to the preceding year.

Despite these impressive numbers, strategic digital initiatives often lack clarity or focus. Indeed, digital investments typically drive a wide range of projects ranging from leveraging social media networks internally or externally to digitising processes or even to creating new digital services for customers.

Perhaps because these investments are spread out across projects, executives report having a hard time measuring the results. To illustrate, in Duke University’s [CMO Survey](#), only 15% of CMOs reported having been

able to prove the quantitative impact of social media investments in 2015. This low number might stem from companies' lack of coordination in their efforts to conduct their digital integration: too far ahead, too fast.

However, in my experience, the main reason is almost always a lack of perspective on how to progressively manage digital integration over time. In many of my interactions with C-level executives, the first question I am asked is what are the best ways to build successful digital strategies and leverage social media channels.

This is always a surprise to me as experience and empirical evidence both show these questions should be, in fact, the very *last ones* companies should ask themselves, rather than the ones opening their digital brainstorming. It is as if they want to walk before knowing how to see and hear around them. Two important questions should come first: how to design the company's *digital memory* (i.e., how to walk) and how to engineer the company's sensory capabilities (i.e., how to see) in the digital space?

## **Digital strategy**

*Step 1: Designing the Company's Digital Memory.* As an opening ritual to my social media strategy workshops, I always start by asking participants whether they have engaged in digital initiatives for their company. After hearing about very promising projects, I follow up by asking whether other participants in the room were aware of the digital projects that were initiated. Invariably, this question reveals an evident lack of information sharing about digital initiatives within companies.

Such a lack is problematic because without a method to systematically track their digital efforts, companies cannot learn from past mistakes or successes and forge best practices. As a result, most companies turn "blind" and grope along in the digital landscape. To remedy such barriers to digital success, companies need first to build their digital memory – that is, a transparent repository or sharing mechanism of what efforts are being undertaken across the company's different divisions, the resources allocated to these efforts and the expected or actual outcomes. The specifics of such memory can take many forms and are often unique to each company, as it should blend as closely as possible with the company's culture and objectives. With such a toolkit under their belts, companies prove to be able to learn much faster from their mistakes and leverage their own successes in the digital race with their competitors.

*Step 2: Design the Company's Digital Sensory Capabilities.* Once the digital memory is built and before starting to think about building one's own digital strategy, a second question should emerge: does the company know what relevant stakeholders do in the digital landscape (e.g., consumers' conversations around the company's product, competitors' presence on social media, media coverage on topics relevant to the company's industry)? Very often, companies lack such knowledge or have not properly integrated their listening capabilities. Just as the five senses are essential to help an infant understand the world, companies need to design *eyes and ears* that will help them to sense their digital space.

Developing a company's sensory capabilities involves thinking about what sources might be most relevant for their business goals (e.g., social media networks, forums, media mentions, competitors' websites, government platforms) and ways in which they can dynamically diffuse this information into their company's command centres. Too often, companies outsource these questions and severely limit how they can leverage these new sources of information. This is particularly problematic in a world where the future of major industry players can change in a matter of seconds, as illustrated by the recent Volkswagen scandal that very quickly gained momentum in the online space.

*Step 3: Building the Company's Digital Strategy.* Equipped with a digital memory and strong digital sensory capabilities, companies will be in a much stronger position to design their digital strategy. Their experience from past campaigns or initiatives, and the sensory capabilities gathered represent a rich set of resources that guide executives in their strategy design and help to avoid mistakes of the past. In my experience, it is very important to clearly design the set of desired objectives before choosing from the digital toolkit (e.g., community strategy, social network creation; digitisation of products and services) that will most likely respond to the problem at hand, yield significant competitive advantages, and ensure companies' relevance in the digital space.

### **An ordered process**

In a fast-changing environment, it is important that companies approach digital integration in the right order: first, by building their digital memory; second, by building their digital sensory capabilities; and thirdly, only after the first two steps are completed, should they turn to their proactive digital strategy. This approach not only ensures greater chances of success but also

creates positive loops whereby companies integrate digital learning at the heart of their process: listen, act, and remember, the key to successful digital integration.

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