

# COVID-19 is transforming how companies use digital technology

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The COVID-19 pandemic has forced millions of people to work from home, making workers and corporations alike more dependent on the digital technology that has long enabled them to handle both personal and professional tasks from their smartphones, laptops, and personal computers.

Joël Le Bon has been paying particularly close attention to these rapid developments. The Johns Hopkins Carey Business School associate professor specializes in the commercial applications of [digital technology](#), including its use in sales, marketing, and management. COVID-19's impact on the digital sphere, he notes, has been extraordinary.

"I used to say that with modern digital sales capabilities, sales changed more in the past five years than in the past 50 years. I should say now that sales changed more in the past five months than in the past five years," he says.

With Carey Professor Andrew Ching, Le Bon established the [business school's](#) Science of

Digital Business Development Initiative, launched just months before the pandemic emerged. The coronavirus has added urgency to the work and mission of the initiative, says Le Bon.

"Advancing the research, education, and practice of digital business development as organizations shift their strategic, marketing, and sales activities makes the Science of Digital Business Development Initiative even more critical for the future of sales, leadership, and work," he says.

The Carey Business School reached out to Le Bon for more insights about some of the ways the pandemic has affected the world of digital business.

**The Science of Digital Business Development Initiative aims to show business organizations how to thrive in a digital economy. How has this goal, or the means of achieving it, been affected by the pandemic?**

The initiative's mission is to advance the research, education, and practice aspects of digital business development, offer a leading network to address the profound impact of digital transformation and open new paths of opportunity for the future of work in the digital economy. The pandemic has made our mission and goal even more relevant by changing organizations' perspectives on work, leadership, and business interactions with their customers with a radical shift to digital capabilities.

From an organizational standpoint, working and leading from home requires the leverage of digital capabilities, thus raising significant new challenges such as redefining interpersonal engagement, communication, developing people, and sustaining and measuring individuals' and teams' productivity. Interestingly, from a go-to-market standpoint, similar challenges apply in terms of redefining interpersonal engagement, communication, developing relationships with clients, and sustaining and measuring value-creating growth for

customers.

Although several technologies already exist to support organizations' digital shift regarding work, leadership, and business interactions, the offering is quite complex and will grow substantially. For example, for the marketing and sales functions, digital capabilities in areas such as virtual offices, video conferencing, messaging and chat, project management, collaborative design, sales, and customer engagements and analytics can truly facilitate collaborative endeavors to engage and serve the customers. Yet, this implies that organizations profoundly rethink their culture, structure, process, and competency models for better digital engagements and with diverse stakeholders.

**What types of business and industries do you think will benefit most in the wake of this crisis? And which ones will suffer most?**

When it comes to how value is created, it is important to recognize that value is based on content, or what is offered; context, or how it is offered; and cadence, or when it is offered. However, the extent to which that value is mainly provided through a physical experience or a digital experience helps recognize which industries can suffer or benefit the most from this crisis.

For example, in industries such as airlines and transportation, leisure, hospitality, tourism, entertainment, sports, retail, logistics, or [higher education](#), value is mainly created through a physical experience, and thus cannot be easily transformed and offered as digitized content and distributed through the Internet. However, other industries where value can be created through digital experiences easily transformed and offered, as digitized content distributed through the Internet, will benefit from the crisis. Examples are media, communication, telecommunications, e-commerce, and [information technology](#), to name a few.

**Do you expect a significant long-term or perhaps even permanent increase in the number of people working remotely, away from the traditional office setting? If so, what would be the pros and cons of such arrangements?**

Yes, yet not with the same magnitude in all industries, and for all functions. The technologies to support remote and virtual work already exist. However, the pandemic has intensified the need for a digital shift from a mindset perspective for organizations and individuals, who are thus encouraged to approach work, interpersonal engagement, and communication differently.

The Global Workplace Analytics consulting firm has shown that a typical employer can save an average of \$11,000 per half-time telecommuter per year, in terms of increased productivity, lower real estate costs, reduced absenteeism, and turnover. Further, some positive outcomes at the individual level pertain to more independence and autonomy, work flexibility, or time management.

However, some discrepancies exist between employees' and employers' perceived main struggles. From an employee standpoint, the most significant concerns relate to unplugging after work, loneliness, and collaborating and communicating. From a manager standpoint, the concerns relate to reduced employee productivity, reduced employee focus, and reduced team cohesiveness. Interestingly, if employees struggle to unplug after work, managers should be less concerned about productivity, and more about distress and communication and their employees' mental health.

**How do you think the COVID-19 disruption will affect the education field, especially in terms of how the "product" and services will be delivered?**

Industries that can suffer the most from the crisis, such as higher education, can also benefit the most of the transformative changes the crisis initiated, should they build their business models and value proposition on the radical shift that digital capabilities offer.

Knowledge can be easily produced, transformed, and distributed through digital capabilities. Yet the question of the credibility and reliability of the source of knowledge is of paramount importance; but at what price for the colleges, and cost for the students? The problem with digital-based knowledge as a raw material to be transformed and

distributed is that it can be commoditized because of being readily accessible, thus raising the question of price and cost of its accessibility. For this reason, such value should not only be protected at the content level with constant research to advance knowledge, but mainly at the context and cadence levels through the transformation and distribution of advanced knowledge. In fact, this is where the business models and value proposition of higher education should shift, and shift fast.

Before COVID-19, the professor was the main channel enabler for transforming and distributing knowledge content in the context of the classroom, and at the course cadence. Tomorrow, technology-enabled professors will make the difference for the students, beyond commoditized readily accessible content. Consequently, the perceived value of digital college-based knowledge and degrees will shift to well-designed and well-distributed content through virtual, remote experience, and innovative instructions. As students may question the perceived value of college-based knowledge and degrees if they cannot enjoy the physical experience on being on a campus and learn in the classroom with their peers, colleges will need to radically change their very approach to digitally transformed and distributed instructions. In fact, this may also facilitate the transfer of knowledge and education at scale to more students, from a volume perspective.

In higher education, there cannot be a new normal if we only wish to come back to normalcy.

**As a marketing professor, what's your view of how advertisers have responded to the pandemic? For example, TV ads that express empathy during a 30-second product pitch—is that effective marketing, or might it run the risk of seeming insincere and calculating?**

Effective marketing makes customers understand the value they receive from a product or service. Unauthentic, insincere, and calculating marketing messages do not go a long way, as the most important thing for a company is not the first purchase, but repeated purchases. If such messages do not intrinsically belong to the very

values of the brand, customers will not be fooled.

**How might the pandemic affect the ways in which sales are conducted?**

"Inside sales"—remote and virtual selling where sales professionals use digital information and communication technologies and social selling platforms (e.g., LinkedIn) to connect with, and engage, customers—is the fastest-growing title in the sales industry. It expands at a much higher rate than outside sales, and is regarded as the future of sales. Contrary to outside sales that are performed face-to-face in the field, inside sales also reflects modern buyers' expectations in their will to use the Internet and social media platforms rather than salespeople as effective sources of information and communication.

COVID-19 made organizations who did not have an inside sales force go to inside sales overnight. The pandemic thus accelerated the digital transformation of sales organizations, and such transformation will remain, because inside sales is an effective go-to-market and go-to-customers strategy. There are four main reasons for this, namely: cost, productivity, training, and motivation.

From a cost standpoint, an inside salesperson costs one-third the cost of an outside salesperson. From a productivity standpoint, 30 inside salespeople are likely to sell more than 10 outside salespeople, at the same cost to the company. From a training standpoint, inside sales structures are centralized, which allows inside salespeople to be trained easily and quickly on new product announcements, acquisitions, or internal documents such as compensation plans. And from a motivation standpoint, since inside sales structures leverage powerful sales technologies for interpersonal and customer engagement, communication, and the managing and sustaining of individuals' and teams' productivity, this facilitates the leading of inside sales organizations.

Sales is a struggle for everyone, but it is less so for those who understand it, and know how to leverage digital sales capabilities. In fact, digital sales transformation is about making technology focus on the process, so you can focus on the customer.

Provided by Johns Hopkins University

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