

# Innovate Your Technology

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How enterprises can maximise their investment in customer communication technology, while becoming more customer-focused and responsive to market demands.



There's a real risk of enterprises making short-sighted investment decisions as they look to boost their digital capabilities and improve customer communication. From our own anecdotal evidence and the research cited in this report, some businesses (and their customers) are already left wondering what exactly they have to show for their digital transformation projects.

But all is not lost. It's now about acknowledging the challenges of digital transformation and trying to set your organisation on a path for success. With the business case for new technology growing constantly, leaders need to assess their maturity levels, harmonise aspirations and find a solution that will take them forward.

While legacy systems are undoubtedly holding enterprises back from achieving their customer communication objectives, doing away with the technology which has served them so well for so long isn't always imperative to achieving transformational results. Every business' IT environment is unique, and the approach to digital transformation should reflect this to yield the best outcomes.



**Ross Kittlety**  
Head of CCM Solutions

# Digital transformation projects falling flat

Businesses are spending trillions of pounds on digital transformation, for negligible benefit. Kony's Digital Experience Survey 2019, which gauges the efficacy of global investment in digital transformation, showed that despite £3.65 trillion having been spent by enterprises on digital transformation, the vast majority of these initiatives fall short of customer expectations.



**Only 19% of consumers reported any significant improvement in the experiences offered to them by 'digitally-transformed' businesses.**

Of the £3.65 trillion spent over recent years, much of it has been invested in backend system improvements. A separate survey by Couchbase suggests there remains considerably more spending on backend and legacy systems.



**86% of enterprises say they are prevented from pursuing new digital services or transformation projects due to the complexity of the current IT environment.**

Of those that had attempted digital transformation of some kind, 81% said that their project had either failed, suffered a significant delay or been scaled back in the last 12 months.

The findings put into stark realisation how difficult it can be to truly transform an enterprise away from a legacy system to something that yields transformational outcomes. But failing to digitally innovate is simply not an option, so it's vital that businesses find a way to overcome the challenges that come with digital transformation projects.



**46% of enterprises fear becoming less relevant in the market if they do not innovate.**

# What are the challenges of digital transformation?

Businesses often find themselves running into similar challenges before, during and after undertaking a digital transformation project.

Factors including reliance on a legacy technology, complexity of implementing technologies and lack of resources and skills are regularly found to prevent enterprises from pursuing a new digital service or other transformation project.

Legacy systems might be the biggest hurdle that enterprises must overcome, and can cause a digital transformation project to fall down before it's even had a chance to get off the ground.

Legacy technology from before the era of Big Data, when you could get away with multiple data structures feeding out of multiple systems, forms a major barrier; customer expectations used to be much lower compared with today's standards.

Now, customers expect seamless experiences across channels and devices – but delivering on that is only made possible by blending and standardising data sets through a customer communication management system.



**70% of firms say they don't have the direct control over data that they need to impact strategic objectives – customer experience in particular.**

Which begs the question, why not just do that? Reverse engineering legacy technology is possible but once again, there are significant hurdles to overcome before embarking on such a project.

Once enterprises start to unpick their legacy infrastructure, they often find more issues than they had imagined, such as:

- Backend systems which are tightly coupled to their composition tools
- Lack of in-house knowledge and expertise on the complex make-up of legacy systems
- Significant data issues and workarounds which prevent standardisation
- Lack of buy-in for change from certain departments
- Attachment to a parent company which prevents updating existing systems

For some enterprises, the risk of uprooting legacy technology is just considered too big, which helps explain why so much investment is still focussed on upgrading existing systems. It might also explain why the benefits of transformation – if that's what you can call upgrading legacy systems – are negligible in terms of improving the customer experience.

## Business case for new technology

Businesses are under no illusions – they need to evolve in line with their customer expectations or they can expect to see them seek out a competitor. But they're unsure exactly where their investment would be best spent, which is one of the reasons they might choose to retain and upgrade legacy rather than implement new technology into the business.

Economically, legacy technology may be retained because there is no easily identifiable business case for an upgrade that meets return on investment guidelines, meaning that its proponents find it difficult to get the budget released by decision-makers.

However, the business case for dismantling legacy systems continues to grow.



## Cost of maintaining legacy

The cost of maintaining legacy systems – renewing licenses, training users in system updates, transitioning to cloud, upgrading data centres and server rooms – can start to add up to somewhere near the cost of implementing a brand-new system.

With some new CCM systems, you don't have to make huge financial commitments – the software provider has made the investment on your behalf, and you just pay for parts of the solution that you require.

## Alignment with customer expectations

There's a well-worn stat: acquiring a new customer can cost five times more than retaining an existing customer. But there's a good reason it gets trotted out so often – it remains true.

However, acquiring customers has got progressively more difficult. Customer expectations have rocketed over the past few years in particular, with market disruptors playing a big part in this. The bar set by purely digital organisations can seem high – unattainable even for some – but that's what businesses have got to strive towards.

Much of these high expectations sit in the customer experience, with a seamless and uninterrupted customer journey now the benchmark. This is only possible for enterprises to achieve by utilising the latest technology and maximising the value of data, allowing them to provide a unified, high-end experience.



# What does great CX look like in 2021?

The financial services industry – once dominated by faceless banks and insurers – is a great example of how digital disruptors have overhauled what's expected when it comes to customer experience.

## Here's how the likes of Monzo have transformed CX:

- ▶ **Making sign-up easy** – customers can sign up in minutes using just their smartphone
- ▶ **Creating brand advocates** – existing customers get unique offers in return for spreading the word
- ▶ **Letting customers be heard** – reaching out to an engaged community for product development ideas
- ▶ **Open communication** – being proactive about solving customers' sticking points
- ▶ **Multi-channel customer service** – customers can easily access a representative on their chosen channel



**84% of customers say that experiences are as important as the actual products and services.**

“ You need to take customers away from being ‘standard customers’ to being advocates who feel they’re part of it. ”

**Tristan Thomas,**  
Monzo Head of Marketing and Community

## Outsourcing support

In order to support more complex, hardware-heavy legacy systems, enterprises must retain a significant in-house IT support team, with any downtime in technology potentially having catastrophic effects.

But with a modern CCM system in place, that backend support isn't necessary. Support for the new technology often comes as part of the service, with in-house overhead requirements significantly reduced.

## Remote working

Remote working has gone from a trend to normal working practice for so many businesses, thanks in no small part to the Coronavirus pandemic. Enterprises have had to adapt quickly, and for the many successful adaptations there are also businesses that have wrestled with legacy systems which simply weren't designed for remote working.

With legacy technology, what you can do away from the traditional office space is often drastically reduced. However, as we move into the 'new normal', remote working will undoubtedly be a big part of that. Employees will need to have the ability to work on the move and make changes 'on the fly'. A more advanced CCM system makes that possible without losing governance and control.

## Speed of change

Many industries are being disrupted by new, more agile entrants who are putting cumbersome corporations in the shade with their speed of service and ability to adapt to market changes.

However, this agile approach doesn't have to be the sole preserve of disruptors. Established players, too, can improve their agility and speed of change with investment in the right technology, improving process speed by up to 80%.



**Over 1.5 million Brits were already working from home before the pandemic hit**

### Case study:

A financial services company came to Paragon with the challenge of expediting a slow in-house process for changing letter templates.

- Their clients often received late or incorrect communications, damaging the customer experience.
- Content and branding had to be consistent across hundreds of letter variations.

**Paragon built a bespoke letter management system which quickly and accurately processes vast amounts of data.**

You can view the full Paragon story, [here](#)



#### Outcome:

90% reduction in the time it takes to manually create a letter, delivering accurate and timely communications.

## Successfully navigating the road to digital

Enterprises don't need convincing that they need to embrace digital if they want to transform their customer communications - but they need to be shown a path to do so successfully.

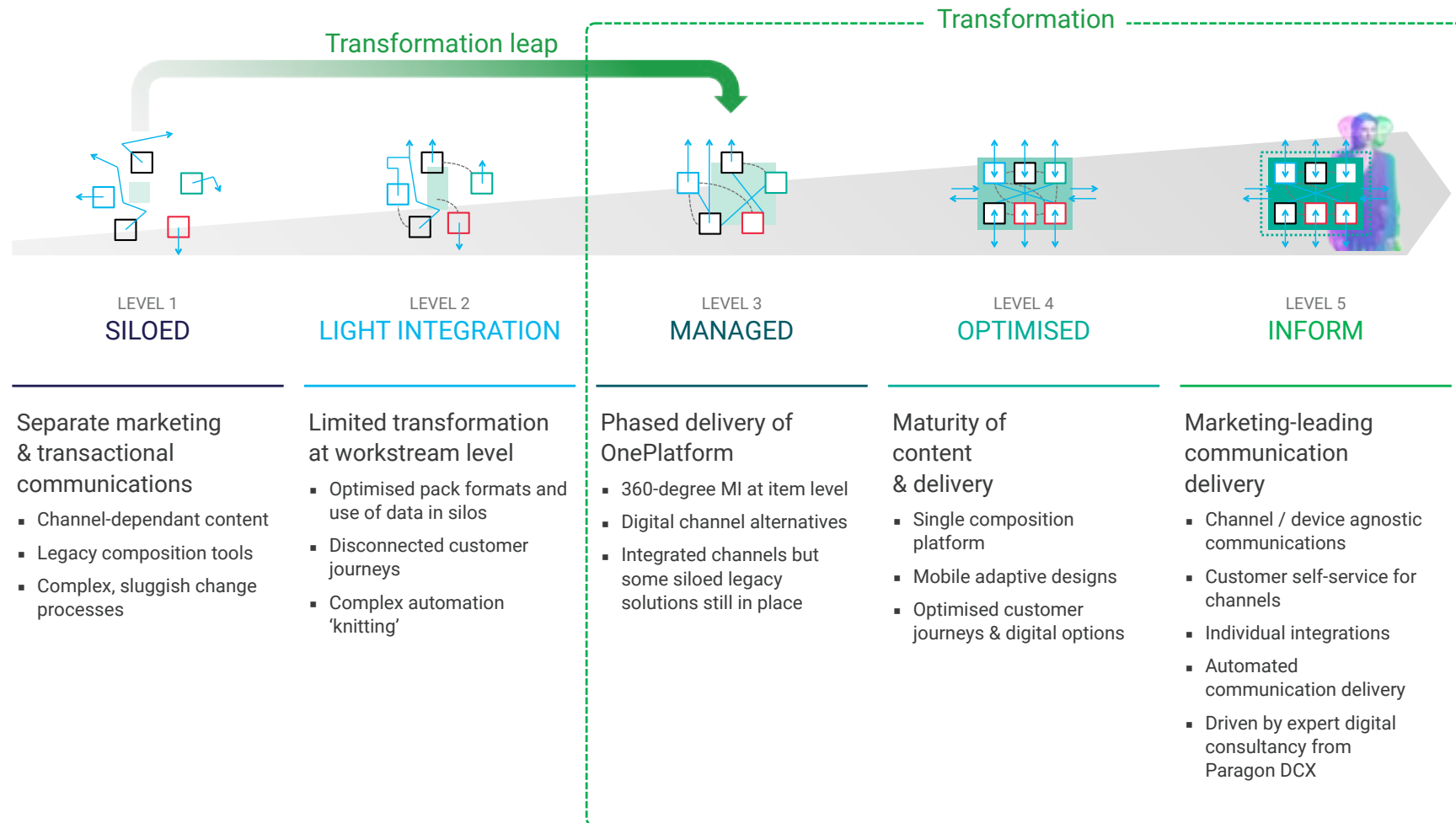
While it's impossible to define a digital strategy which can be applied to all enterprises - each will need to map their own unique digital journey - some basic principles can and should be applied to improve the chances of success.

### **1. Undertake a customer communications maturity assessment**

The first principle acknowledges that each business will be starting from a different point in their journey. It's crucial for enterprises to understand and reveal where they are in their digital journey, so that aspirations are aligned with reality.

See overleaf for our digital maturity model.

## Paragon's digital maturity model:



While every business should be aiming for Level 5, it's important to recognise that the destination is different depending on a range of factors, including the industry in which the enterprise operates and its subsequent customer expectations.

## 2. Ensure a coordinated approach

Many enterprises believe a siloed approach to digital transformation, where individual departments lead specific projects with central funding support, to be the most efficient way of going about it. There's logic behind that way of thinking, as buy-in is likely to be easier when all departments have a say in what technology they integrate.

However, this uncoordinated approach can deliver legacy problems down the line, leading to the loss of the benefits that a single, centralised system can generate, including the creation of a unified and all-encompassing 'single source of truth'.



**Definition: Single source of truth is a concept used to ensure that everyone in an organisation bases business decisions on the same data.**

## 3. Prioritise outcomes over initiatives

Despite spending trillions of pounds on digital transformation, customers believe that businesses are under-investing in delivering excellence in digital experiences. This suggests that technology is not being utilised to its full effect, with enterprises perhaps more focused on initiatives than outcomes.

In other words, it's easy to lose sight of what should be the priority: improving the customer experience by making the business more efficient and agile in customer communication.

## 4. Build for the future, not just the now

Enterprises should look to the market and their potential customers to guide their next investment priorities. If an investment is to have long-term benefits, enterprises need to ensure they're building a culture and technology infrastructure to support the future as much as enhancing current business processes.

Digital transformation leaders are always looking for what is around the next corner, not just at the challenges of today. Finding the right senior sponsor with the right vision can help drive change.

It's worth building a proof of concept with a capable CCM provider, keeping the scope limited but the ambition high to allow experimentation with low risk. This can help flush out challenges and test the impact on a small part of your customer journey, giving you tangible evidence to support your business case for change.

# Maximising investments in digital

Clearly, it's important that businesses continue to invest in building agility through the use of emerging technologies that enable business continuity, a remote workforce and innovation.

However, enterprises might feel like they've done lots of the heavy lifting with regards to digital infrastructure in the past decade or so. They've spent considerable amounts of money, removed some of their archaic processes and taken a step forward on their digital journey.

But the proof is in the outcomes; in the customer experience. The research suggests that businesses are still coming up short.

For enterprises, it's now about toning and harmonising systems to ensure they are able to make business decisions which improve the experience for their customers. It's about adding some horsepower to their current technology engine and fast-tracking customer communication so that it hits with greater pertinence.

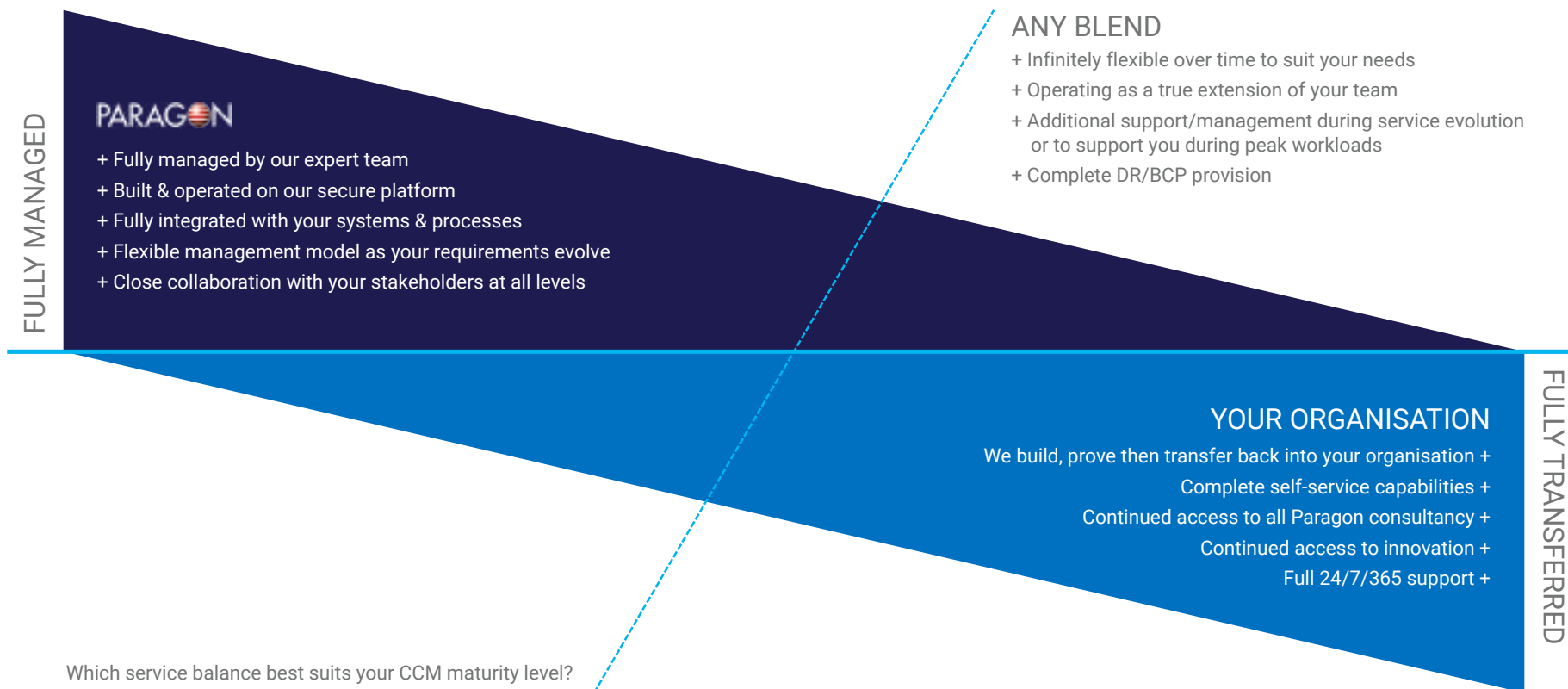
**That's where Paragon's OnePlatform can add value.**

OnePlatform gives you total brand control across your outbound and inbound customer communications. Providing real-time insight across transactional and marketing communications, it enables your teams to rapidly adapt your messaging and remove friction from your customer journey using our innovative toolkit and channel-agnostic capabilities. For example, our eSignatures module allows compliant digital signatures to replace physical forms, eradicating process bottlenecks.

OnePlatform seamlessly integrates with legacy systems – all with no redevelopment and minimal IT, management or re-training requirements. This gives you the power to solve your fundamental communication challenges quickly, safely and with minimal resource.

We work to ensure there is zero disruption to your usual business activity. In fact, our entire model is designed to provide a unique service based around your individual business needs and requirements.

## Managed Transformation



**From fully managed to fully transferred into your own operation; the right blend to suit you.**

For more information, download the [OnePlatform brochure](#) to discover how we've built a complete, fully-integrated ecosystem of communication solutions which delivers significant results.

## Explore more

One Platform is here to help your business. Explore some of the other ways One Platform can help you innovate your legacy systems [here](#).

# Your journey to effective customer communication technology, made simple

We will work with you to simplify the complexity of today's communications landscape and deliver a brilliant experience at every stage for your customers. Whether acquiring prospects, welcoming and onboarding new customers or managing in-life activities, we can provide you with end-to-end and continuous support.

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Customer Communications

