



How to Create Your Digital Strategy

How to leverage your business strategy and marketing plan to create extraordinary value for your business

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Digital Strategy is a Myth

There's no such thing as Digital Strategy. However there is a tried and true process to ensure you leverage what you do now by using digital thinking, tools and technology. Our process isn't rocket science, we do all the right things, the fundamentals, to propel your business with the power of social relationships.

This eBook outlines the key steps to developing your digital strategy. Spending the time to stop and think these issues through will enable you to progress and confidently take on the next challenges.

Why do this? The reason you'd do this are simple. The world is moving online so your business needs to as well. Also digital assets last. Unlike an ad in the newspaper or radio a digital asset lasts to deliver prospects and sales again and again and again.

There are five phases or reflection points that we dwell on to develop the digital plan.

1. **Internal** - Who are we? What do we do? What do we stand for? How do we operate (proposition, service delivery)?
2. **Market Place** - Who is our target customer? Who is the competition? How do they operate?
3. **What happening at the edge** - Who are the best operators in the market? Who are the best operators in other related markets - offshore/other industries? What new technology is emerging that could change the game.

4. **Digital Vision** - What could we do to take advantage of new technology to disrupt the market and change the game?
5. **Digital Roadmap** - Out of the different options available what sequence makes sense? What are the quick wins that can be implemented quickly and will give a big payback (low hanging fruit)? What things look promising but need more time to investigate and understand before being implemented.

Internal - Who are you and what makes you tick?

The first section of the plan is the most important. This pulls together a short summary of the strategic direction for the business. What do you do? What do you stand for? How do you operate? What do you do differently? How do you compete? These questions need to be answered before you embark on developing a digital strategy as your approach to business needs to be leveraged through your digital strategy. That is you need to digitally enable to your strategy.

This is where we make the point that there is no such thing as digital strategy. What we're doing is taking your business strategy and making it work harder using digital technology. You don't just do something online because you can - you need to do it because it makes business sense.

The reality however is that many businesses operate without a documented plan. In many cases this is fine, however when you are considering significant investment (this could be product investments,

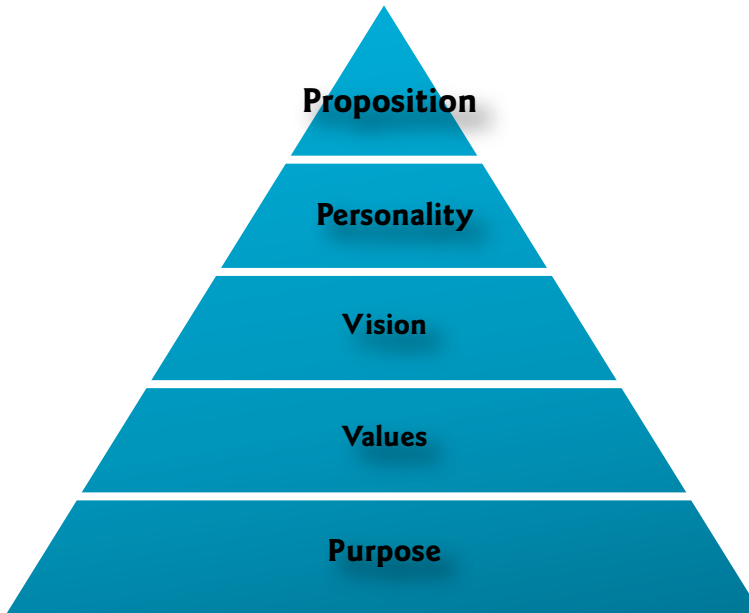
developing new markets, joint ventures, plant expansions, or acquisitions) a clear, shared, documented plan is essential. This doesn't have to be a long document that just gathers dust, the real value comes from a shared discussion and agreement amongst the management team.

Defining the Brand Foundation

Let's have a look at each element in a little more detail;

Purpose: What does the organisation do? Define this with intent and from a customer point of view. That is what the organisation delivers for it's customers. Defines what the organisation does. This shouldn't change, should be able to stay intact for the next 100 years.

Values: How does your organisation work? Typically 3 to 5 values that define how the organisation works and what it believes in. These provide a cultural direction for how the organisation operates, what is expected and rewarded and conversely what behaviour isn't tolerated. Shouldn't change.



Brand Foundation.

We represent the brand foundation as a pyramid to represent the strength that the right brand foundation can achieve over time.

The first three elements - Purpose, Values & Vision for the strategic framework.

The top two elements define the outward marketing strategy.

Vision: Where do you want to go? What do you want to create? Typically this is a 10 to 20 year view of what the organisation could achieve. It should be something that can be achieved. That is when it is done you can have a party and redefine a new vision. It should be something that scares

you and you don't know what you need to do to achieve it. If it's too easy then you need to think bigger. The vision will change when it has been achieved.

These first three elements of the branding framework are more internally focused and give the foundation to develop the external communications platform.

Personality: How do you want the organisation to be seen? What character does your organisation want to convey? Every organisation needs to have a clearly defined personality and then act consistently within that. People trust people that act with consistency. There are 12 different personality archetypes that you can use as a start to define your organisational personality. This needs to be consistent with the needs of your customers and the purpose and values within your communication framework.

Proposition: What promises does your organisation makes to its customers? Your proposition is the core offer that will convince a prospect to do business with you. How are you going to help and what difference will you make. This needs to be clear and compelling and defined in terms of the value your customers will get by doing business with you. In addition you also need to consider who the right target is for your proposition. The more targeted you can be the more specific and compelling your proposition will be.

Market Place - how do you play the game?

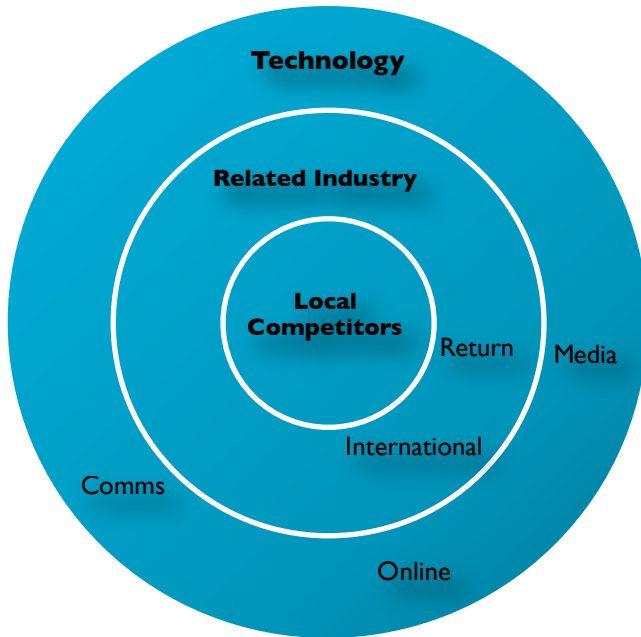
Once we understand the Brand Foundation it's important to look at and understand the whole market place. In reality you'll be doing this in parallel but you need to define this separately to give it the appropriate attention. These are the key areas to look at:

1. **Market Segments & Target Customers.** What are the typical buyers in the market. Try to group them by common characteristics. This could be demographics like age, sex, income or psychographics like lifestyle, attitudes, beliefs, values, and personality. Although harder a psychographic profile on top of your demographic profile will help you understand what drives your customer. It also helps you build a persona for your typical customers which you will need when you design your website.
2. **Core Problem or Need.** What is the problem that your target customers are trying to solve. What is it that bugs them and keeps them awake at night.
3. **Competitors.** Go through a similar exercise and document how your competitor operate, what are their values, personality, what is their proposition? Sketch this out in rough form for the top 3 competitors.
4. **Market Map.** Most markets tend to compete on the same points - price, quality, speed, product etc. What are the main factors that your industry competes on. Map each competitor on an axis with the most important two selling points. While you are doing this consider whether there are

things that the industry is doing that you could stop and likewise what are selling points that aren't being done that customers would value (note read Blue Ocean Strategy for more on this).

What's happening at the Edge? What could transform your business?

The third section that we look at when developing a digital strategy is what is happening out there at the edge. By the edge we mean the cutting edge of both technology and product or service delivery. There are a number of edges we look at;



Innovation at the Edge

This graphic represents the different sources of innovation.

As we move further away from our position at the centre to the edge of our understanding the number of new innovative possibilities increases exponentially.

Competitors - what are the best local competitors doing now? What technology are they using that's making a difference. Also who are the best in the industry worldwide and what are they doing? Are they doing anything extraordinary.

Sector - What other industries deliver a product or service that is similar to yours? Who there is delivering best practice or leading the industry.

Technology - What new technology is being developed and deployed now, what is coming out in the next year or three years. Compile a watch list of technologies that will make a difference. Learn about how they work, the benefits they could develop and the cost of implementation. To keep up to date follow sites like digg.com, techcrunch.com or rww.com.

Digital Vision - where do you want to go?

Developing your digital vision is exciting. This is where you digest all of the work you have done so far. Ideally this is done a few days after you have pulled together your brand foundation, analyzed the market placed and surveyed what is happening at edge. This allows you to think and lets different perspectives on what is really possible develop.

Don't confuse your digital vision with objectives. Everything you do needs to have objectives and each activity needs to take you towards achieving your vision. Visions are big. Objectives are the stepping stones along the way.

Allow two to three hours with the team to develop a strong vision. You may want to get someone external to help you facilitate this process so that you all can be part of the process rather than having one of the team (often the GM or Owner) facilitate it. This helps get a deeper buy-in across the business.

A deep vision usually has two parts. One a clear challenge that you want to achieve and secondly a detailed story of what the future would be like once you get there. This second part can detail all of the things, tools, technology and services that you provide as part of your day to day business.

A good digital vision should;

- Take 3 to 5 years to realise.
- Have some components that can be implemented immediately but also others that will require some serious research and understanding.
- Be scary in terms of the work required and the risk involved to achieve it. But also should be exciting and rewarding if you pull it off.
- Require a quantum change in terms of the capabilities and characteristics of the business to achieve it.
- Be defined, so that you'll know you have achieved it.

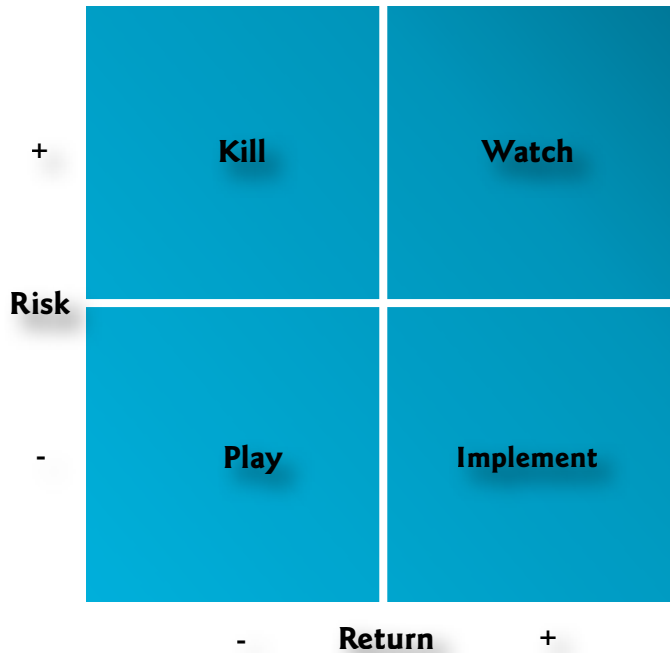
Digital Roadmap

Now this is the tricky part and sometimes the blindingly obvious part. Once you have your vision of where you want to go you need to order it into a sequence that makes sense. To do this you need to consider each part and determine which things need to come before other things. Then where things are at the same stage or not determined by sequencing, you need to decide which is more important.

To do this we often use rank things according to a simple grid based on implementation risk and return. Here return could be sales or any other measure you are trying to drive (awareness, preference etc)

Through this process you may even take some things off your implementation plan if you determine that the implementation risk is high and the return too low.

Where the implementation risk is high and return high this goes into a watch list. The following grid details the outcome for each group.



Implementation Test

Put each initiative into one of these four quadrants to determine the appropriate action to take with each.

Digital Strategy Workbook

This is a guide to help you think about where you want to go and what your objectives are for your digital investments and digital marketing. Take the time to work through it slowly and ideally with a group of people.

Brand Foundation

What are we here to do? What is our Purpose

How do we work? What values do we live and breath? Would we fire someone for not living these? (note: don't worry about motherhood values - honesty, trust, integrity etc. These should be table stakes)

Where to we want to go? What could we achieve in 10 years if we really really worked at it? Would we get out of bed to be part of this?

How do we want to be seen. Describe the personality of the business. What are your competitors like (we don't really want to be like them!). Note for an in depth discussion about personality read "The Hero and the Outlaw" which has a great framework for defining personality that we use with clients.

What is our offer? What is our proposition? Who do we work for - what is there typical problem, how do we solve it.

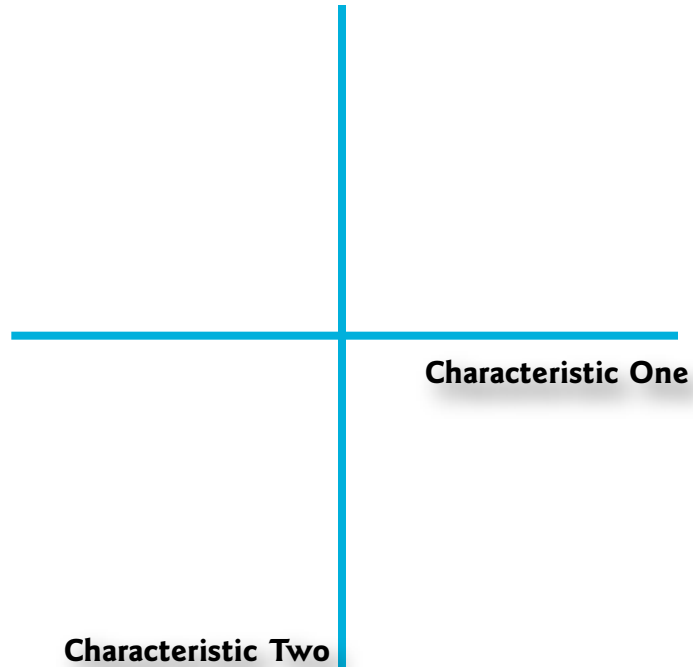
Market Understanding

Target Customers - who is our target customer? Describe in both demographic and psychographic detail what they are like. Give them a name and a personality.

Define their problem - what keeps them awake at night. (note you can have different target customers for different product or service offerings)

Who are your top 3 competitors. Explain their competitive strategy. If you were them what would you be trying to do?

Market Map - try to draw the market in a two dimensional map, using the most important two product or service characteristics. Where does everyone sit? Are there any clear gaps?



Are there some other product or service characteristics that you should be introducing or eliminating?
Can you change the way your industry competes? (See Blue Ocean Strategy)

Understanding what is possible - exploring the edge.

What are your best local competitors doing? What technology are they using? What is interesting or different about their offering?

What is the best international company doing that is operating in your industry? Who is the benchmark worldwide for your sector? What is it that they do? What technology do they use?

What do related businesses or even unrelated businesses do that you could look to adopt?

Think about and research some different technology and play with how you could use it to improve your business. Read Digg, TechCrunch, ReadWriteWeb or follow other influential tech media sources that are relevant for your business.

Discovering your Digital Vision

In a group spend 30 minutes individually writing a 2-3 paragraph description of what the business could be like in 5 years time. In the story make sure everyone is focusing on what new technology is introduced and what the benefits are for your customers.

Share these stories as a group. Have someone pull each technology and benefit out and make a list.

Ask a small group of people as an action to take all the stories and edit the best parts of them into one vivid description of your digital future. They can report back to the group with the output as a follow up.

From the Vivid description craft a shorter - one sentence vision that is worded in the form of a challenge. That is “By 20XX we will XXXX by XXXX which will make XXXX difference to our XXXX” This is just an example. You can word it anyway you want as long as it passes the tests that are in the eBook.

Digital Roadmap

For each of your initiatives make a note of any prerequisite technology implementation that needs to happen. If it's not on the list add it.

Order things into a logical sequence based on these prerequisite installations. At this stage it's OK just to group them into 2, 3 or 4 groups of things that could be done at the same time.

With each of these groups put each initiative through the Implementation Test filter from the white paper. This should help you sort which things you should do in which order.

If you're still unsure go with the technologies that are the easiest to implement rather than the ones promising the big returns. As you get better understanding and implementing technology you'll be better placed to tackle these later.

About Young&Shand

Young & Shand is a digital marketing agency that takes a word of mouth approach and leverages digital assets to deliver remarkable results. Our purpose is to help our clients spread their stories and grow in a more natural, viral way.

Our focus is to help businesses grow through online marketing and digital engagement. A typical project involves an initial strategy phase to understand the most effective way forward, then we build the required digital assets (website, blog, facebook fan page, ecommerce site, attraction network). Finally we plan out an ongoing internet marketing plan to drive traffic, prospects and business for our clients.

Ben Young and Duncan Shand established Young&Shand in 2009 after working together on a number of significant client projects. We're passionate about helping New Zealand companies grow to the next level.

For more background and case studies - www.youngshand.com

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