

OPINION PAPER

Devising a Competitive Omni-Channel Adoption Strategy



DETECON
CONSULTING

..

Content

Management Summary	2
Introduction	3
Devising a Strategy: Initial Steps	5
General Requirements and Expectations	7
Complications & Resolutions	11
Conclusion & Next Steps	16
References	17
Authors	18
Company	19

Management Summary

Devising a comprehensive, unified and effective omni-channel strategy is a complex and dynamic process. This process takes time, knowledge and a company-wide and harmonic endeavor and touches upon a vast spectrum of disciplines from business and organization to personal complications, technological possibilities and legal limitations. Nevertheless, it is a necessary step to take and is absolutely crucial for organizations to embrace “omni-channelity” in order to survive and thrive in today’s innovative, disruptive and ultra-competitive market and demanding customers.

The journey to omni-channel adoption (OCA) starts with laying out the groundwork by defining or revising a grand vision regarding desired omni-channel capabilities of an enterprise. This vision can then be translated into a strategy based on the general requirements, expectations and realities in different dimensions. These include business, users, technology, financials and legalities.

Based on our experience and best practices, few common challenges exist in almost all efforts to devise and sign off on an omni-channel strategy. These include business repercussions, resistance to change, workplace politics, cannibalization angst & legal complications (see Common Challenges for a detailed description). In order to deal with these challenges with efficiency and minimal costs, a handful of generic guidelines has been provided. Leadership support for a company-wide and disruptive vision is one of the most important prerequisites for having everyone on-board and involved. Having a clear understanding on what omni-channel means and what its objectives, consequences and benefits are also increase the acceptance of such a vision. Retaining an end-2-end view of processes and awareness about the hidden costs of omni-channel incapability are among other suggestions to address and confront corresponding challenges.

Based on the devised strategy a program shall be defined to realize the vision and implement the strategy. OCA program often consists of various projects that go hand-in-hand. These project include, but are not limited to organizational change, business realignment, market and technology analysis, retiring blocking legacy systems (e.g. Lotus Notes), enterprise architecture engineering and business process management. While this paper focuses primarily on devising an omni-channel strategy, our follow-up paper studies and addresses challenges pertaining to implementation (aligning business and strategy).

To summarize, devising an omni-channel (adoption) strategy is a crucial step towards adapting a unified and efficient communication framework. An enterprise equipped with a sound, future-oriented and tailor-made strategy can start the implementing phase and provide an omni-channel communication platform for its customers and employees. Securing leadership support, collecting important yet general requirements, addressing and communication organizational and personal concerns and rethinking the pertinent strategies (e.g. cloud) all contribute to leading the organizational body and decision makers to that goal with minimum time and costs and maximum efficiency.

Introduction

CONTEXT

We are living in a time in which due to technological advancements and the corresponding behavioral changes, customers increasingly expect consistent, instant and unified communication channels and services. These advancements include Internet ubiquity, widespread use of mobile and wearable devices equipped with sensors and cameras, and increased technological affinity of customers.

People are nowadays used to instant gratifications such as “Pay-per-Click”, real-time tracking of their deliveries, receiving a call from customer service by merely clicking on a button and intelligent recommendations on relevant products and services based on their stated preferences and past behavior. This demanding generation of consumers expects similar sorts of seamless communication and real-time reactions from all other well-established companies that are not necessarily pioneers of innovation and agility (e.g. the Financial Sector).

In many European countries, over 70% of the population now own a smartphone or tablet and an increasing number of them have already used their mobile devices to purchase a product or request a service (see [Fevad](#)). Many consumers in developed countries have the privilege to be constantly online, having instant access to a fast internet connection and using on average at least 3 channels (e.g. phone call, webpage and email) before ordering their desired product (see [iAdvize](#)). As a result, those companies that cannot or will not adapt themselves to these new conditions and expectations are destined to lose their market position eventually. Competitors are – literally – only a few clicks away.

Providing an omni-channel experience for customers is a relatively straightforward answer to a vast range of problems including slow and inconsistent responses or limited ways of requesting services or ordering products. All these can often quickly result in customers’ dissatisfaction and/or employees’ frustration due to inconsistencies between systems, information and approaches. Unlike a multi-channel approach, which merely suggests the existence of more than one channel for the customer to interact with a company, an omni-channel approach seeks a consistent, unified and customized interaction with customers, regardless of the deployed channel. For instance, a customer who sends an email regarding a problem, can receive a confirmation via SMS, track the progress on a (web-based) customer portal and see a notification on his or her smartphone via the company’s app when the problem is resolved.

“ The outcome of the strategy should be to provide a cost-effective, easy-to-use and seamless communication platform for all corresponding parties (customers, agents/partners, management and employees) with real-time and customizable reporting and monitoring mechanisms. This dream seems only viable, when the vision, strategy, plan and general pre-requisites and requirements are determined, studied, addressed and communicated accordingly.

CHALLENGES

In addition to the usual technical complications¹ including existence of legacy systems and long-expired technologies and the pertinent integration-related challenges, pursuing an omni-channel strategy demands a clear vision of the future, tweaking the existing organizational processes and structures, addressing legalities, adjusting business segments, training relevant human resources and informing customers.

Defining a clear and forward-looking (grand) vision is not easy. There are countless new technologies, vendors, solutions and approaches to reach the same goal, each with their peculiar pros and cons. Moreover, technology trends should be taken into account to abstain from attractive but futureless solutions. Business strategy, customer segments and organizational culture all play a significant role as well. Having different and heterogeneous stakeholders may culminate in contradictive desires and requirements that need to be handled and prioritized accordingly.



In summary, complications exist in many dimensions including people, processes, business and technology. Correspondingly, a holistic approach addressing all these dimensions is needed to make a vision including and enabling omni-channel a viable concept rather than an impossible dream.

OUR APPROACH

A methodological, unified and transparent approach towards securing pre-requisites of "omni-channelity" and then devising a future-oriented strategy and finally implementing and enforcing that very strategy is necessary. This should be combined with acknowledging and addressing internal and external issues, obstacles and concerns (both technical and organizational) to make a successful adoption possible.

In this paper, Detecon's approach is provided to guide companies through defining a vision and devising a strategy based on their business requirements & goals, technological potentials and organizational culture. The approach is based on best practices, expert opinions and hands-on experiences.

In the following chapters, first, a methodology for defining a vision based on analyzing the status quo and identifying general requirements is provided. This is crucial in order to devise a tailor-made strategy that suits the needs, conditions and goals of the enterprise. Then, the common challenges and complications are discussed. Finally, general guidelines to address and overcome these complications are recommended and concluded. As noted before, this paper focuses primarily on devising a grand vision and strategy to layout the groundwork to become omni-channel and providing a company-wide program² to pursue its implementation. Implementing the laid out strategy is covered in another paper. In that (follow-up) paper, we explore how to realize (implement) the defined strategy by employing a methodological approach to collect process- and channel-specific requirements, find suitable technologies in the market, redesign the existing enterprise architecture and, finally, integrating the new solution(s) in the future target architecture and planning the transition phase on all technical, organizational and cultural levels. For now, we shall focus merely on the crucial first step of defining a vision and devising a strategy to serve as a frame of action.

¹ These are comprehensively addressed in our follow-up paper, "Realizing an Omni-Channel Strategy: From Requirements to Market Analysis and Target Architecture".

² These are comprehensively addressed in our follow-up paper, "Realizing an Omni-Channel Strategy: From Requirements to Market Analysis and Target Architecture".

Devising a Strategy: Initial Steps

GOAL

As mentioned in the Introduction, omni-channel adoption (OCA) refers to providing a seamless platform for customers to access their desired services with different devices and via various channels in a consistent and integrated manner. Unlike multi-channel functionality, **all relevant channels and systems are purposefully integrated to provide coherent and real-time data and services that are necessary to support customers' journey.** To achieve this, organizations sometimes need to rethink their IT infrastructure, change their underlying business order and organizational structures, and redesign their technical infrastructure from the ground up to realize an omni-channel vision (see Figure 1).

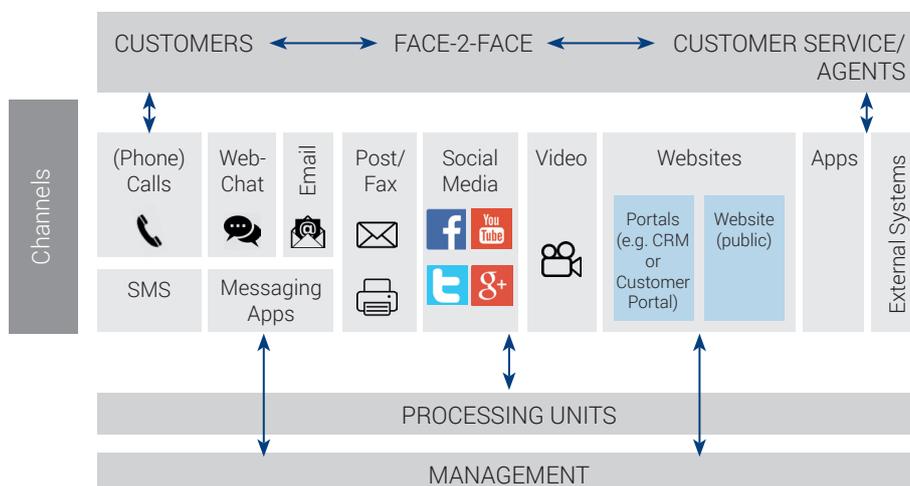
Particularly in large organizations, a fundamental redesign of the enterprise architecture and retiring old but seemingly vital systems is not desired and is often postponed until a moment when they notice it's too late and they are lagging way behind the market standards and competition. A sound strategy and convincing vision to support such a fundamental change may help in reducing the natural fear of innovation and concerns regarding changing a seemingly (or still) running ecosystem.

GRAND VISION

In large enterprises, "change" cannot happen overnight. It requires a slow transition; and before that transition can be materialized, it is necessary to have a grand vision based on best practices. This is required for three main reasons:

- 1) to remove any weak links in the chain of IT systems (e.g. company website might need to be migrated to a new platform that supports agile development),
- 2) to have a general blueprint on the integration aspects of the existing and future for the part of IT landscape that is in one way or another relevant to omni-channel realization and
- 3) to plan for new business segments and opportunities, and the inevitable organizational restructuring that arise as the result of an omni-channel landscape.

Figure 1 shows a Omni-Channel Vision: Specifying the Interaction Groups and Channels.



Such a grand vision should layout the desired architecture and infrastructure of the primary systems for communication and collaboration (e.g. how to deal with appointments or internal workflows or how to manage skills and capacities of employees). It should also outline the desired IT landscape (enterprise architecture) and future organizational structure on a highly abstract level.

After having laid out and substantiated this vision, the scope of the OCA program and its subprojects can be determined.

STRATEGY SCOPE

Adapting an omni-channel strategy is a cross-departmental (company-wide) program that may touch many different business sectors, technical systems and organizational units depending on the current infrastructure of the company. The scope of this large program should be laid out in the strategy to avoid any conflicts or misunderstanding in the adaptation/realization phase.

The relevant business segment, organizational units and IT systems can be deduced from the grand vision. The scope of the program can be outlined based on agreements with the decision makers of these pertinent systems and departments. This should be fully supported and endorsed by the leadership and communicated with and approved by all relevant stakeholders.

COMMON UNDERSTANDING

Organizations should agree on and determine a definition for omni-channel capability (omni-channelity). For instance, "omni-channel" could merely mean communication with external contacts (customers, agents, partners, service providers, etc.), or includes internal communications as well (e.g. between or within departments).

Every company might have a different understanding or expectation regarding an omni-channel construct. Failing to address this may result in an all too familiar case of trying to run after customer demands or spend valuable resources on features, systems or interfaces that may not contribute much to the big picture and the grand vision (see [CMSResearch](#)).

Here are a few exemplary questions that need to be clarified and answered:

- What channels will be **fully integrated** into the omni-channel landscape?
- How are the organizational accountabilities defined?³
- Are cloud-based solutions generally an option?
- Should external associates (agents/partners) have access to omni-channel related systems? How is their level of access defined?
- How does data protection laws and business strategy affect information procurement for customers or information access by external associates (agents)?
- Should systems to support the relevant workflows implemented separately (as part of an omni-channel solution to merely address channels) or centrally (in a separate but well-integrated system to support also other organizational workflows)?

³ For example, each channel can have a designated owner. On the other hand, the responsibility can be assigned based on other attributes such as business or customer segment



If these questions have not already been addressed in official documents (e.g. IT strategy, communication standards or data governance policies), the opportunity can now be seized to find appropriate answers for them based on the overall business strategy, the grand vision, and technical competency of the enterprise. Organizing brainstorming session with stakeholders, seeking expert opinion and observing current technological trends and possibilities can help finding fitting answers to these questions.

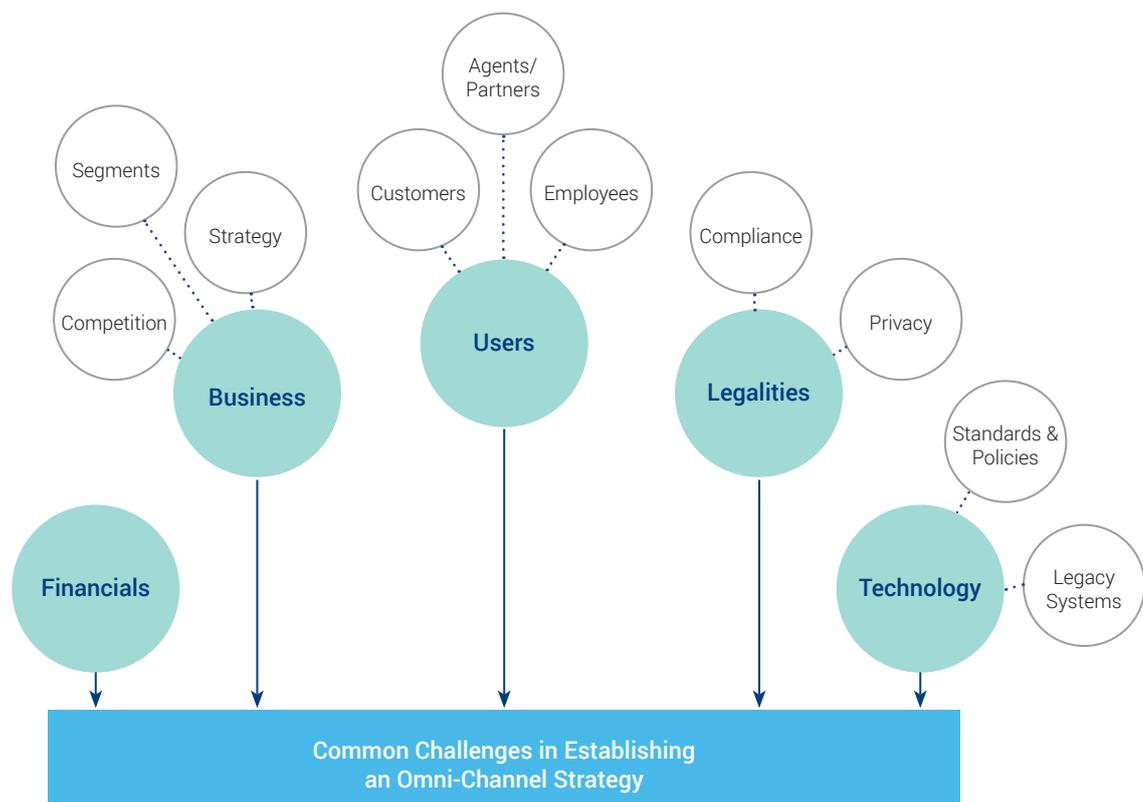
After having achieved a common understanding about omni-channel capability, general requirements and expectations should be determined on various topics including:

- needs and preferences of consumers (regarding communication channels),
- legality of the data ownership,
- type and extent of information flow in certain interaction channels or
- technical affinity of employees and customers

General Requirements and Expectations

Analyzing the situation and identifying or defining general requirements is not much different from any other IT project. Here, a summary of important aspects of each dimension within the context of OCA will be discussed.

Figure 2 shows an overview of the relevant dimensions when it comes to collecting general requirements.



BUSINESS

It is important to define and prioritize the business expectation(s) when devising an omni-channel strategy. Options can range from increasing efficiency, profit or customer satisfaction all the way to simply catching up with competition and enhancing the image of an enterprise as innovative and “cool”.

The business requirements determine the extent of new channels. The main question here is: does offering certain channels make sense regarding business goals, organizational structures and customer behavior/traits?⁴

Finding the right expectation(s) and motivation(s) clarifies the scope and types of channels, their general functionalities and their objective in different business segments.

USERS

Customers

Companies need to determine key tasks, needs and actions that customers carry out throughout an experience to finish a process (e.g. ordering or a product or claiming insurance), and then let them accomplish those steps across multiple channels. In other words, the so-called **customer journey** should be analyzed and adjusted with regard to the omni-channel capability.

From a customer's perspective, regardless of the business segment or the type of journey they are going through, few general requirements always hold true. Seamless and consistent communications including inter-operability of channels, availability of stored information (including communication history) across all authorized units and channel-agnostic services are what almost every customer would expect along their journey.

Seamless and Consistent Communications: Customers often desire to have access to well-established channels without any restrictions in processes, devices (hardware) or software. They want to be able to go throughout their journey no matter what device or platform they are on and with whom they are communicating.

Online services should therefore be available on any desktop, laptop or mobile devices. Furthermore, it should be possible to change between channels in a seamless and smooth manner. Customers expect that their information and communication history is available throughout all existing channels and _accessible to authorized units. For example, the image of a company can be easily tarnished if its call center employees are unaware of the email communication of a caller, simply because the two supporting systems are not well integrated.

Furthermore, switching between on-site (face-to-face) communication and other channels should be possible with minimal delay and incoherence. For example, if a Sales employee has a meeting with a client, this client should be able to follow up on the generated documents and protocols (e.g. agreements or offers) throughout other channels.

⁴ For instance, offering video-chat for certain processes (e.g. Sales) may have a negative impact in case customers or Sales representatives value personal and face-to-face visits over vide-chat.

Channel-agnostic Service Offering: Lack of services in certain channels that make sense to the majority of customers can easily lead to dissatisfaction. For instance, if requesting a statement from a bank is only possible by calling the customer service and not by simply pushing a button on the customer portal, it raises the question about the technological competency of that bank. As a rule of thumb, absence of certain services in any channel should be only due to legal constraints or, in specific cases, because of lack of financial viability or customer interest. It shall not be based on technical or organizational difficulties. The technical infrastructure and organizational processes should be laid out in a way that any legally permitted service could be provided in any desired channel at minimal cost.

Employees

Many organizations focus solely on customers and their needs and ignore employees' desires, time and comfort. The fact is that an unhappy employee is unlikely to be efficient or motivated to treat customers well. Regarding omni-channel strategy, the employee part of the people dimension should not be undervalued. Cognitive burden on employees when handling different channels and having to deal with different systems and inconsistent processes and data should be underestimated. An omni-channel strategy should lay out certain requirements such as usability, consistency of graphic design and availability of information in backend systems for the target solution(s), even if these are not directly visible to customers. Moreover, it should take the skills and competencies of current employees into account and suggest or prioritize plans to address such inadequacies (e.g. hiring new staff or introducing training courses).

Agents/Partners

Agents, external employees or business partners can be considered as external human resources with sometimes different concerns, tools and desires when compared to internal employees. They may focus on certain business segments or customers and they might have different technological infrastructure, skills or requirements. For example, if agents of a company cannot access its internal network for any reason, cloud-based solutions should be considered in order to facilitate access for every stakeholder to use the target systems supporting relevant channels. If using cloud solutions is not an option, measures should be pondered to provide access to the omni-channel constellation. For instance, VPN clients or 2-factor authentication can be considered to let external resources in.

TECHNOLOGY

Technological requirements generally act as a framework to determine the suitability of new solutions when it comes to market analysis and designing the target enterprise architecture. With regard to omni-channel strategy, it is crucial to know what technological guidelines, barriers or paucities (e.g. legacy systems or lack of modern architectures) exist. The guidelines may include standards, frameworks, platforms and policies that have been established within an organization.

Regarding OCA, since the target solution will inevitably consist of various sub-systems and interact with numerous solutions in the IT landscape, it is of great importance to define general technological requirements before starting to collect channel-specific and business-dependent requirements (or carrying out market analysis on that matter).

These general requirements include, but are not limited to, the possibility and extent of employing cloud-based solutions, tolerating ruling-out desktop (not web-based) applications, employing certain technologies (e.g. for database or communication), accepted standards for communication (e.g. for interfaces), preferring certain development languages and so on.

A detailed exploration of technological requirement can be found in the follow-up paper on the alignment of technology and business and operationalization of the devised strategy.

FINANCIALS

Profitability is clearly a decisive criterion for most of the transformation projects. With regard to omni-channel adoption, if done properly, it most certainly contributes to better financial gains in the long run. Sometimes the problem is that many factors and benefits are not easily quantifiable and hard to measure, or their correlation with profitability is hard to assess. For instance enhancing the image of a company as an innovative and up-to-date enterprise or increasing employee satisfaction are results of a successful omni-channel adaptation, however, they are difficult to estimate and measure in advance.

That is why not only direct financial gains (e.g. in cheaper licenses or less manpower), but also relevant factors should be considered. Focusing solely on hard direct costs and incomplete benefits should therefore be avoided when making a decision on going omni-channel. In other words, special attention should be paid to hidden costs of old technologies, inefficient procedures, customer dissatisfaction and loss of image in ROI analysis.

LEGALITIES

Legal issues regarding the application and purpose of news channels need to be identified at the beginning of the OCA program. In many enterprises, communicating important and official documents have been carried out via mail (post) exclusively to avoid any data privacy issues. In recent years, however, in some countries the previous barriers with respect to online communications have been lifted. Digital signature, secure/signed emails and sophisticated online authentication methods are now considered mature and reliable technologies. As a result, communications and agreements on many digital and new channels can be declared legally binding. Adapting an omni-channel strategy is a suitable occasion to review the applicability of new channels to replace paper-based transactions and communication.

Furthermore, in countries with strong regulations on data privacy, there might be limits on deploying new channels, particularly for sending, receiving, broadcasting or storing people's faces and voices. As a result, it is vital to determine what kind of information can be stored and how. For example, many companies might prefer to store all their video communications, however, the law might prevent them doing so, even with the consent of both parties. Additional appendices for current employment contracts might also be necessary before deploying some channels.

Exploring legal options and complications in early phases would also help with gaining better insight into general requirements for available solutions. For example, if sending and receiving documents during a chat session is desired and permitted, solutions that do not support document transfer can be excluded from the long list of candidates.

Based on the collected general requirements in all five dimensions and a common understanding of the pertinent topics, a strategy can be devised that is rooted in a deep understanding of important factors including customer behavior, employee skills, business objective, technology trends and the underlying interplays.

Complications & Resolutions

Devising an omni-channel strategy is the first step towards realizing an omni-channel enterprise. Companies can benefit from the side-benefits of an omni-channel platform including easy and real-time access to invaluable intelligence via consolidated reports throughout all channels and use them in improving their communication with customers (e.g. by customizing their marketing campaigns and offering relevant products based on customer behavior) and effectively managing and configuring a rich range of channels. Preparing the vision and devising strategy might be easier than its realization and shown in our follow-up paper.

Still, establishing a realistic vision and a laudable strategy is not an easy task. In this chapter, we list the common challenges on this matter and provide a set of guidelines in order to reduce the risks and costs of the program.

COMMON CHALLENGES

Business Repercussions

An omni-channel strategy usually demands a fundamental change and restructuring of organizational roles and processes. Not only does the introduction of new channels (and possibly new disruptive solutions) necessitate the definition of new roles, responsibilities and maybe organizational units, a new constellation of solutions may demand changes in workflows and monitoring and reporting measures. The complexity of having a unified system throughout the organization and the future channels should not be underestimated, particularly if the existing channels are not yet well-integrated with one another (silo-mentality).



Furthermore, new channels might make some products obsolete or provide opportunities to offer new and innovative ones. All these require a rethinking of business and customer segments in line with the new pursued strategy.

Legal Complications

In enterprises with multi-tier ownership of customers and products through brokers, external agents, retailers, etc., introducing an omni-channel strategy might touch upon legal complications regarding data ownership in addition to the other usual technical and organizational difficulties.

Moreover, a refinement of the often-complicated commission systems might be necessary with regard to new scopes for old channels and desired applicability of new ones. The legalities of such change can be a challenge, even if all sides agree on a new model.

Resistance to Change

In the target vision, different departments may have more (or less) tasks, their authorities might be questioned based on the new construct and their incentive system may require tweaking. As in similar projects that bring about unsolicited change, there will be resistance from affected stakeholders, even before the implementation/realization starts. All these often culminate in concerns and rumors within the organization to slow or shut down the program.

In addition to securing full support from the leadership (see General Guidelines), it is of utmost importance to communicate the future changes and reach a consensus between the affected parties and make the gain and losses transparent. Reaching a common ground and considering the interests and apprehension of influential and impacted parties can one ease tension and secure the success of project.

Workplace Politics

Politics is an inescapable part of every organization, particularly large and older ones. As Dale Carnegie wisely noted, "When dealing with people, remember you are not dealing with creatures of logic but creatures of emotions." (see [HBR for the Underlying Psychology of Politics](#)). When dealing with penetrative projects such as OCA, the usual internal competitions and frictions become even more outstanding.

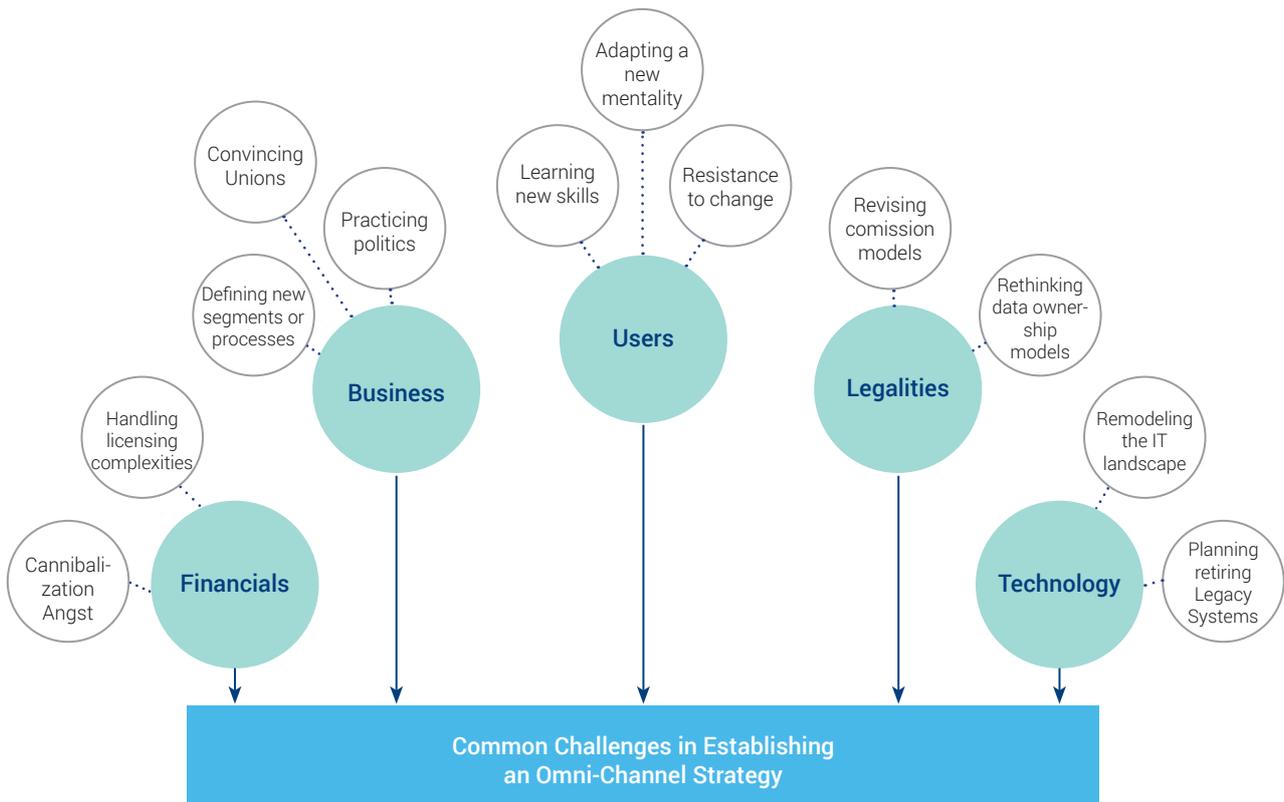
Having the full support of the higher powers is necessary, but not sufficient. Changing organizational processes and units and reforming technical solutions is sometimes a zero-sum game and negotiations and persuasions have to be followed with greatest care. In the end, the employees and managers will have to use and configure the new system(s) and carry out the refined processes; and without their consent, a long-term success cannot be guaranteed. Dealing with politics can be mitigated by various measures including documenting and acknowledging the formal and informal hierarchies and rules, political players and preparing contingency plans for likely risks and devising an escalation mechanisms (see [the Daily MBA for a comprehensive article](#) on the issue). A coherent business team should orchestrate the efforts, address the issues and lead the project in the right direction to achieve this. Again, adjusting sensitive business areas such as bonus systems or introducing new systems and processes requires lobbying, convincing and planning (e.g. with seemingly irrelevant entities such as the work councils or unions).

Cannibalization Angst

Cannibalization may also be a business concern. Cannibalization in this context means that customers might be less likely to close a deal or buy a product when the communication is facilitated via a new channel compared to the old ones.⁵ In other words, introducing certain channels might actually reduce the revenue. Upon introducing a new channel (e.g. video-chat in addition to phone call and personal meetings), such cannibalization effects should be considered and later investigated. It should be noted that introducing new channels brings more customers and increases the satisfaction of new customers. Moreover, not introducing modern channels such as video or messenger might inadvertently result in customer attrition if the competition is already employing such channels. If cannibalization is a possibility, these other factors should be taken into account before ruling out a channel. The measurement of such soft factors, however, cannot be performed easily. It requires additional qualitative methods of assessment (e.g. best practices or customer interviews).

Finally, the fact remains that a channel might not be fit for the business after all. This statement can, however, only be made when it is proven both quantitatively and qualitatively analyzing all relevant soft and hard factors that cannibalization is a strong possibility and outweighs the other possible benefits.

Figure 3 shows a summary of common challenges in establishing an omni-channel strategy.



⁵ For example, consider the case when 50% of your customers use phone calls to acquire information about a product and the other 50% prefer personal meetings to do so. Let's assume the success rate of the phone channel is 20% compared to 60% in face-2-face meetings. If you introduce video as a new channel, the new percentage of channel-usage should be estimated, along with the success rate of video calls. If the success rate of video is considerably lower than 60%, and a significant number of customers use video instead of previously opted personal meetings, this may result in a lower total number of sold products.

GENERAL GUIDELINES

The following guidelines will help organizations to achieve a well-devised omni-channel strategy that is ambitious, tailor-made for business and –most importantly- viable.

Conceptualizing a Grand Vision

It is a common belief, particularly from the older generations, that change happens very slowly in large enterprises and the transformation is a painstakingly time-consuming and costly process. We are not going to argue about the nature of some new technologies and development methods (e.g. DevOp) that can drastically reduce the transformation time and ease the migration pain. Therefore, be that as it may, it is crucial for companies with an omni-channel ambition to have a grand vision of how the organization and its IT landscape is going to look like in 3 or 5 years. 10 years is too long considering the velocity of technological advancements. However, depending of the size of your organization a 3- or 5-year roadmap to get to an elevated state is crucial.

Imagine you are a company with loads of legacy systems that should have been retired a decade ago (e.g. Lotus Notes), no CRM solution with a 360-degree customer view and old approaches to handling your workflows, sharing information and managing knowledge. Starting an omni-channel program without having a vision on how your landscape should look like in the future is like trying to switch your horse with an electric car without having a plan to build roads, gas stations and street signs. It does not have to and cannot happen overnight. However, having a well-thought blueprint of future systems and systematics guide you through the inevitable complications and unknowns that were mentioned earlier.

Ensuring Leadership Support

Similar to many other initiatives, in order to address and overcome challenges including workplace politics or resistance to change, the unequivocal support of the leadership to push through the OCA agenda is necessary. Devising an omni-channel strategy requires a significant investment and a clear willingness to rethink business and customer segments, reengineer the existing processes and roles and convince employees of learning new interaction methods and tools. **If the leadership is not convinced about the significance and importance of such a vision, or there are unresolved political disputes over accountabilities and scope, it is often better to postpone introducing such a strategy or at least put the adaptation on hold rather than enforcing it without a solid support and cause desperation and frustration.**

The leadership body of an organization should be convinced that omni-channel capability is the way to go in order to survive in a highly volatile and competitive market in the 21st century. If for any reasons they are not, ignoring this fact and hoping for the best is not going to save the program from failing miserably. Having the entire leadership on board is undoubtedly one of the very first steps in ensuring that the program has any chance of success.

Employing Experienced and Technology-Aficionados

Rethinking the IT landscape of an established organization from the ground up and understanding and employing state-of-the-art technologies and solutions cannot be trusted into hands of inexperienced people regarding technological innovations and possibilities. We have seen in some cases that the head of an omni-channel program does not have any experience in innovation projects, or even worse, are an advocate of status-quo and not a big fan of technological transformations. The person or team in charge of OCA program should have the compassion to change the established order and bring fresh ideas regarding processes, culture, technology and people. A conformist mentality or lack of willpower to pursue fundamental changes is poisonous to the success of such a program and to an organization in the long run. External help can be sought in case the competency or experience is not available internally for such a vital and permeating initiative.

Retaining an End-2-End View of Processes

Omni-channel-related issues are often not local problems, but global (company-wide) obstacles. The same is valid for workflows and responsibilities. The cross-departmental nature of OCA program demands an end-2-end view of the processes, when it comes to revising and refining workflows and organizational structures.

Moreover, channel-agnostic customer experience urges processes to be carried out consistently and regardless of the responsible unit or business segment. New monitoring measures and reporting structures should also be defined with regard to an end-2-end process view. If there is no comprehensive governance structure that is based on holistic processes, OCA program might be a good opportunity to start and enforce one.

Recognizing Hidden Costs & Benefits

In many cases, devising an omni-channel strategy does not necessarily require detailed business plans and cost-benefit analyses. Providing a consistent, coherent and personalized experience throughout all channels is more a strategic goal than a financially driven cause. This does not mean that an omni-channel strategy will not bring about any financial benefits. On the contrary, OCA will bring direct and indirect fortune in the long run to companies audacious enough to initiate one.

There are, however, hidden costs that cannot always be easily quantified and measured. Wasted time and energy of employees switching from system to system, dissatisfaction of customers in the modern age when they notice inconsistencies between channels or lack of access to historic data, number of employees creating manual reports from different systems, costs of maintaining and integrating old technologies, etc. are all salient factors that cannot be simply put into numbers. An overall and solid cost analysis is certainly beneficial and sheds light on the required investment and general annual costs. Trying to do more than that or ignoring the hidden costs/benefits in calculating return on investment might prove to be more confusing than productive in some cases. Acquiring experts' opinion and wisdom can certainly be helpful on such matters.

Conclusion & Next Steps

What should you do or how can you start as a decision maker or leader in a large enterprise without and in urgent need for omni-channel capability? We suggest the following steps.

Having secured the necessary leadership support, start with a thorough analysis of your current technological maturity and organizational potentials with regard to existing state-of-the-art innovations and solutions. It is relatively easy to figure out where you are and what kind of problems you may have. It is, however, not often self-explanatory to investigate the status-quo objectively, let alone know where you should be heading and by what means. The expertise for assessing new technologies and their applications/implications is often missing in many organizations, especially in older industries such as banking, transportation and insurance. Seeking external help is, therefore, advised in order to determine gaps, identify modern and future-oriented technologies and approaches and maintain an objective and end-2-end view of the processed throughout the analysis.

The outcome of this analysis is the technological grand vision. For example, you may decide (or have decided) on having Office 365, using a cloud solution for your CRM, introducing a cross-departmental workflow management system, replacing your traditional OCR with an AI-based approach, recreating your website on a new and agile platform, and having a web-interface for your core business systems. Following this vision that outlines the major parts of your IT landscape, a program (OCA) should be defined in which these projects are prioritized, financed, planned, executed and coordinated. The OCA program may also identify and address the organizational implications.

It should also be noted that some companies try to employ an internal task-force to carry out such an ambitious mission to save money. However, they often ironically end up losing millions because they have invested in the wrong technology or missed a significant segment in their future architecture.

We believe that Detecon's methodology and experience can help companies define and realize an OCA strategy and program. If the content of this paper is sufficient for you to proceed, we are glad to have helped you indirectly. Otherwise, you may contact us if you need further support in any of the aforementioned steps.

References

<https://blog.markgrowth.com/multi-channel-cross-channel-omni-channel-what-is-the-difference-3fc9f84c84b5>

<https://theagileadmin.com/what-is-devops/>

https://www.theregister.co.uk/2017/05/03/it_infrastructure_operations_and_data_center_summit_promo/

<http://www.crmsearch.com/omnichannel.php>

<https://blog.vendhq.com/post/64901829595/how-to-implement-effective-omnichannel-strategy>

<https://www.radial.com/commercelens/implementing-agile-omnichannel-strategy-pushing-past-internal-challenges>

https://en.wikipedia.org/wiki/Decision-matrix_method^

http://www.detecon.com/en/Expertise/Consulting_Areas/Enterprise_Architecture_Management

<https://hbr.org/2014/12/the-underlying-psychology-of-office-politics>

<http://www.thedailymba.com/2011/02/28/how-to-deal-with-organizational-politics/>

<https://www.liquidplanner.com/blog/manage-scope-creep-even-prevent-happening/>

https://thenextweb.com/insider/2013/09/11/5-reasons-enterprises-are-frightened-of-the-cloud/#.tnw_jXgA7UnL

<https://www.forbes.com/sites/stevendennis/2017/03/23/omni-channel-is-dead-long-live-omni-channel/#5e38992f5215>

Authors



Dr. Pujan Ziaie is a Senior Consultant at Detecon and an expert in IT strategy, enterprise architecture management (EAM), omni-channel communications, Atlassian products and business process management (BPM).

His current focus is devising agile and end2end IT infrastructures for collaborative process and knowledge management. Dr. Ziaie has a PhD degree in Managing Information Systems (MIS) from the Technical University of Munich (TUM). His thesis was on designing self-sustaining and autonomous online communities. He also has two master's degrees in the fields of technology management (from CDTM, Center for Digital Technology and Management) and computer science/artificial intelligence (from TUM).

Mobile: 0151/52484533
Pujan.Ziaie@detecon.com

Corresponding Business Partners



Steffen Roos
Partner
Detecon International GmbH
Sternengasse 14 - 16
50676 Köln

Mobile: 0151/27471183
Steffen.Roos@detecon.com



Ralf Schneider
Managing Partner
Detecon International GmbH
Sternengasse 14 - 16
50676 Köln

Mobile: 0175/9372761
Ralf.Schneider@detecon.com

Company

Detecon International is one of the world's leading management consulting companies, one which combines classic management consulting with outstanding technological expertise. This approach of thinking in terms of these two areas simultaneously will determine the future performance of every company.

Our business is consulting, our strengths are digital technologies and networks. For more than 30 years, we have been supporting companies and telecommunications providers around the globe, helping them to improve the sustainability of their competitiveness and performance capabilities along the entire value chain with the aid of innovative technologies. Moreover, we offer our clients solutions in all fields of classic corporate consulting: strategy, organization, processes, and HR management.

Digitalization has advanced to become today the overriding challenge of a globalized economy cutting across the boundaries of industries and sectors. Digital technologies are in our world no longer the vicarious agents for the business side – IT is becoming the core of products, business models, and processes. Broadband networks create the fundamental platform for a networked world. The consultants at Detecon help their clients to rethink business models, to digitalize procedures and processes, to network customers with companies, and to build the platforms for customers, companies, and products. Our unique selling proposition is the combination of technological expertise, business know-how, and transformation experience acquired by our consultants during more than 20,000 successful projects in Germany and abroad, from San Francisco to Beijing. We understand the processes and business models of our clients and know how they can exploit technology to gain a decisive and sustained lead over their competition. We build the bridge between the business and the ICT perspectives. These are the skills which enable us to guide our clients through digital transformation. Detecon is a subsidiary of T-Systems International, the key account brand of Deutsche Telekom.

This publication or parts there of may only be reproduced or copied with the prior written permission of Detecon International GmbH.

Published by
Detecon International GmbH.
www.detecon.com

