

Module 1. What is digital transformation?



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Unit 1.1 What is digital transformation?

1.1.1 Introduction

Digital transformation has become a prominent topic over the past decade. It is hard not to have heard about these terms from media. From this media coverage it is easy to get some understanding about the meaning behind digital transformation, but what does digital transformation mean by definition?

For learning purposes, it is good to define the terms clearly to provide context for further discussions.

"Digital" can be defined as the processing of information, such as numbers, by computers or electronic devices. Conversely, "analog" refers to the processing of information, such as numbers, by humans or physical devices. Digital processes are often automated, whereas analog processes are manual. In essence, digital contrasts with analog.

"Transformation" is defined as a thorough or dramatic change in form, appearance, nature, or structure. It involves fundamentally altering

something, often making it significantly different from its original state. This disruption leads to the cessation of the old way of doing things.

Combining these definitions, digital transformation can be described as the shift from an analog state to a digital one. This transition has fundamentally changed all industries and companies, rendering the analog method obsolete or on the path to obsolescence.

For companies, this means integrating various digital technologies and data into all areas of operation. This integration leads to a fundamental change in how they operate and create value for their customers.

For customers, digital transformation results in more convenient ways to find information, seamless interactions with brands, and faster, more efficient services. This transformation fundamentally changes how customers experience brands and derive value from them, regardless of the industry.

Digital transformation also encompasses cultural changes within organizations, necessitating shifts in mindset and behavior among employees. Companies must foster a culture of innovation and agility, encouraging continuous improvement and adaptability to new technologies. Leadership plays a crucial role in guiding these transformations, ensuring that teams are aligned with the strategic vision and objectives.

Furthermore, digital transformation is not solely about adopting new technologies but also about optimizing existing processes. Businesses need to analyze their current workflows and identify areas where digital tools can enhance efficiency and effectiveness. This might involve re-engineering business processes to eliminate inefficiencies and redundancies, ultimately leading to a more streamlined and productive organization.

As we move forward in these discussions, it is essential to recognize that digital transformation is an ongoing journey rather than a one-time event. Organizations must stay vigilant and continuously evolve to keep pace with technological advancements and changing market dynamics. Through these courses, we aim to provide a comprehensive understanding of digital transformation and equip you with the knowledge to navigate this complex landscape successfully.

In these courses, we will examine why digital transformation impacts all industries and, more importantly, how it affects the sports industry. We will also explore the concept of digital maturity and how it helps understand the digital journeys of all companies. Additionally, we will discuss the elements required for seamless cooperation within companies to foster growth and enhance customer experiences.

However, before delving deeper into digital transformation, we will first introduce the building blocks of digital transformation from an organizational perspective.

1.1.2 Building blocks of digital transformation

Digital transformation consists of three fundamental components: digital services, data-driven operations, and automated processes. Each of these elements is equally crucial and must function harmoniously to achieve optimal operational efficiency while simultaneously delivering value to customers.

These components involve leveraging various technologies and strategies to enhance customer interaction, inform business decisions, and streamline repetitive tasks. Together, they form the backbone of digital transformation, enabling businesses to adapt to changing market conditions, meet customer expectations, and maintain a competitive edge.

Digital services

Digital services are delivered via digital platforms using electronic devices, software, and the internet. These services offer information, support, and functionalities like purchasing products and services. There are two main user groups: employees and customers.

Employees use internal digital services to enhance workflow efficiency compared to previous analog methods, such as receipt collection or customer service applications. For instance, an employee might use a

cloud-based project management tool to track progress, assign tasks, and collaborate with team members in real-time, thereby reducing the time spent on manual coordination and documentation.

Customers interact with company-developed digital services like websites, applications, or webstores for efficient communication and transactions. A customer may browse an online store, add items to their cart, and make a purchase through a secure payment gateway without ever needing to visit a physical location. Additionally, customer support chatbots can provide immediate assistance, answer queries, and resolve issues, enhancing the overall user experience.

Key characteristics of digital services include online access, interactivity, and data-driven workflows. Online access allows users to engage with services anytime and anywhere, breaking down geographical barriers and providing greater flexibility. Interactivity facilitates dynamic and personalized interactions, such as customized recommendations based on user preferences and behavior. Data-driven workflows leverage analytics and automation to optimize processes, predict trends, and make informed decisions. They aim to improve convenience, accessibility, and efficiency in interactions between people and organizations across all industries.

Furthermore, the integration of emerging technologies like artificial intelligence (AI), machine learning (ML), and the Internet of Things (IoT) continues to expand the capabilities of digital services. AI-powered

virtual assistants can perform complex tasks, while IoT devices can collect and transmit data to enhance service delivery. For example, smart home systems allow users to remotely control lighting, temperature, and security, creating a seamless and intelligent living environment.

In summary, digital services use technology to improve workflows for employees and simplify interactions for customers, leveraging online access, interactivity, and data-driven processes. Emerging technologies like AI and IoT further enhance these capabilities, making services more efficient and accessible.

Data-driven operations

Data-driven operations involve using data and insights for everyday decision-making to ensure objective outcomes. This contrasts with relying on intuition or experience, which can introduce bias and resistance to change. Shifting to this culture can be challenging in organizations.

Many companies apply data-driven methods primarily in marketing and sales, identifying customer segments and tailoring messages accordingly. These activities vary based on the customer's stage in their journey, whether it's marketing or sales related. This approach not only allows for targeted communication but also enhances customer

engagement and satisfaction by addressing specific needs and preferences.

Finance also uses a data-driven approach to make informed decisions and monitor business performance against budgets. However, it often involves retrospective analysis rather than continuous optimization. By leveraging historical data, finance teams can identify trends, forecast future performance, and implement strategies to achieve financial objectives.

In addition to marketing, sales, and finance, other departments such as human resources and supply chain management are increasingly adopting data-driven practices. In human resources, data analytics can help with talent acquisition, employee retention, and performance management. For instance, analyzing employee turnover rates and productivity metrics can provide insights into workforce dynamics and inform HR policies and training programs.

Similarly, in supply chain management, data-driven operations enable companies to optimize inventory levels, improve demand forecasting, and enhance logistics efficiency. Real-time data collection from various touchpoints in the supply chain allows for proactive decision-making and minimizes disruptions.

KEY CHARACTERISTICS OF DATA-DRIVEN OPERATIONS INCLUDE THE FOLLOWING.

- Continuous data collection: gathering data from multiple sources and ensuring it is accurate and up to date.
- Analytics and insights: analyzing data to derive meaningful insights that drive strategic decisions.
- Performance measurement: setting benchmarks and key performance indicators (KPIs) to evaluate success and identify areas for improvement.
- Ongoing optimization: continuously refining processes and strategies based on data insights to achieve better results.

Most companies adopt this strategy at least in their marketing and sales efforts. As the benefits of data-driven decision-making become more apparent, organizations are expanding these practices across all functions to enhance overall efficiency, innovation, and competitiveness. Embracing a data-driven culture requires investment in technology, skilled personnel, and a mindset shift towards valuing data as a critical asset. Organizations that successfully navigate these challenges can unlock significant value and sustain long-term growth.

In summary, data-driven operations improve business functions through continuous data collection, analytics, and optimization. This

approach enhances customer engagement in marketing and sales, supports strategic financial decisions, aids in effective talent management, and optimizes supply chain processes. Although adopting a data-driven culture requires investment in technology and skilled personnel, the benefits of increased efficiency, innovation, and competitiveness make it a worthwhile investment for long-term growth.

Automated processes

Companies rely on internal processes to run their business. Traditionally, these were done manually, but automation has transformed them. Automated processes, which are tasks executed by machines or software with minimal human involvement, aim to boost efficiency, reduce errors, and allow employees to focus on strategic work.

KEY CHARACTERISTICS OF AUTOMATED PROCESSES INCLUDE THE FOLLOWING.

- Pre-defined rules guiding the workflow: these rules ensure that the process is consistent and predictable, making it easier to manage and optimize over time. For example, an automated invoice processing system might follow specific steps for validation, approval, and payment.
- Use of technology to perform tasks: automation leverages various technologies such as robotic process automation (RPA), artificial intelligence (AI), and machine learning to execute complex tasks. A chat

support system using AI can handle customer inquiries 24/7, providing instant responses and solutions.

- Handling of repetitive tasks previously done manually: automation takes over mundane and repetitive tasks, freeing up employees to engage in more value-added activities. In manufacturing, robots can assemble products rapidly and with high precision, which would be tedious for human workers.
- Actions triggered based on set rules: automated systems perform actions automatically when certain conditions are met. This could be anything from sending an email notification when inventory levels drop below a threshold to initiating a fraud detection protocol when suspicious transactions are detected.

Automation is common in customer support, manufacturing, finance, supply chain, marketing, and sales. With advancements in machine learning and artificial intelligence, digital transformation is accelerating.

For instance, in customer support, chatbots provide quick assistance, reducing the need for human intervention in resolving common issues. In manufacturing, automated assembly lines increase production speed and consistency. In finance, automated trading systems can execute trades at lightning speed, capitalizing on market opportunities that humans might miss. Supply chain management benefits from automation through improved logistics and inventory management. Marketing automation tools help businesses target the right audience

and track campaign performance efficiently. Sales teams use CRM software to automate follow-ups and maintain relationships with clients.

THE MAIN BENEFITS OF AUTOMATION ARE DESCRIBED BELOW.

- **Increased efficiency:** by automating routine tasks, companies can accomplish more in less time, improving overall productivity. For example, automating data entry reduces the time required to update databases, allowing employees to focus on analysis and decision-making.
- **Improved accuracy:** machines and software can perform tasks with a higher degree of accuracy than humans, minimizing the chances of errors. An automated quality control system in manufacturing can detect and reject defective products with precision, ensuring only the best products reach consumers.
- **Cost savings:** automation reduces labor costs by decreasing the need for manual work and increasing operational efficiency. It also lowers the cost of errors and rework. For example, an automated billing system eliminates the need for paper invoices and postage, saving money and resources.
- **Scalability:** automated systems can easily scale up to handle increased workloads without a corresponding increase in labor costs. E-commerce platforms use automation to manage large volumes of orders during peak seasons like Black Friday, ensuring smooth operations and customer satisfaction.

In essence, automation scales manual work, distributing results where needed, saving costs, and minimizing manual errors. As technology continues to evolve, the potential for automation to transform industries and drive growth will only expand.

1.1.3 Examples of building blocks from sport industry

Digital transformation involves integrating digital technologies into all areas of an organization's operations, changing how they deliver value to customers. These digital services play a crucial role in enhancing customer experience, driving business growth, and maintaining a competitive edge. In sports, these principles are evident as organizations aim to enhance fan engagement, optimize operations, and stay competitive.

Digital services encompass a wide range of applications, including streaming platforms, mobile apps, data analytics, and social media interactions. These services provide personalized experiences, real-time updates, and convenient access to information, significantly improving user satisfaction and loyalty. By leveraging digital technologies, organizations can gather valuable data, analyze consumer behavior, and tailor their offerings to meet specific needs, thereby fostering deeper connections with their audience.

For example, Major League Rugby and Sportian (a branch of Globant in partnership with La Liga) teamed up in 2023 to launch a new streaming service for American rugby fans. This platform aimed to professionalize the Rugby network, monetize through subscriptions, and collect fan data. The new service provided live-streaming of matches, on-demand content, and exclusive behind-the-scenes footage, offering fans an immersive and engaging experience.

In just four months, the service gained 65 000 subscribers and generated \$10.4 million in fan spending. Subscribers watched 38% more content and user registration increased by 55% compared to the previous year. This substantial growth not only demonstrated the effectiveness of digital transformation but also highlighted the increasing demand for digital services in the sports industry.

This case highlights how introducing a new digital service can boost customer experience and drive business growth. By embracing digital transformation, sports organizations can tap into new revenue streams, enhance fan engagement, and stay ahead in a rapidly evolving market. The success of Major League Rugby and Sportian's streaming service exemplifies the potential benefits of integrating digital technologies into sports operations, setting a benchmark for other organizations to follow.

Brighton & Hove Albion Football Club serves as an exemplary case of successful data-driven operations. They have become leaders in utilizing data-driven decision-making for player recruitment, a

remarkable feat for a club with significantly fewer resources compared to many other Premier League teams.

THE PRIMARY COMPONENTS OF BRIGHTON'S RECRUITMENT STRATEGY ARE:

- identifying undervalued talent,
- long-term player development,
- alignment with tactical philosophy.

The club's recruitment strategy is centered around identifying undervalued players with substantial potential, a task that is certainly challenging. Brighton has made considerable investments in their data operations. According to various sources, they maintain an extensive databank and employ sophisticated mathematical models, giving them a competitive advantage in identifying such players over other teams. Their data operations and data-driven decision-making have led to significant success in recruiting players, particularly those operating outside Europe's top leagues.

Brighton's data-driven approach also emphasizes long-term objectives. Instead of seeking immediate results, Brighton invests in the

development of their players, ensuring their adaptation to the club's playing style and tactical requirements. This long-term perspective allows players to achieve peak performance while simultaneously increasing their market value.

Furthermore, Brighton ensures that each player signed aligns seamlessly with the team's tactical framework. By integrating recruitment with the club's overarching philosophy, they maintain a consistent style of play that enhances overall team performance. This approach underscores their commitment to long-term goals and stability across multiple seasons.

Notable successes of this recruitment strategy include Moises Caicedo from Ecuador and Kaoru Mitoma from Japan. Both players were acquired for modest fees, developed into key contributors, and became invaluable assets both on and off the pitch. The effectiveness of this recruitment strategy not only bolsters Brighton's on-field success but also generates substantial profits, as illustrated by the sale of Moises Caicedo. Their data-driven recruitment approach has significantly reinforced the club's financial stability.

Brighton's innovative approach extends beyond just player acquisition. The club employs advanced analytics to monitor player performance, track injuries, and optimize training regimens. For instance, they use wearable technology and GPS tracking to collect real-time data on players during training sessions and matches. This data helps the

coaching staff make informed decisions about player rotations, workload management, and tactical adjustments.

Moreover, Brighton's scouting network spans across the globe, allowing them to unearth talent from less prominent footballing nations. By focusing on regions and leagues that may be overlooked by larger clubs, Brighton can secure promising players at lower costs. This global reach is supported by a team of analysts who meticulously study potential recruits' statistics, match footage, and physical attributes to ensure a comprehensive evaluation process.

The club's commitment to a holistic development approach is evident in their investment in state-of-the-art training facilities and youth academies. These facilities provide young players with the necessary resources and environment to hone their skills and transition smoothly into the first team. Brighton's emphasis on nurturing homegrown talent not only strengthens the squad but also fosters a sense of loyalty and identity within the club.

Brighton's strategic utilization of data is complemented by a strong collaboration between the analytics team, coaches, and management. Regular meetings and open communication channels ensure that data insights are effectively translated into actionable strategies. This cohesive working relationship enables the club to adapt swiftly to changing circumstances and maintain a competitive edge in the dynamic world of football.

In conclusion, Brighton & Hove Albion's success is a testament to the power of data-driven decision-making in football. By identifying undervalued talent, focusing on long-term player development, and aligning recruitment with their tactical philosophy, the club has created a sustainable model that balances on-field performance with financial profitability. As they continue to innovate and refine their methods, Brighton is well-positioned to remain a force in the Premier League and serve as a blueprint for other clubs seeking to leverage data in their operations.

The Finnish Hockey League serves as an excellent example of automated processes in action. The league has partnered with Wisehockey, a company specializing in automated data collection. Beginning in the 2018-19 season, the league piloted this technology to gather data from games. The setup is straightforward: each player wears a tag in their gear, the puck contains a tag, and sensors are placed throughout the arenas. This configuration enables extensive and fully automated real-time data collection.

There are several benefits to using such an automated process. Firstly, it significantly reduces the need for manual labor. Prior to this implementation, multiple individuals were required to manually track statistics such as shots on goal or goalie saves.

Secondly, the volume of data, often referred to as stats in this context, increases exponentially. This expanded data collection offers new

opportunities in both sports and entertainment. For the sports sector, data analysts and coaches can analyze how their intended playing styles are reflected in the data or identify trends within the league or among clubs over multiple seasons. For entertainment, the collected data enhances the customer experience within the arena. Clubs can display real-time information on media screens, showing player presence and time spent on the ice down to the second. They can also showcase metrics like fastest shot or most distance skated in real-time or during intermissions, providing spectators with deeper insights and enhancing their experience.

Moreover, this advanced level of data collection provides valuable feedback for players themselves. Athletes can review detailed performance metrics, helping them to identify strengths and areas for improvement. This feedback loop creates an environment of continuous development and refinement of skills.

Lastly, the availability of this new data creates new business opportunities. In sports, the data can be sold to other leagues or clubs. In entertainment, commercial partners can be engaged to display stats within the arena or on social media. WiseSport is a fully automated real-time analytics platform designed to enhance ice hockey through advanced data collection and analysis. The system automatically gathers coordinate data from games, analyzes it, and presents the information in a visual, user-friendly format. This automation eliminates

the need for manual data entry, providing immediate insights into player and team performance.

Furthermore, the implications of this technology extend beyond just ice hockey. Other sports leagues are starting to take notice of this innovative approach to data collection. Similar systems could be implemented in basketball, soccer, and other sports, revolutionizing how we understand and appreciate athletic performances. Broadcasters, too, benefit from this rich data stream, offering audiences more dynamic and informed commentary during live broadcasts.

As technology continues to evolve, the integration of automated data collection systems like Wisehockey will likely become a standard within professional sports. This progression reflects a broader trend towards leveraging technology to optimize performance and fan engagement. harnessing the power of real-time analytics, both players and fans gain a deeper understanding of the game, creating an enriched sporting experience.

Another notable example of automated processes is the San Francisco 49ers' dynamic pricing system. They have implemented an AI-driven dynamic pricing system for ticket sales, which has changed how they manage revenue and fan experience. This technology uses machine learning algorithms to adjust ticket prices in real-time by analyzing various factors, such as opponent popularity, current demand trends, weather conditions, and fan purchasing behavior. Dynamic pricing

allows the team to align ticket costs with market demand, ensuring profitability while maintaining fan satisfaction.

The system optimizes revenue through its predictive capabilities, analyzing historical data and anticipating future trends. This enables the 49ers to set ticket prices that maximize stadium attendance and income simultaneously. Additionally, the AI-powered system automates pricing decisions, reducing the workload for the ticketing team and eliminating errors that may occur with manual adjustments.

Fans also benefit from this system, as it ensures ticket prices remain fair and reflective of market conditions. For less popular games, dynamic pricing often results in lower costs, providing a more accessible opportunity for fans to attend. This enhances the overall fan experience and strengthens the team's connection with its supporters.

For the 49ers, the implementation of this system is a strategic move to improve business operations and revenue management. By integrating AI, the organization gains valuable insights into fan behavior and market demand, enabling more informed decision-making and automating the process itself.

Furthermore, the AI-driven dynamic pricing is not only beneficial for the San Francisco 49ers but also serves as an industry benchmark for other sports teams and event organizers. Other franchises and organizations can study the success of the 49ers' system to develop their own

strategies for maximizing revenue and enhancing customer experiences. By doing so, the broader sports and entertainment industry stands to gain from more efficient and effective pricing models.

Moreover, partnerships with technology companies and data analysts are likely to emerge as essential components for successfully implementing dynamic pricing systems.

Collaborations with tech firms allow sports teams to access cutting-edge AI tools and expertise needed to accurately analyze vast amounts of data and make real-time pricing adjustments.

In addition to ticket sales, dynamic pricing can extend to other areas of game-day revenue generation, such as concessions, merchandise, and parking. By applying similar algorithms and predictive models, teams can optimize pricing across various revenue streams, creating a comprehensive approach to maximizing profits while enhancing the overall fan experience.

As the sports industry continues to evolve with technological advancements, the integration of AI-driven dynamic pricing systems showcases a forward-thinking approach to business operations. Teams like the San Francisco 49ers demonstrate how embracing innovation can lead to improved financial outcomes and stronger connections with fans. Ultimately, the widespread adoption of these technologies has the

potential to revolutionize the way sporting events are priced and managed, benefiting both organizations and their loyal supporters.

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Unit 1.2 Digital maturity concept

1.2.1 Introduction

Digital maturity measures how well an organization can adapt and perform in a digital environment by integrating digital technologies and data into its operations, processes, culture, and strategies. It indicates the extent to which a business utilizes technology to improve customer experiences, streamline processes, and drive innovation and growth.

Organizations reach digital maturity through a structured transformation process that includes breaking down silos, adopting data-driven decision-making, and fostering a culture of continuous learning. This often involves rethinking the organizational structure, investing in digital tools, and encouraging employees to acquire new skills and adapt to changing technologies. Collaboration across departments is essential for eliminating inefficiencies and ensuring that digital initiatives are aligned with the overall business strategy.

As businesses pursue digital maturity, they face various challenges and opportunities. Adopting new technologies can be costly and may require significant changes to existing workflows and systems. Additionally,

there may be resistance from employees who are accustomed to traditional ways of working. However, the benefits of achieving digital maturity are substantial. Organizations that successfully navigate this journey can enhance their agility, respond more quickly to market changes, and provide superior customer experiences.

Understanding foundational capabilities and advanced technological integration is crucial for this journey. Foundational capabilities include having a robust IT infrastructure, effective data management practices, and a clear digital strategy. Advanced technological integration involves leveraging cutting-edge technologies such as artificial intelligence, machine learning, IoT (internet of things), and blockchain to drive innovation and efficiency. While the specifics will vary across industries and resources available, a common thread is the progressive enhancement of digital tools and strategies to meet evolving demands.

In subsequent sections, we will explore the characteristics of different digital maturity phases, including specific technologies and strategies associated with each stage, the common challenges faced, and best practices for overcoming them. Early stages typically involve digitizing existing processes and establishing basic digital capabilities. As organizations progress, they focus on optimizing these processes, integrating advanced technologies, and fostering a culture of continuous improvement.

We will also look at case studies from various industries to understand how different organizations have successfully navigated their digital transformation journeys. For example, in the retail sector, companies might use data analytics to personalize customer experiences, optimize supply chains, and manage inventory more effectively. In healthcare, digital maturity could mean implementing electronic health records, telemedicine services, and predictive analytics to improve patient care and operational efficiency.

By examining these real-world examples, we can identify key lessons and strategies that can be applied across different contexts. Whether you are just beginning your digital transformation journey or looking to advance to the next level of digital maturity, understanding these principles and learning from others' experiences can help guide your efforts and maximize your chances of success.

1.2.2 Start-up phase

In the start-up phase of digital maturity, departments operate in isolation with minimal integration of digital tools. Organizations have a limited understanding of digital transformation and its impacts. They lack a cohesive strategy and struggle to align processes and workforce with digital advancements.

CHARACTERISTICS OF THIS PHASE INCLUDE THE FOLLOWING.

- Siloed operations with independent departments.
- Limited collaboration on digital tools and processes.
- Minimal awareness or prioritization of digital transformation.

Organizations focus on simple, outcome-driven projects rather than strategic planning, often choosing initiatives based on internal needs rather than customer needs. Examples of such initiatives include renewing a website every 5-10 years, sending a generic monthly newsletter, or starting search engine marketing due to competitors' presence. These efforts tend to be sporadic and lack a long-term vision, resulting in fragmented digital experiences for customers.

At this stage, digital marketing and sales are not seen as critical components of the business strategy. Digital strategies are minimal, lacking key performance indicators and strategic planning. As a result, the boardroom does not engage in discussions about digital strategy, and there is a general reluctance to invest in digital transformation initiatives.

Customer experience during the start-up phase is often fragmented and inconsistent, with each department focusing on its own tasks and neglecting the overall customer journey.

Organizations lack the necessary tools, knowhow, and processes for creating a seamless customer experience. Customers may encounter disjointed interactions across various touchpoints, leading to frustration and disengagement.

Moreover, there is often a lack of understanding of the potential benefits of digital transformation, which results in a slow adoption of digital tools and practices. Employees may be resistant to change, preferring to stick with familiar processes and systems. This resistance can be a significant barrier to progress, hindering the organization's ability to innovate and adapt to changing market demands.

To move beyond the start-up phase, organizations need to recognize the importance of digital transformation and its impact on their overall strategy. This involves educating employees about the benefits of digital tools, fostering a culture of innovation, and encouraging cross-departmental collaboration. By doing so, organizations can begin to break down silos, integrate digital tools and processes, and create a more cohesive and customer-centric approach.

Investing in foundational digital capabilities, such as a robust IT infrastructure and effective data management practices, which can also

be called tech and data ecosystem, is crucial for this transition. Organizations should also develop clear digital strategies that align with their business goals and prioritize initiatives that enhance customer experience and drive growth. As they progress through the stages of digital maturity, organizations will be better equipped to leverage advanced technologies and create a competitive advantage in the digital landscape.

1.2.3 Acceleration phase

The acceleration phase marks a significant transition for organizations as they begin to dismantle silos between departments and foster a culture of collaboration. This phase emphasizes the importance of customer experience and the collaborative efforts of various departments to enhance this experience and drive overall company growth. During this phase, there is an increasing recognition of the necessity and benefits of digital transformation. Companies aim to invest in and build their digital infrastructure, known as the tech and data ecosystem.

THE CHARACTERISTICS OF THE ACCELERATION PHASE INCLUDE THE FOLLOWING.

- Departments beginning to collaborate, although some silos still exist.

- A growing awareness of digital opportunities and the need to connect processes.
- Initial steps taken to understand digitalization and agile practices.

In this phase, there is a notable shift from sporadic, one-time projects to a more continuous and ongoing digital development approach. Companies start to create comprehensive digital strategies and based on these strategies, begin to explore and plan digital development initiatives. Typically, this involves evaluating their current digital state and creating detailed roadmaps for digital development accordingly. The primary focus is on building a robust digital infrastructure or ecosystem that significantly enhances customer experience and drives business growth. Constructing such an ecosystem can be a prolonged process, sometimes taking years, and it may never be entirely complete. Consequently, agile working methods, quick evaluation processes, pivoting, and milestone setting become integral parts of the approach.

Digital marketing and sales start to assume a more critical role within the business, approaching a business-critical status. Organizations begin integrating digital marketing and sales channels into their core operations, recognizing the importance of these functions in their overall strategy. There is a growing interest in digital marketing, and for the first time, key performance indicators (KPIs) are established to

measure its effectiveness. An ongoing interest in performance emerges, with decisions increasingly made based on data insights.

Digital strategy becomes a regular part of boardroom discussions and is no longer viewed as a separate or secondary concern.

In the acceleration phase, companies start to view their operations from the customer's perspective. As a result, they begin to align their operations and processes based on the customer journey rather than internal needs. This often reveals the need to invest in tools and processes that enable organizations to provide a more coherent and seamless customer journey. Companies may invest in customer relationship management (CRM) systems, marketing automation tools, and other technologies that facilitate better customer interactions across various touchpoints. Additionally, there is a stronger emphasis on training employees in digital skills and fostering a culture of innovation and continuous improvement.

Overall, the acceleration phase is characterized by a more strategic and integrated approach to digital transformation. Companies begin to recognize the importance of leveraging technology to stay competitive and meet the evolving needs of their customers. By breaking down silos, fostering collaboration, and investing in digital capabilities, organizations can create a more cohesive and customer-centric approach that drives long-term success.

1.2.4 Capitalize phase

The capitalize phase represents a mature stage of digital transformation where most departments are integrated and collaborate effectively. Organizations function as continuously learning entities, with digital processes fully embedded in their operations. The focus shifts from building the ecosystem to operating it efficiently. The desired outcomes from this phase include enhanced customer experience and business growth.

CHARACTERISTICS OF THE CAPITALIZE PHASE INCLUDE THE FOLLOWING.

- Departments are integrated and collaborate seamlessly.
- The organization operates as a continuously learning entity.
- Digital processes are fully embedded into daily operations.

In this phase, projects and ongoing development occur simultaneously. Selected projects aim to build new components for the ecosystem, but most budgets are allocated towards operating the existing system. While external experts may be consulted, internal teams primarily

manage areas such as digital marketing and sales. Building projects focus on better connecting customer data to the ecosystem to enhance customer experiences.

Digital marketing and sales are fully integrated into core business operations. Efficiency is monitored using key performance indicators, and strategies are adjusted based on data insights. Data-driven operations are highly efficient, with many internal processes automated. Digital strategy is no longer isolated in board rooms but is integral to all business discussions.

In this phase, providing a coherent and high-quality customer experience is standard. Companies have a comprehensive view of their customers and can serve them effectively in an omni-channel environment. Organizations utilize customer data and advanced tools to offer seamless, personalized experiences, with operations and processes designed from the customer's perspective.

Companies that reach the capitalize phase exhibit a few standout qualities. First, they show a remarkable ability to pivot quickly based on market demands and customer feedback. This agility is essential in maintaining a competitive edge, especially in rapidly changing markets. Second, these companies benefit from a culture of continuous improvement, where every process is subject to regular review and enhancement. The emphasis is on fostering innovation and nurturing a mindset that welcomes change.

Moreover, the leadership in these firms plays a crucial role. Leaders are not just digitally literate, but are digital champions who advocate for ongoing digital investments and innovations. They understand the nuances of digital transformation and are proactive in steering the organization towards its digital goals. This leadership perspective ensures that digital transformation is aligned with the overall business strategy and that it drives significant value across the organization.

Additionally, employee engagement and empowerment become central themes in the capitalize phase. Employees are provided with the necessary tools and training to excel in a digital-first environment. There is a concerted effort to reskill and upskill the workforce, ensuring that they are adept at using new technologies and processes. This focus on human capital development not only boosts productivity but also enhances job satisfaction and retention.

The capitalize phase also sees a robust governance framework in place. This framework ensures that digital initiatives are executed efficiently and that they deliver the expected outcomes. It involves setting clear objectives, establishing accountability, and regularly tracking progress against set benchmarks. This structured approach helps in mitigating risks and in ensuring that resources are optimally utilized.

Finally, the capitalize phase is marked by strong partnerships and collaborations. Companies often work closely with technology vendors, industry experts, and other stakeholders to co-create value. These

partnerships are strategic and are aimed at leveraging external expertise to complement internal capabilities. By fostering an ecosystem of collaboration, companies can accelerate their digital journey and achieve their transformation goals more effectively.

In conclusion, the capitalize phase is a testament to an organization's digital maturity. It reflects a holistic approach to digital transformation, where technology, processes, and people are harmoniously integrated to drive sustainable growth and deliver superior customer experiences.

1.2.5 Special characteristics of digital maturity phases in sports industry

Digital maturity in sports varies by organization, from grassroots clubs to professional leagues, each facing unique challenges and opportunities. Despite these differences, there are common characteristics that can be observed in each digital maturity phase, providing a roadmap for clubs as they navigate their digital transformation journey.

In the start-up phase, sports clubs rely heavily on match-day revenue, with ticket sales primarily conducted in person. Fan engagement during this phase is often limited to one-way communication, with clubs pushing non-personalized content through traditional channels such as email or basic websites. Operational efficiency tends to be low, as many processes are still manual and prone to errors. Scouting decisions are

made based on subjective opinions and personal connections rather than objective data, which can result in inconsistent outcomes.

As clubs progress to the acceleration phase, they begin to recognize the necessity of building a robust tech and data ecosystem to capture new revenue streams and enhance fan engagement. These clubs start to deliver more personalized content to their fans, leveraging social media platforms and digital marketing tools to create richer, more interactive experiences. Operational efficiency begins to improve, though many processes remain manual and labor-intensive. In this phase, scouting and recruitment start to incorporate data analytics, acknowledging its potential to provide insights, but the application of data remains limited and supplementary to traditional methods.

During the capitalize phase, the substantial investments in technology and data ecosystems start to yield significant returns. Clubs develop diversified revenue streams, such as subscription-based streaming services, virtual fan experiences, and loyalty programs that deepen fan engagement and monetize their global fan base. Communication with fans evolves into a two-way dialogue, where personalized marketing campaigns and targeted content enhance the overall customer experience. Operational processes become highly efficient, with a high degree of automation reducing administrative burdens and allowing staff to focus on strategic initiatives.

Moreover, in the capitalize phase, data-driven approaches dominate all aspects of club operations, from scouting and recruitment to player performance analysis and injury prevention. Sophisticated data analytics tools and platforms provide insights that were previously unattainable, enabling clubs to make informed, objective decisions. This reduces the reliance on subjective opinions and increases the accuracy and consistency of outcomes.

Overall, clubs at different stages of digital maturity must build the necessary infrastructure and strategies to leverage data, improve operations, and enhance fan engagement. By doing so, they not only stay competitive in a rapidly evolving sports landscape but also create sustainable growth and deliver superior experiences to their supporters. As the sports industry continues to embrace digital transformation, the ability to adapt and innovate will be crucial for clubs aiming to achieve long-term success in this dynamic field.

A good example of a transformation journey through different maturity phases is Club Nacional de Football (CNdeF), one of Uruguay's most prominent football clubs. They embarked on a digital transformation journey to modernize its operations, enhance fan engagement, and secure sustainable revenue streams. Recognizing the increasing importance of digital tools and data-driven decision-making, the club partnered with a consultancy company specializing in sports innovation and digital strategies, to develop and implement a comprehensive plan.

Before the transformation, the club faced several challenges typical of traditional sports organizations. The club struggled with fragmented fan engagement due to a limited digital presence, which hampered its ability to connect with a global audience. Communication channels were disjointed, resulting in inconsistent fan experiences. Additionally, the club relied heavily on traditional revenue sources such as ticket sales and sponsorship deals, with minimal efforts to monetize digital platforms or develop new income streams. Operationally, the organization lacked cohesion, with departments operating in silos and failing to leverage data for strategic decision-making or performance optimization.

The transformation journey began with an in-depth analysis of the club's existing digital capabilities. This initial assessment focused on tech and data ecosystem, operational efficiency, and fan engagement across digital platforms. Based on the findings, the consultant company designed a strategic roadmap tailored to the club's objectives, emphasizing the integration of digital tools, enhanced data collection, and the creation of a unified strategy to align operations with fan engagement goals.

KEY INITIATIVES ARE DESCRIBED BELOW.

- Mobile app launch: a centralized platform for fans, offering live match updates, merchandise sales, and exclusive content.
- Customer relationship management (CRM): streamlined fan data management, enabling personalized interactions.
- Marketing automation tools: optimized campaigns targeting specific fan segments, improving communication and operational efficiency.

Monetization was another central focus of the strategy. CNdeF adopted innovative revenue-generating models such as pay-per-view live-streaming of matches and subscription-based digital memberships. Additionally, the club prioritized creating engaging digital content, including behind-the-scenes footage, player interviews, and historical highlights. These efforts attracted and retained fans while also generating new revenue streams.

THE IMPACT OF CNDEF'S DIGITAL JOURNEY HAS BEEN TRANSFORMATIVE ACROSS SEVERAL AREAS.

- Enhanced fan engagement: the introduction of digital tools allowed the club to connect with fans worldwide, offering a more interactive and personalized experience.

- Revenue growth: digital platforms complemented traditional income streams, significantly boosting merchandise sales through the app and online store.
- Operational efficiency: automation reduced time and resource inefficiencies, enabling departments to focus on strategic initiatives.
- Global reach: leveraging digital platforms expanded the club's presence in previously untapped markets, broadening its fan base.

Club Nacional de Football's digital transformation journey demonstrates how even legacy sports organizations can evolve into modern, digitally driven entities. By investing in the digital ecosystem, leveraging data-driven insights, and adopting innovative revenue models. The journey CNdeF has made is a classic example of one's transformation journey through different phases of digital maturity.

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