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Reasons Your Digital Transformation Could Fail

And How To Avoid Them



Introduction

The phrase “digital transformation” is at the top of the financial industry’s To Do List these days and, if nothing else, 2020 is showing us that your ability to serve clients digitally has never been more critical.

While the financial industry and its biggest players have existed for decades, the technology being used on the frontlines has existed mere minutes, by comparison. As a result, we’re seeing quite a bit of friction between heavy regulations, stringent security measures, evolving markets, and agile technology.

Surviving and thriving is all about navigating these complex intersections.

To get you started on the right foot, we’ve covered the four most common mistakes we see derailing digital transformation efforts...

Mistake #1: Failing to prioritize ease of use for your customers

The holy grail of your digital transformation's success or failure revolves around the amount of friction your customers experience during a transaction. This is where security measures can conflict with the end-user experience. If your tool requires a customer to create a login, receive and enter a pin, and answer security questions, all before they can sign a simple loan document, they may look to other providers.

Look for tools that:

- Streamline the end-user experience by reducing unnecessary touchpoints.
- Provide an intuitive and user-friendly experience.
- Can be used on a variety of interfaces—cell phone, browser, and email.



Remember, the more steps you require your customers to complete in order to reach their goal, the more of them you'll lose along the way.



Mistake #2: Adding technology without updating internal policies and procedures

Digital transformation is all about outward AND inward change. Slapping an app or chatbot onto your services, but failing to update legacy software or integrating these newer, more agile tools into your processes is a recipe for failure.

Take a step back and look at your organization as a whole. Ask questions like:

- What are my employees biggest technological pain points?
- Will this solution improve the experience of BOTH my customers and my employees?
- Where do different departments overlap and how do their systems integrate together?

Making an effort to meet the needs of both demographics will result in better internal buy-in, cross-departmental collaboration, smoother processes, and higher-quality services.



Mistake #3: Missing the opportunity to mine data from your digital interactions

In 2020, data is the currency of innovation, and luckily for your digital transformation efforts, the more your business runs online, the more potential information you'll have access to.

This data can be used to improve the customer experience, enabling you to predict your customers' needs and cross-sell to other products. With it, you can reduce inefficiencies, identify risks, and even prove compliance.



Ask your current and potential providers:

- Do they have a dashboard from which you can monitor your usage of the tool?
- What KPI's (Key Performance Indicators) do they recommend tracking and what are current industry standards?

If you're not gathering and reviewing this data, you won't see any of these opportunities until it's too late.



Mistake #4: Failing to assess the security risks of your new digital solutions

We don't have to tell you that when you're handling both money and client information, there's a lot of risk involved. The more you store, the more significant your security measures need to be.

As you consider adding new digital solutions to your business, you need to have an understanding of:

- How much sensitive data this tool will store and where it will be stored.
- Who will have access to it.
- What security measures they have in place.
- And if this solution integrates with others in your business, will the sharing of information between them create vulnerabilities.

While this step is both complex and ever-evolving, it is critical to the integrity of your business, your bottom line, and your reputation.



The Good News & The Bad News

The good news is that there are as many digital tools on the market as there are problems to solve. On the other hand, your company's digital transformation journey will never end. As technology advances and the market evolves, you'll be expected to adapt again and again.

Striving to be more agile is the only way to stay competitive.



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