AUGUST 2023

inside zhero

LET'S CELEBRATE
It's our birthday!

DIGITAL TRANFORMATION
Gear up for the digital era

MEET THE TEAM
Marc van Romburgh

Message from Izak

Hello again everybody and welcome to the August edition of Inside Zhero. This month we focus on an ongoing trend that is making inroads across the board for all businesses – digital transformation.

Let the numbers speak – Since COVID-19, 79% of organizations are reinventing their business model and 74% of them are investing in on-demand digital services.

IZAK OOSTHUIZEN
Bestselling Author,
Founder and MD

In this issue

Our feature "Transform Your Digital World" explains why you need to go digital and gives you practical tips on how to successfully digitally transform your business.

Zhero turned 17!

Last month, we had a blast celebrating our 17th birthday! We decided to make it super fun by doing a team-building event at the race tracks. And let me tell you, the teams were just as pumped and competitive on the tracks as they are when they're working on their computers. It was like a friendly competition showdown!

We're firm believers in hanging out with our colleagues outside of work. It's bonding time where we get to know each other better and become closer to building that special connection. At Zhero, we're not just a regular bunch of co-workers – we're family.

To wrap up the celebrations, we headed to a delightful winery. Good friends, the best wine, and delicious food – the perfect way to end the day!

CRUSH IT CHAOS

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zhero | PODCAST

TRANSFORM
YOUR DIGITAL WORLD

You can't escape the digital transformation message — it's everywhere! Digital transformation (DT) is a must for every business out there, whether you're a tiny startup or a massive corporate. Keynotes, panel discussions, articles, and studies all hammer the point home that if you want to stay in the game and stay relevant in our digital world, you need to transform.

When it comes to DT, we often come across business owners/operations directors who are confused and unsure. If you have any of the following questions, keep reading:

- What does digital transformation mean exactly?
- Is DT just a fancy way of saying move everything to the cloud?
- What do we actually need to do to make DT happen?
- Do we hire some new folks to handle DT or bring in a consulting service?
- Which parts of our business strategy need a makeover?
- Is it all really worth the trouble?

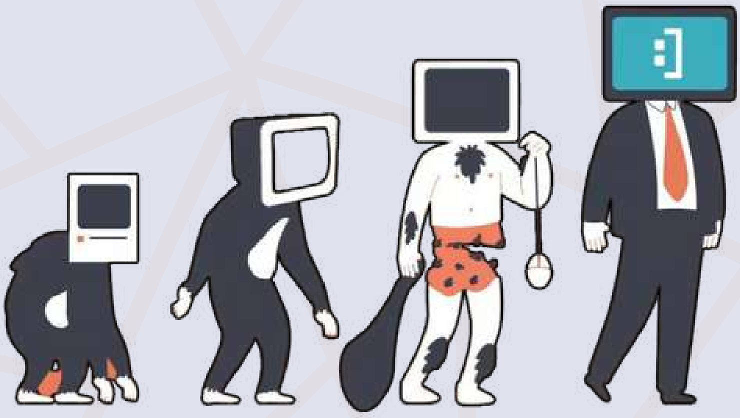
What is DT?

Digital transformation can be a tricky concept to nail down because it varies from one company to another. But if we had to give it a general definition, we'd say it's all about integrating digital technology into every nook and cranny of a business. This leads to big changes in how things are done and how customers are served. And it's not just a tech upgrade but a whole mindset shift.

To pull it off, companies need to constantly question the way things are done, take risks, and even embrace failure. Sometimes, it means ditching old-school processes that have been around forever in favour of fresh approaches that are still taking shape.

When did DT start?

Digital transformation is a topic that has been a hot buzzword in recent years, but this was also the case in the late 1990s and also in the mid-2000s. Over 30 years ago, we initiated computerized procedures, and companies had already integrated many automated processes into their operations. Before exploring how DT will transform your business, let’s take a look at some milestones of the technology and how the concept has changed how we work together.



The way we worked

Millennials and Gen Zs will be astonished to think of a workplace without the web, the internet, email, smartphones and apps. But technology in the workplace has changed radically in the last 40 years, so much so that the office of yesteryear would be almost unrecognizable in today's world of hybrid and remote working. Let's take a look-see.

80s workplace

Any of you who have seen the Harrison Ford/Sigourney Weaver movie, Working Girl, will have good insight into the 1980s workplace. It was much more male-dominated and in 1985 men filled two million more jobs than women in the United States. From a tech perspective, there were also huge differences from today. The 80s welcomed personal computers to the workplace, although the Web and the Internet were still to make their entrance onto the scene. PCs, aimed at boosting employee productivity, were connected via a Local Area Network or LAN. And of course, there was no email. In 1985 the first mobile phone was launched on the market but only became a common work tool in the 2000s.

In the 80s, the fax machine was the real big deal. Do you remember what that was?

90s workplace

In the 1980s, a group of computer science students at Carnegie Mellon University in Pittsburgh came up with what could arguably be considered the first-ever IoT device - a networked Coke machine. These boffins designed a processor board that could detect when someone bought a Coke and when the machine's last bottle in any of its dispensing columns was purchased. Through the ARPANET, which was the early version of the Internet, users could connect to the machine and check if it had any Cokes available.

2000s - The new Millenium

The beginning of the new century saw technology becoming faster, more portable, and more affordable. In 2001, China, with its then low manufacturing costs and enormous scale of operations, joined the World Trade Organization, its membership being facilitated by the United States. The portability and accessibility of technologies such as laptops and high-speed broadband saw the birth of a new type of worker, the telecommuter, aka the virtual or remote worker. Open-plan offices and co-working spaces became popular where employees could interact and communicate more freely. The mid-2000s also saw the emergence of the Big 3 cloud computing services: Google Cloud Platform, Microsoft Azure, and Amazon Web Services (AWS).

2010s - Rise of the Millenials

In the 2010s, the Millennials started to make their mark on the workplace. As they did, they were supported by technologies such as collaboration tools and apps and cloud storage, along with a massive uptake of the smartphone. This is when the true ‘always-on’ work culture was born, and remote working meant that there were blurred lines between home and the physical office.

The last decade also marked a commitment by many businesses to digitally transform – not only to keep their competitive edge but also to keep their team happy.

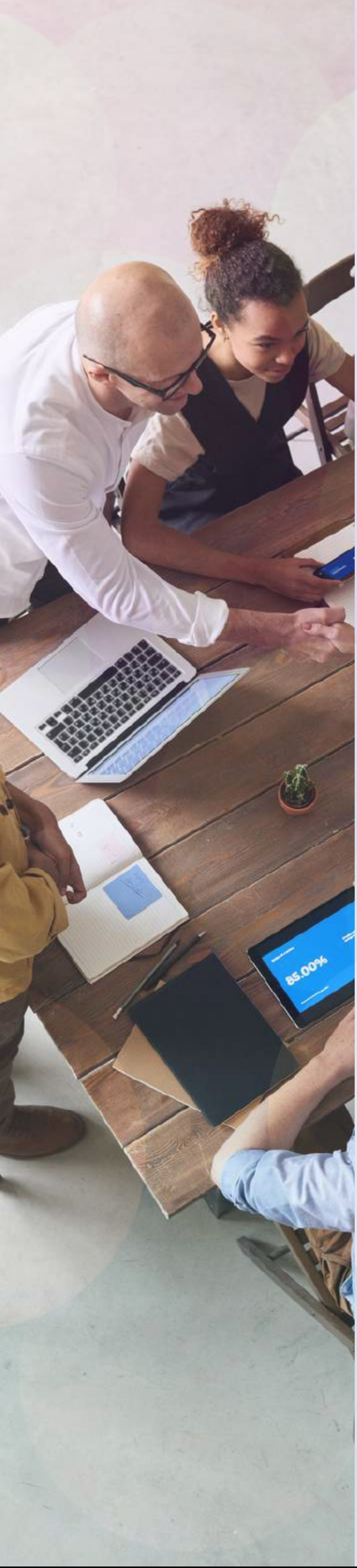
Getting started

Let’s back to the ins and outs of digital transformation. To get started on your DT path, it helps to have a clear problem to solve, a golden opportunity to seize, or an ambitious goal to strive for.

"The "why" of your organization's digital transformation might be around improving customer experience, reducing friction, increasing productivity, or elevating profitability, for example.

Or, if it's an aspirational statement, it might revolve around becoming the absolute best to do business with, utilizing enabling digital technologies that were unavailable years ago."

- Jay Ferro
CIO, Clario



Different things to different people

'Digital' can be a messy word, a love-to-hate term. It can mean AI to one person, going paperless to another or data analytics to data scientists. As such, company leaders need to be aware of this reality and frame digital transformation in a context relevant to their operations and culture.

Making DT happen

There are many ways to go about digital transformation, and each business will experience a unique journey. For example, a company might bring in AI or cloud computing to make their customer experience even better. Or they might totally change up their supply chain to make the most of machine learning. Some companies can even predict what products customers will want in a few months and adjust their production to meet the demand.

No matter what, starting a digital transformation journey means you need to put a different business thinking cap on, starting from scratch in many cases.

DT business strategy

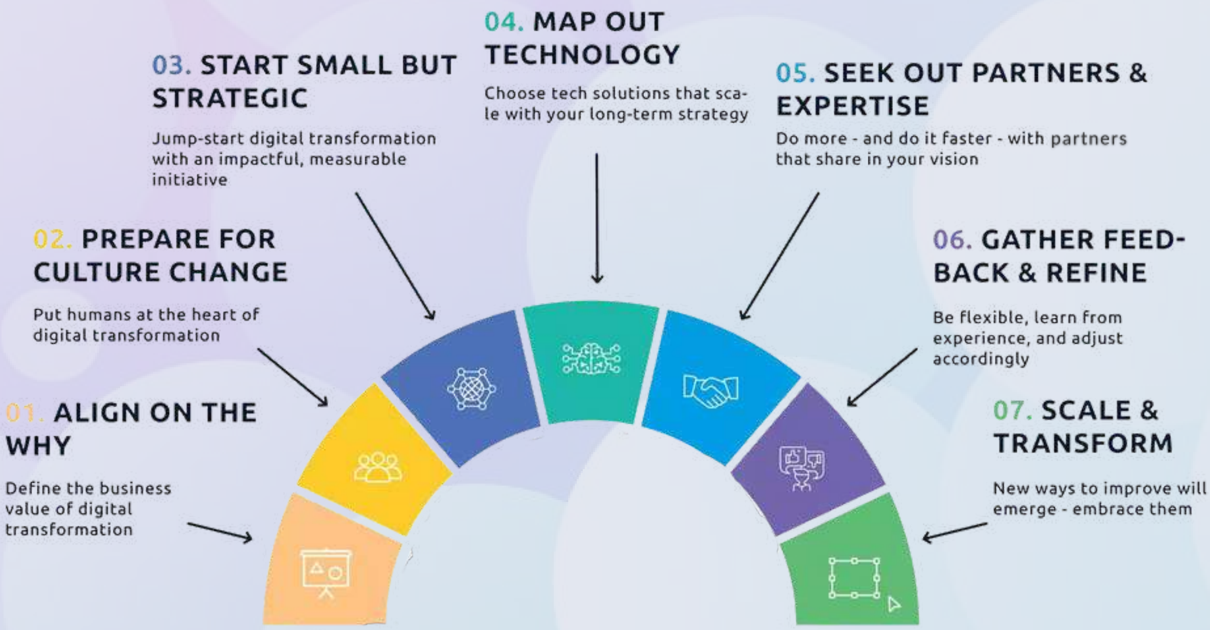
In 1996, a Harvard lecturer, Michael Porter, wrote an article in Harvard Business Review called *'What is Strategy?'* He made a point that's still relevant in our digital world today saying that while being good at operations is important, it's not the whole picture. The problem is, the techniques used in operations are easy to copy, so they don't give you the edge. Everything from how we find customers, suppliers, products, and services, has changed thanks to the digital revolution. Anything that can be turned into digital format is getting digitized. The strategy of simply digitizing what already exists isn't going to cut it anymore.

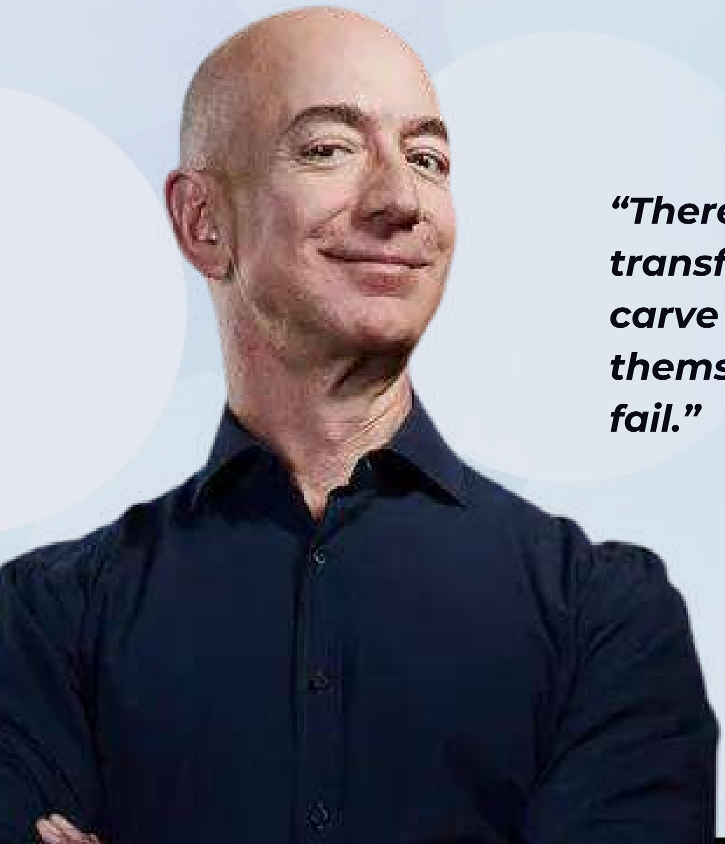
More than a to-do list

Many businesses think that a DT strategy is to-do list. They confuse operational plans, resource plans, or money investments as strategic moves. While those things are important, they're not the real strategy. A digital transformation strategy is a game plan for getting a business up to speed in the digital world. With data, we are able to spot new opportunities way more easily. But to really take advantage of the latest tech and jump on new opportunities quickly, we need to change the way we work. It's all about being adaptable, skilled, and determined to make DT work for them.

The seven tenets

These are seven tenets of a good digital transformation strategy:





"There is no alternative to digital transformation. Visionary companies will carve out new strategic options for themselves – those that don't adapt will fail."

– Jeff Bezos

Is DT worth it?

If you want to figure out whether an investment in an is worthwhile, you have to compare what you put in with what you get out. The same goes for digital transformation. You need to assess the benefits that come from going digital and weigh them against the time, effort, and money you invest in the process.

Let's explore some of the advantages you can expect when you decide to invest in digital transformation.

- **Data-based insights** - entrepreneurs need data to predict trends, understand what customers want, improve their products and services, come up with marketing strategies, and make smart decisions. But data is only useful if you analyse and interpret it correctly. That's where digital transformation comes in. By ditching old-school methods of collecting and processing data and using a centralized platform instead, you can turn your data into real, actionable insights.

- **Competitive edge** - it's crucial to keep an eye on your competitors and try to outshine them. But when you're in a crowded market, finding the perfect combination of strategies and techniques to stand out can be a real challenge. Luckily, digital transformation is here to save the day. It helps you level up your operations and deliver top-notch products and services to your customers.

- **Customer interactions** - as your customer's needs and wants change and increase, it becomes tougher to meet their expectations and give them the experiences they're looking for. Since customer interactions can make or break your business, it's critical how you handle them. Digital transformation is all about making those customer experiences smooth and seamless. If you do it right, you'll keep your current customers happy and bring in new ones to your business too.
- **Increased efficiency and productivity** - you might feel like your business is doing well, but there's always space for improvement. Going digital allows you to modernize and enhance all your business processes, minimizing the chances of human errors and paving the way for future growth. When you combine all these factors, it leads to improved efficiency and productivity, which ultimately means more revenue for your business.

"Anything you buy off the shelf dictates the way you work. If you don't automate business functions, you will lose competitive advantage in the 21st century."

- Izak Oosthuizen
Founder & MD, Zhero
Bestselling author

Digitize or die

The story of Blockbuster Video is not a happy one – at least not one with a happy ending. Founded in Texas in 1985, the video rental operation had over 9,000 global stores at its peak in 2004 and annual revenue of $6 billion. In 2011, Blockbuster filed for Chapter 11 bankruptcy. Today, a single store, located in Bend, Oregon, remains open – mainly as a tourist attraction.

What went so terribly wrong in a few short years? Just as video killed the radio star, video streaming killed video rental. Blockbuster, ignoring the necessity of digital transformation, could not compete with the likes of Netflix and Amazon which offered on-demand entertainment to eager and impatient consumers.

The irony is that Marc Randolph, who co-founded Netflix with Reed Hastings in 1997, tried to sell their startup to Blockbuster in 2000 for $50 million. At the time Blockbuster could have afforded the purchase price since it had raised $465 million in an IPO a year earlier. But Blockbuster laughed Randolph and Hastings out of the room, claiming their price was too high. Today, Netflix has a market cap of $190 billion.

Meet the team

Marc van Romburgh

COMPLIANCE OFFICE

Hi Marc! What made you realise you want to go into the IT industry?

I have always been a gamer. I got my grandma's second-hand PC (really old) and built it up into a gaming PC. And as they say, the rest is history.

What's your most-used productivity tool?

Definitely Reddit. I use it for monitoring IT forums. It keeps me up to date on the latest trends and assists me with troubleshooting.

How would you describe yourself?

I am a go-getter and a problem-solver. If you have an issue, you come to me.

What do you enjoy the most about your role?

It is challenging and thrilling at the same time. I am learning something new every day which allows me to grow.

Do you have any hidden talents or hobbies?

I am a music fanatic. I play the guitar, bass and drums. I am also a DYI'er and enjoy maintenance work.

What is your favourite movie or TV show?

Movie, without a doubt the Taken saga with Liam Neeson. Series would between sitcoms and crime documentaries.

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