

Crucial Considerations for Your Technology Strategy

A three-part series in collaboration with Deborah Reuben and Kristian Dolan

Part One: De-Risking Your Technology Roadmap with a Big Picture View

By Deborah Reuben



The world has shifted, the business landscape is changed, and forces of change are accelerating. It is vital to reassess and question the relevance of your technology and processes in a rapidly shifting world. In this three-part series, we explore crucial considerations for your technology strategy.

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A recent McKinsey study of pandemic-driven shifts in B2B buying behavior indicates most B2B buyers prefer digital and remote interaction. This preference spans all buying process stages from identifying and evaluating new suppliers to ordering and reordering. What are the implications of this trend on your future roadmap?



*SOURCE: OCTOBER 14, 2020 MCKINSEY ARTICLE: "THESE EIGHT CHARTS SHOW HOW COVID-19 HAS CHANGED B2B SALES FOREVER" MCKINSEY.COM

Pre-pandemic, prevailing wisdom suggests e-commerce is more suited to smaller ticket items. Notably, the same McKinsey study reveals 70 percent of B2B decision-makers say they are open to making new, fully self-serve or remote purchases above \$50,000, and 20 percent would spend more than \$500,000. These trends suggest the B2B digital shift may be here to stay.

Is your business able to flex and adapt to evolving buyer preferences? What new risks must be considered along with this shift?

Sudden lockdown measures forced many companies to make short-term decisions to stay in business. This is understandable and each company responded differently. Many short-term solutions were implemented with a primary focus on safety and the crisis amplified the necessity of adopting digital solutions for business processing, customer experience, collaboration and communication. However, to

avoid unnecessary obstacles down the road, don't lose sight of your long-term roadmap.

It could be an opportune time to revisit strategies, eliminate less relevant aspects of your operations and even reinvent to take advantage of the shifting customer preferences.

Digital naturally raises concerns about an increase in fraud. Technology alone does not solve these issues. Process mapping can identify and prevent breakdowns causing fraud and inefficiencies. Smart use of data and analytics can also help mitigate these challenges.

What can you do about it? How might you de-risk your technology landscape? Apply a holistic approach to create your technology roadmap. NEFA member Jena Morgan, CLFP, Vice President of Operations at KLC Financial, Inc. said it well, "People, process and future are the most important considerations when looking at our technology roadmap. As I think about what is next for the equipment technology industry, I believe it is data analytics and predictive modeling: It is getting the customer what they need before they know they need it."

Although there are many inputs to consider to form your technology roadmap, consider conducting these three exercises with your team to gain current state clarity:

Step 1: Map Your Processes

Dedicate time with your team to get a quick map of your current end-to-end processes. This visual can be a simple list, sticky notes on the wall or fancy workflow diagrams. The method you use is not as important as the process of getting cross-functional clarity for your starting point. Bring multiple perspectives into building that picture to understand what is going on within each function in your end-to-end process. This exercise alone can reveal inconsistencies, outdated assumptions, lack of role clarity and expose process deterioration that naturally happens over time.

Step 2: Analyze to Identify Pain Points and Opportunities

Analyze the process map to identify pain points. Are there potential efficiency wins that do not require software investment? Do you see duplication, rework or processes that should change? What should stop?

- Has the relevance of any of your systems and sub-processes decreased over time?

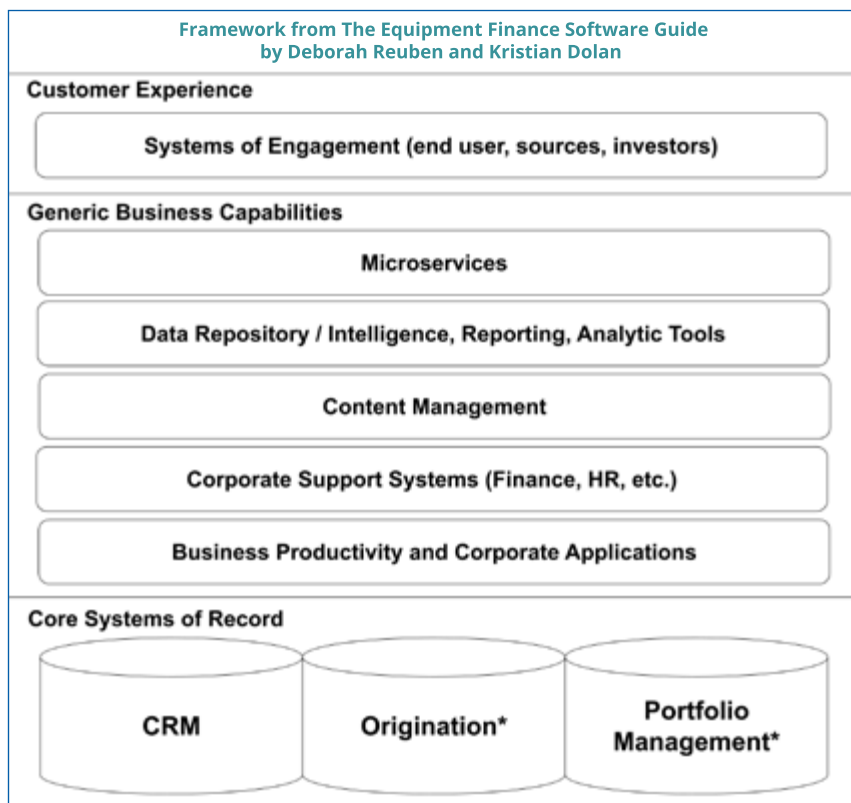
- If you were to change a process, who would be impacted upstream, or downstream?
- Where can you improve the customer experience?

It is beneficial to get an outside perspective when analyzing internal processes. NEFA Board member Shawn Smith, CEO at Dedicated Commercial Recovery, shared, “You don’t know what you don’t know. Bringing in an outside consultant can help your team collaboratively see the big picture and where the holes are in your operation. You can’t overhaul your business overnight but having a roadmap enables you to prioritize. We did this exercise over a year and a half ago, and it’s still holding value.” Doing this analysis now is especially crucial if you have stopped or changed processes in reaction to the pandemic. Mapping out and analyzing your critical business processes can reveal new bottlenecks and inefficiencies. You may also expose additional breakdowns to fix and reduce fraud risk.

Consider the people side of process and technology. Mapping both the employee and customer experience as you are mapping your processes can also reveal opportunities. How is the new working context impacting your technology and process?

It’s a good practice to periodically revisit this exercise to stay current, especially when conditions change, to avoid process efficiency deterioration.

Step 3: Map Your Current Technology Apps Landscape



Separate from process mapping, it’s also necessary to map out your applications. Create a visual inventory of the apps you use in your processes. You can use this diagram as a starting point for your map. For each section in the diagram, identify what you are using in your organization. Again, get honest cross-functional input for this exercise. When you ask people from different departments, you may be surprised at the difference between assumption and reality for technology applications. Once you have this map, you can better assess your technology situation.

- Where do you have re-keying? Disconnection? Low, inconsistent or no adoption?
- Where do you have disconnected data sources?
- Where have new applications sprung up that are non-standard?
- Do you have duplication or multiple sources of truth for key data points?

I have facilitated this exercise with numerous cross-functional teams through a Rapid Application Mapping™ exercise in my consulting work. Every time we co-create this big picture view of the application landscape, my clients are surprised at what we find. You may find several applications performing the same function or rework, and miscommunications from disconnected data sources. You may find that you already have the exact tools you need for an efficient process. Still, inconsistent processing and adoption standards generate extra work and communication breakdowns that expose you to unnecessary risks or inefficiencies.

Conclusion

Stepping back to get current state clarity opens your eyes to see where you are today and reveals a clear path forward to shape your tomorrow. Making time to complete this strategic exercise before selecting and implementing new technology positions your company and your team for a more successful realization of your technology investments and avoid risk in your business process and technology.

For more information about what to consider as you form your equipment finance technology strategy, visit <https://equipment-financesoftwareguide.com> of The Equipment Finance Software Guide, a free e-book by Deborah Reuben and Kristian Dolan.

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