

3 Vital Digital Transformation Strategies for Small Business Growth



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01

Introduction

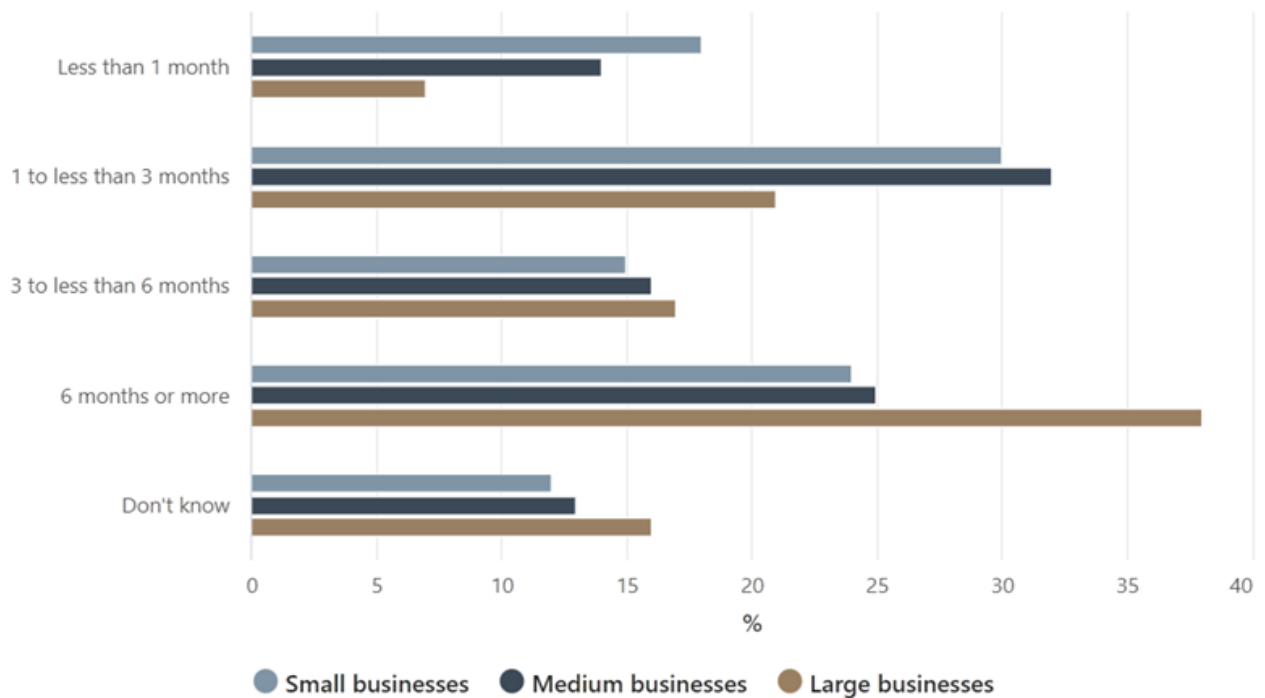
15 mins
Reading time

Australian small businesses are under immense pressure in the current environment. Pandemic-related issues have resulted in financial uncertainty, staff shortages, and significant demand shifts. Additionally, larger organisations have already leveraged technology to create more personalised experiences and meet evolving customer expectations.

In recent years, companies that have thrived have invested heavily in digital transformation initiatives. They are using data to understand customers at a deeper level. They've also gained real-time visibility of business performance which allows fast decisions to be made when conditions change. For SMEs, however, reaching the same level of digital enablement has been challenging.



The small business segment is currently most affected by cash flow. As of [January 2022 ABS reporting](#), large businesses (38%) have six months or more cash on hand available. However, small (24%) and medium (25%) businesses have only 1 to 3 months of cash on hand available. Ironically, this SME cash flow shortage makes it more challenging to invest in digital transformation strategies that will improve their long-term cash flow.



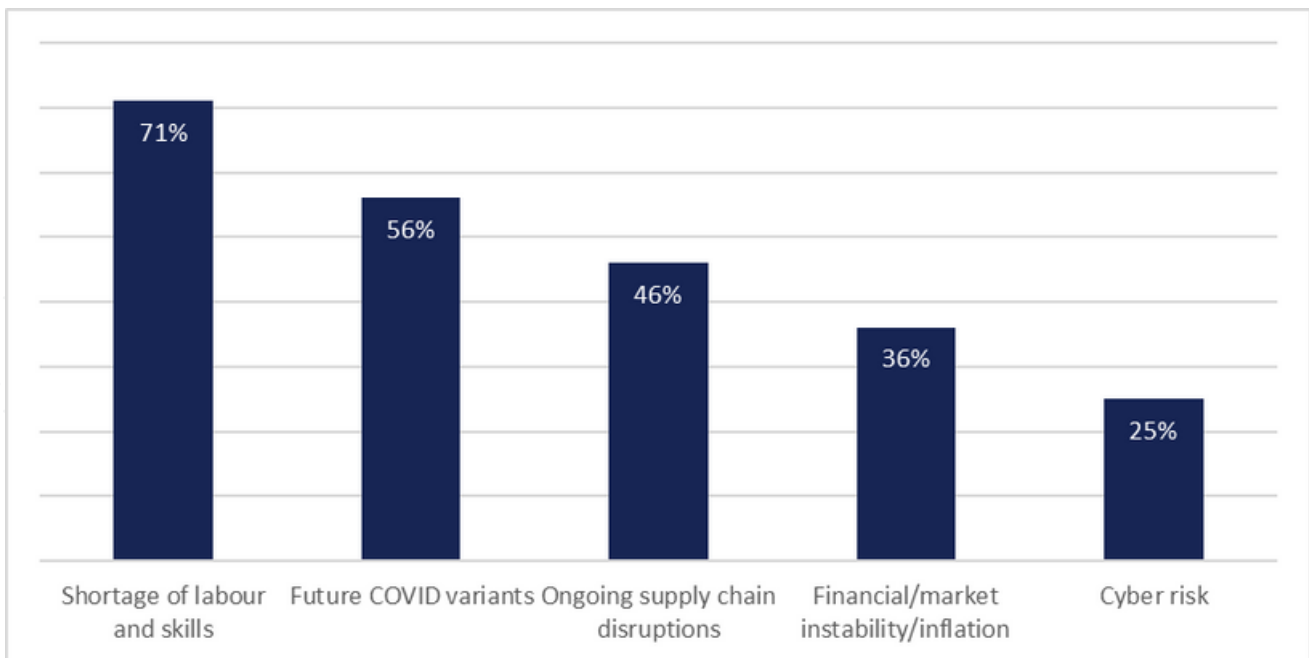
Australian businesses were largely in cash preservation mode during 2021. 41% of Aussie companies cited “financial constraints” as the top reason they couldn’t invest in their preferred technology projects, according to the [CPA Australia Business Technology Report](#).

Despite these constraints, many companies took the opportunity to plan and prepare for technology investments in 2022. The top 3 technology-related projects Australian businesses undertook in 2021 (which included preparing for transformation initiatives) were:

- 43.3%** Upskilling the technology capabilities of staff.
- 40.7%** Reviewing the business' technology for future improvement.
- 40.3%** Developing a long-term technology / digital strategy.

(from multiple choice selections)

Although we're beginning to see a normalisation of the business environment in 2022, significant challenges are expected to continue throughout the year. The [Fortune/Deloitte CEO Survey](#) revealed the top business disruption expected for 2022 are:



What is digital transformation?

Digital transformation is the transitioning of purely analogue or paper-based data and manual processes to digital systems. Then, automating and streamlining those systems to work more efficiently. Finally, digital transformation optimises end-to-end operations to enable proactivity, increase bandwidth and unlock new market opportunities.

In the current environment, companies have an excellent opportunity to affect the customer experience and gain a competitive advantage. We're now at a point where digital systems not only meet but anticipate customer demands, which in turn leads to greater innovation. As a result, companies leading the way in digital transformation initiatives stand to widen the gap and consistently outperform competitors who are still catching up.



87% of digital leaders agree that their organisation's ability to compete in the market is greatly dependent on the flexibility of their technology architecture.

2022 TekSystems [State of Digital Transformation Report](#)

By building the platform to digitise, automate, and centralise data and processes, you can create better outcomes for your businesses and your customers.

Nigel Wooden, Managing Director of DWR comments, “Digital processes around receipting, fulfilment, barcode scanning, and bin putaways has allowed DWR customer Tacmed to significantly speed up operations while boosting accuracy. These gains carry across all areas of the business, including sales, finance, inventory management, and so on.”

For those managing small business operations, digital transformation is often perceived as a complete business overhaul, heavy on time and resource commitment. With this mindset, however, the business remains fighting fires and catching up to competitors.

In 2022, small businesses should prioritise three essential digital transformation growth strategies to become digitally capable and compete in a rapidly evolving market. These are:

- Enhancing the customer experience
- Attracting and retaining top talent
- Improving cash flow and financial management



Nigel Wooden,
Managing Director of DWR

01 Enhancing the customer experience

Customer habits have shifted dramatically in recent years. COVID-19 proved that digital channels focused on the customer experience (CX) could offer the same or a more personalised interaction than in-person. And businesses using data to provide better customer experiences are leading the continued migration to digital-first customer expectations.

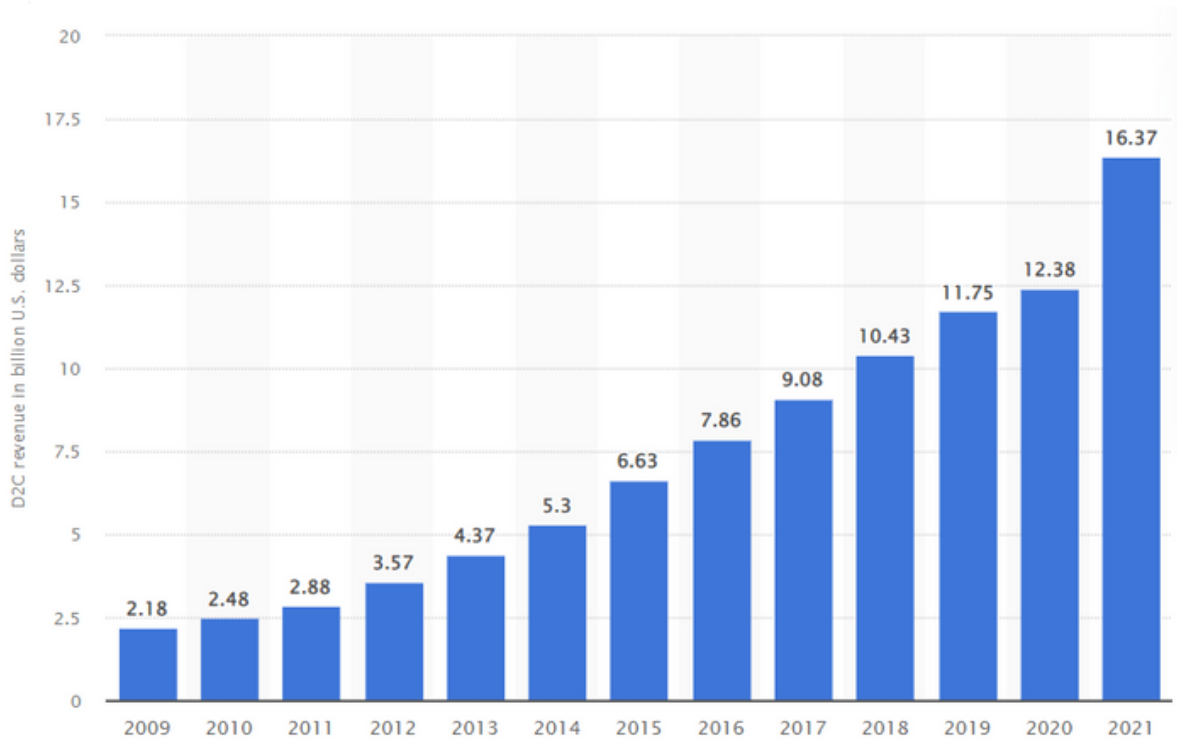
The inventory-based experience

Exploring new channels and enhancing existing ones is now critical in the digital era for inventory-carrying businesses. How customers want to purchase goods has changed and will continue to do so. Take global sports brand Nike as one example.

When the GFC (Global Financial Crisis) hit, many companies went into cash preservation mode and limited their expansion into new channels. However, Nike and many others invested in new technologies and business models. And they subsequently proved that an economic downturn could be a business opportunity.

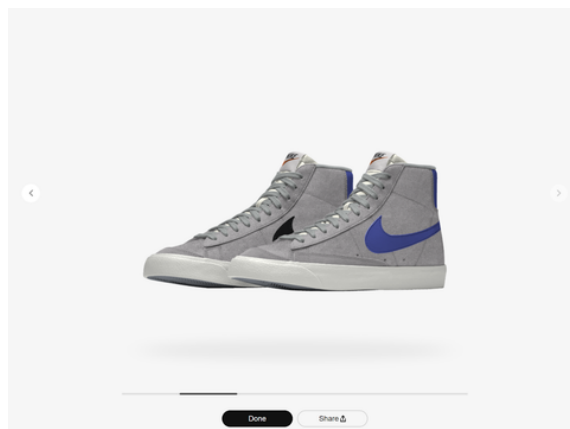
"Businesses using data to provide better customer experiences are leading the continued migration to digital-first customer expectations."

Nike ramped up efforts to support a new digital D2C (direct to consumer) channel. Between 2009 to 2021, Nike's D2C model revenue grew from \$2.18 billion to \$16.37 billion (as recorded by Statista). This channel now accounts for more than 35% of the company's total revenue and is still growing.



The company's D2C channel now includes product customisations that let customers see the virtual finished products. Member rewards, perks, and personalised recommendations are a distinct part of the online journey that creates an incredibly engaging digital experience.

The digital transformation of Nike's CX is now an integral part of what gives the brand its competitive advantage.



The service-based experience

The services industry has undergone an incredible transformation - both pre-and-post-pandemic. Innovators like Uber were already revolutionising service delivery with personalised, mobile-first digital experiences controlling bookings, ratings, and feedback. When the pandemic placed physical restrictions on us, services like medical appointments, personal fitness, and beauty consultations also adapted quickly. Online was the way to book and now also fully receive services.

Convenience has become a key ingredient in creating a successful customer service model. In a time when booking a helper to move furniture is a few clicks away on a mobile application, service businesses must be digitally-capable to remain competitive.

Additionally, the digital transformation of service delivery can significantly impact profitability. For example, [research from Emplifi](#) reveals that 61% of respondents would pay at least 5% more if they knew they would receive an outstanding customer experience. In the same report, 49% of respondents said they had left a brand due to poor CX.

Service businesses have the opportunity to leverage technology and deliver outstanding CX at every touchpoint. Those who do stand to widen the competitive gap, write more revenue, and boost profitability.

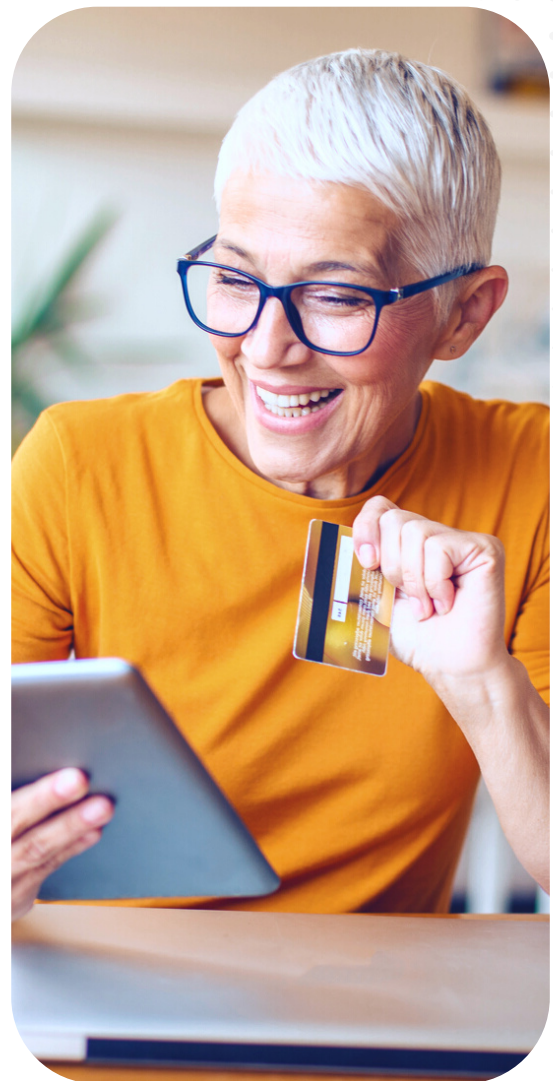


The digital tools to meet customer expectations

Businesses across industries and B2B, B2C, and D2C models are realising that digital transformation strategies must begin with the customer experience. Memorable experiences attract new customers and keep existing ones returning - a key driver for recurring revenue and healthy profit.

Mobile-first technologies, machine learning, AI, automation, and other future-focused tactics are now enabling businesses to deliver faster and more convenient customer experiences.

When employing the right digital tools, small businesses can vastly improve CX and exceed expectations.



Chatbots

Chatbots like [Tidio](#) can be an effective way to enhance the customer experience without significant investment. They offer your customers a fast, efficient way to engage with your company. Simple automation can also answer common questions, triage requests, and provide basic responses 24/7. This approach offers faster service that ensures your customers speak with the right person on first contact.



However, one thing to keep in mind is the balance between automation and communication. Too many questions in the automated stages of a chat can create frustration. When digitally transforming your inbound customer contact, it needs to be efficient enough to provide value but flexible enough to give a human connection when required.

Social selling

Particularly for B2B sales teams, cold calling is quickly being replaced with social selling - using platforms like [LinkedIn](#) to connect and start conversations with customers. This can offer a much better customer experience on first contact than traditional cold calling. Through social networking, sales reps can learn about prospective new customers, interests, and needs before initiating a dialogue.

By starting your sales outreach with a deeper understanding of customers, you stand to create more valuable conversations.

Marketing automation

Marketing automation software like [HubSpot](#) digitises and manages your marketing content and processes. Email marketing, social media scheduling, blogging, SEO content, ads management, and more can be managed from a single digital platform.

You can give customers a more personalised, engaging CX through this technology while reducing the manual workload needed to deliver it.

Essential tools for wholesalers

The wholesale distribution space is becoming increasingly competitive. Retailers face fierce online competition, making them more protective than ever of profit margins. Brands and manufacturers have also begun exploring D2C business models. As a result, wholesalers need to stand out from the crowd and meet evolving B2B customer expectations to remain competitive and relevant.

Wholesale customer expectations have advanced in line with the digital needs of B2C transactions. B2B customers now want to see online portals with live product, pricing, and stock information as the baseline. However, delivering a truly memorable experience still takes a more personal approach.

Informed, valuable conversations can be had by checking customer purchases, interactions, and account history. For example, are there product lines regularly bought for which reps can offer customised quantity break prices? Are there issues or follow-ups from customer service teams pending which need discussion? Are there promotions applicable to specific verticals or territories?

A CRM system is an invaluable part of your digital transformation strategy for this purpose. When paired with sales and inventory management systems or as part of a complete ERP package, you gain instant access to related data. As a result, your sales reps can have more informed conversations about the right products at precisely the right time. Sales interactions then become value-driven conversations rather than sales pitches.

NetSuite Customer 360

Acquiring more customers and increasing spend from existing clients is a critical goal for almost any company. With the tools to digitally transform this process, this goal becomes more attainable. NetSuite ERP now brings the Customer 360 feature to build on existing web integration and CRM functionality to deliver crucial insights on customers in the one place.

Customer 360 tracks behaviour and shows key performance indicators (KPIs) like customer lifetime value, profitability, sales, remaining credit, and other key numbers. NetSuite users can choose between categories, like sales and relationships, to find the most relevant insights to understand customers better - and help sales reps sell more.

Customer 360 gives you visibility of customer browsing behaviour to determine whether it's the right time to approach a buyer about purchasing an item. The tool can also leverage data to provide intelligent product recommendations back to the NetSuite eCommerce solution, SuiteCommerce.

There are also 10 prebuilt NetSuite Connectors to more easily reach prospective customers wherever they are. Prebuilt NetSuite Connectors integrate popular marketplaces and eCommerce sites, including Amazon and eBay; ecommerce platforms like Shopify and Magento; and fulfilment providers such as Fulfilment by Amazon (FBA) and ShipStation.

These seamless integrations automate data flow between NetSuite and the other systems and services necessary for modern commerce. For example, when someone marks an Amazon order as fulfilled in NetSuite, Amazon is notified and can pass along that update to the customer.



[Get in touch](#) with a NetSuite ERP expert at DWR for more information.

02 Attracting and retaining talent with best-in-class digital systems

“The Great Resignation” is a term coined in late 2020 by Texas A&M University’s Anthony Klotz in response to describing the rising job-leaver rates witnessed in the US throughout COVID-19. This pandemic-related phenomenon has had a massive impact on the ability to attract and retain top talent.

In Australia, it's been more like "The Great Reshuffle". Nationwide, we've had valuable people leaving to return to their home countries. We've also undergone extended border closures, causing chaos for business models that rely on overseas casual and temporary employees. For inventory-carrying businesses, seasonal warehouse staff shortages and supply chain issues have slowed down stock-turn and reduced their ability to meet customer order demands. Physical distancing and store closures have also made some employees change industries completely.

Many industries have found it challenging to bring top talent on board with this reduced talent pool. So what can employers do to ensure to make their workplaces more appealing to the best people out there?

Engagement through alignment

Shifts in how everyone has had to live and work throughout the pandemic have highlighted personal values, motivations, and sense of purpose. For many, those ideas have carried over to their professional lives. People are no longer just thinking about how they work but also why they work.



To keep your top talent engaged, alignment is crucial. And while understanding the business vision and mission is important, genuine engagement takes more than that. We're humans. We want to be reminded that what we do matters and feel a sense of purpose. When every individual realises how they drive the business vision forward, they become an integral part of that vision.

With digital systems that provide live report snapshots, KPIs, and dashboards specific to each role, every person in the business can see the impact they're having. For example, seeing new sales in real-time motivates sales reps to keep pushing for better results. Likewise, real-time data on customer cases handles and NPS scoring reminds customer support how they're continually improving the customer experience.



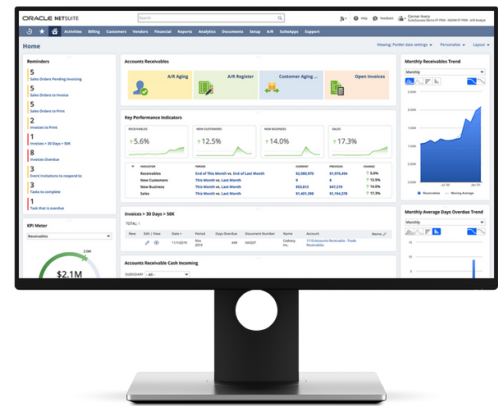
Creating alignment with digital systems

Over time, companies often add single-use systems to their infrastructure, such as an accounting system, a separate inventory system, a separate CRM, and so on. However, running several disconnected systems in parallel (with separate processes around those systems) introduces a range of issues - especially as a business grows.

Data needs to be exported from one system, re-imported into another, consolidated, checked, and re-checked to get an accurate picture of finances and operations across the company. Many companies rely on complex spreadsheets for reporting, though this also means relying on static, often-outdated data. As a result, systems and processes start slowing you down when they should be helping you grow faster.

Single-source systems called ERP systems, however, bring together all core business functions. Inventory, CRM, sales and marketing, project management, HR, and more are managed within one ERP system.

Companies using an ERP platform gain an accurate, real-time view of business performance. With business data existing in one system, there's no exporting or re-importing needed. Data accuracy is improved, while removing the need to consolidate and double-check information. Live dashboards with KPIs and report snapshots also help decision-makers take faster, more decisive action.



Most importantly, everyone becomes more aligned through access to the same, accurate, up-to-date information. Managers and decision-makers can track performance throughout the month, rather than waiting until days after month-end reporting to inform and give feedback to employees. And with that live information, it's much easier for everyone to know their impact on the business and progress towards goals, as it's happening.

Individuals can also see role-based dashboards providing the information that's important to them. By giving people the data they need, greater clarity is gained on the key metrics and KPIs for which they're responsible.

Improving workplace flexibility to meet new employee expectations

When employees were forced to work from home, it made many realise there was more to life than travelling hours to and from an office each day. Work from home arrangements allowed people to work more flexibly and balance work and personal commitments more effectively.

And with a "new normal" emerging in 2022, many want the flexibility that has enhanced their lives in recent years to stay.

Microsoft is one company that took significant steps to understand how workplace flexibility affects the employee experience. The company's [Work Trend Index](#) outlines findings from a study of 30,000 people across 31 countries. The data shows that in 2021, 46% of the workforce was planning to move jobs due to remote work opportunities. 73% of workers said they wanted remote work options to continue, but 65% also said they were craving more in-person time with their teams.



want remote work options to continue

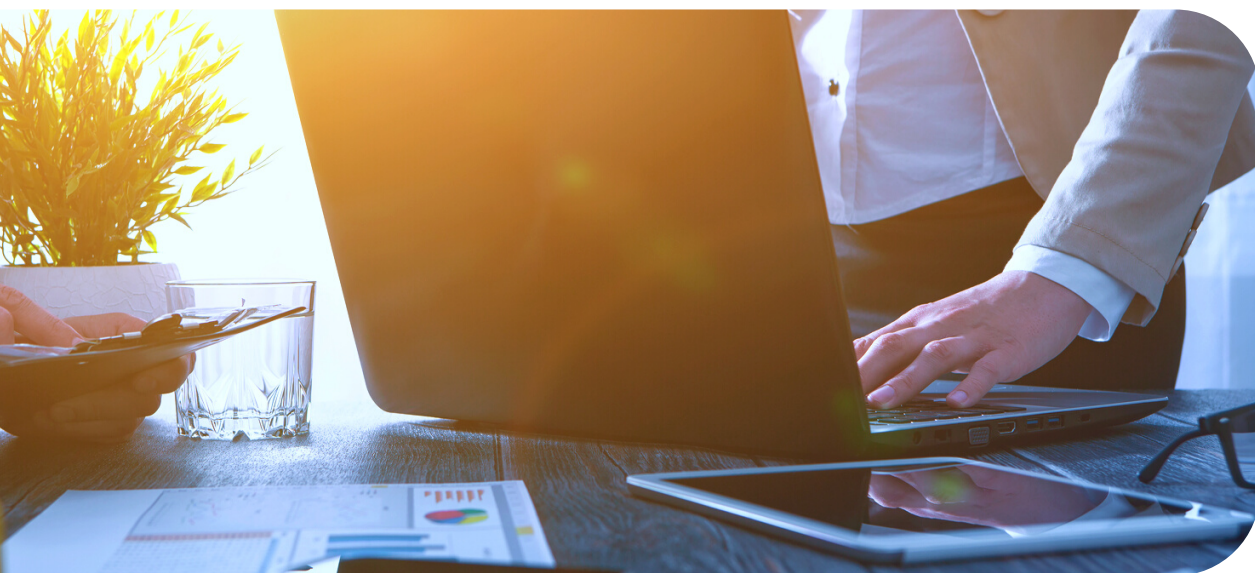
craving more in-person time with teams



In 2022, 97% of people recommend remote work to others, as cited in Buffer's 2022 [State of Remote Work report](#). The same percentage also says they'd like to work remotely, at least some of the time, for the rest of their careers. While pure remote environments are possible, Hybrid environments (remote for some days of the week and in-office for the others) have become commonplace and provide a balance of employee efficiency and maintenance of the company culture. These arrangements now act as a significant drawcard to attract and retain top talent.

NetSuite is one cloud ERP system for small businesses that provides secure, role-based access to business data. Remote workers always see what's relevant to their role without overloading them with information. Users also gain live dashboards with business trends, KPIs, and report snapshots to quickly understand and take action from that data.

Regardless of physical location, business leaders can now react faster to changes and make agile decisions based on live information. Cloud ERP is a crucial technology to support remote and hybrid workplace flexibility and work more efficiently.



Improving cash flow and financial management

The financial management gains from digital transformation all come down to data. Visibility and live updates of accurate financial data give you confidence in making the right business decisions the moment you need to. The ability to uncover trends and changes as they happen means that instead of waiting for month-end, you can take decisive action at any time.

Small businesses running multiple disconnected systems know the pain of month-end reporting. It's a manually-intensive process that involves running several separate reports. Stakeholders within the company all spend time producing data, sending it on, and often rely on CFOs and finance teams to put everything together to gain an overall picture of performance.



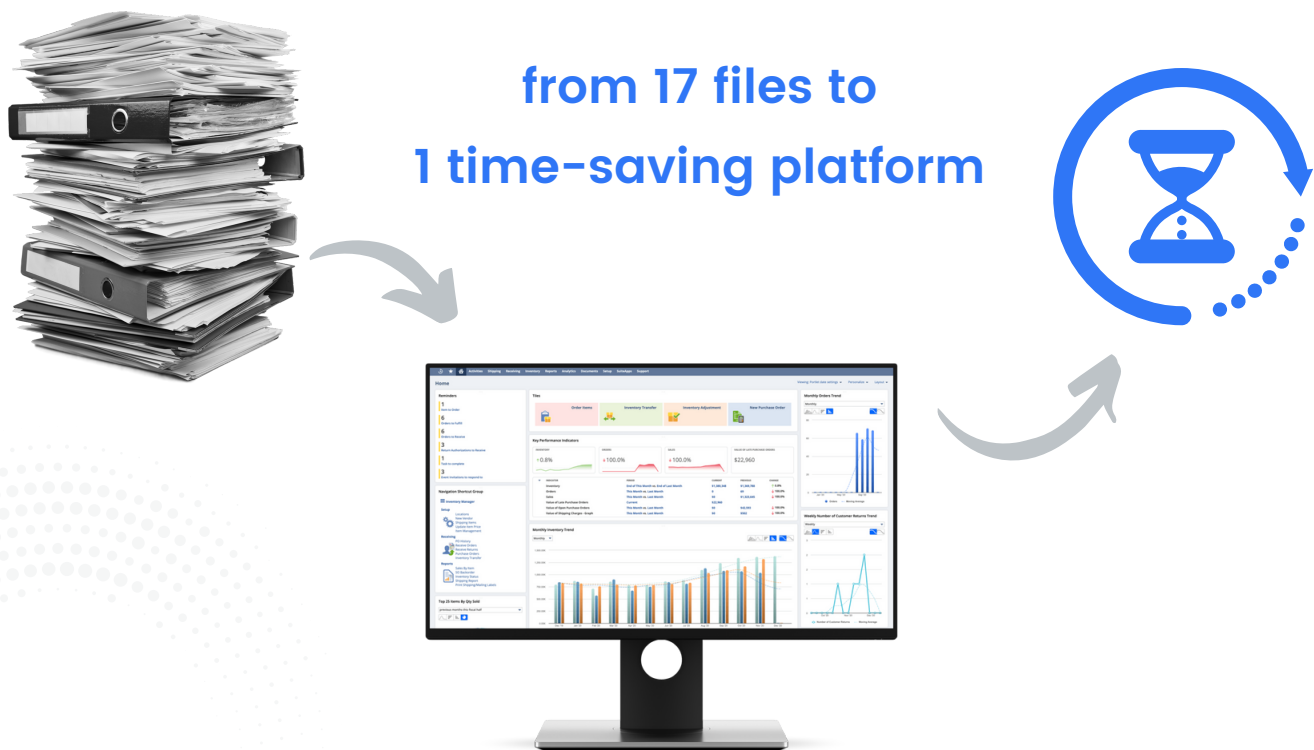
"With NetSuite, we have been able to significantly reduce the amount of time required to complete month-end, provide real-time visibility into each venue and entity, as well as move to provide online transaction paperwork."

How Nelson Meers improved financial management

Nelson Meers Group is a well-known hotel group in Sydney. The company relied on manual data entry, labour-intensive processes, and 17 separate MYOB files to manage its multi-subsidiary financial structure. This was slowing the business down and restricting future growth.

The company underwent a digital transformation of its financial processes, consolidating everything into a NetSuite cloud ERP system. As a result, Nelson Meers now has a live view across the entire intercompany finances and operations. The company has also added automation to reduce manual processing, remove errors from duplicate data, and speed up reporting.

CFO David Bu explains, "With NetSuite, we have been able to significantly reduce the amount of time required to complete month-end, provide real-time visibility into each venue and entity, as well as move to provide online transaction paperwork."



Cash flow benefits

In recent years, cash flow reporting has become a staple of digital systems like ERP platforms and SME accounting packages. Some accounting systems provide cash flow reporting as an add-on. A complete ERP platform, on the other hand, offers live cash flow reporting as a core feature.

ERP systems like NetSuite can also automate AP, AR, reconciliation, spend and expense management processes, bringing rapid ROI (return on investment) early on. Additionally, SuiteBanking is the first unified suite that embeds fintech into a cloud ERP system. SuiteBanking helps improve forecasting and make more strategic cash decisions by automating vital financial processes and bringing complete visibility of cash flow.

Cash flow is further optimised for SMEs with digital debtor processes. With CRM, order history, and financial data in one ERP platform, Accounts Receivable can see credit limit, balance, payment terms, and 30/60/90 day overdue amounts. AR dashboards provide configurable overviews of outstanding customer accounts with KPIs and automated notifications to keep on top of customer payments. And by automating customer reminders, you can further reduce the manual workload in following up payments.

NetSuite cash flow and financial forecasting features

When cash flow stops, business stops. Particularly through periods of uncertainty, healthy cash flow prevents a company's financial resources from drying up. As Gary Wiessinger, SVP of product management at Oracle NetSuite, illustrates, "Insufficient cash flow is the main reason new businesses fail in the first five years, but despite it being such a critical area, many businesses struggle with cash management due to poor visibility and an inability to accurately forecast."

NetSuite recognised this and brought Cash 360 to the table. It's an automated solution embedded into NetSuite that shows cash balance, AP and AR in one real-time NetSuite dashboard. That single dashboard makes cash flow visibility crystal-clear, displaying current cash flow trends and a rolling six-month cash flow forecast that will enable more informed and agile decision-making.



"NetSuite Cash 360 turns a complex process into a simple one by giving customers everything they need to effectively manage cash flow to help ensure they have the cash reserves to maintain day-to-day operations, pay employees and suppliers, fund sales and marketing efforts, service debt, acquire capital equipment, and make other long-term investments." Explains Wiessinger.

NetSuite has also recently added another new tool – Cash Flow Forecasting. By leveraging multiple data points within the same core system, this tool brings funding sources, planned expenditures, sales forecasts, and billing schedule data together to increase forecast accuracy significantly. In addition, historical averages can also be applied to current AR and AP transaction data to estimate collection and disbursement amounts.

Cash Flow Forecasting is a fully-configurable solution that allows companies to incorporate one-time cash inflows and outflows, like financing or capital investments, into the forecasting process. This improved flexibility creates a better projection of cash needs and greater clarity over the company's liquidity position.

With greater clarity of cash flow and more accurate forecasting, NetSuite Cash 360 gives companies clarity of their liquidity position and the confidence to focus on business growth initiatives.

Technology partners that empower digital transformation

Working with the right technology partner is just as important as having a well-planned digital transformation strategy. An experienced partner can enhance and add value to your digital transformation through:

01

Identification of optimal outcomes for your business type and industry.

02

A strong focus on short and long-term outcomes that align with your business objectives.

03

A deep understanding of transformation, having managed the end-to-end process for many other customers.

04

Being the catalyst for your transformation journey, accelerating and keeping your business changes on track.

05

Long-term accountability and support. A true technology partner will be there for you, well beyond your initial stages of transformation, to ensure additional value is realised over time.



DWR delivers the tools to amplify success; by bringing the right cloud ERP technology, process framework, and team of business experts together. The team has executed 250+ technology projects on time and to budget. DWR forms lasting relationships with customers, consistently looking for ways to add value to new and existing implementations.

Talk to an ERP expert at DWR. They'll give you the advice and ideas you need to build a core digital infrastructure that enables faster, more successful digital transformation. Take the next step to leap ahead.

Transform your business success. Talk to a cloud technology expert and trusted NetSuite partner now.



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