

WHAT IS DRIVING DIGITAL CHANGE IN THE EAST AFRICAN MARKET?



2023

Introduction

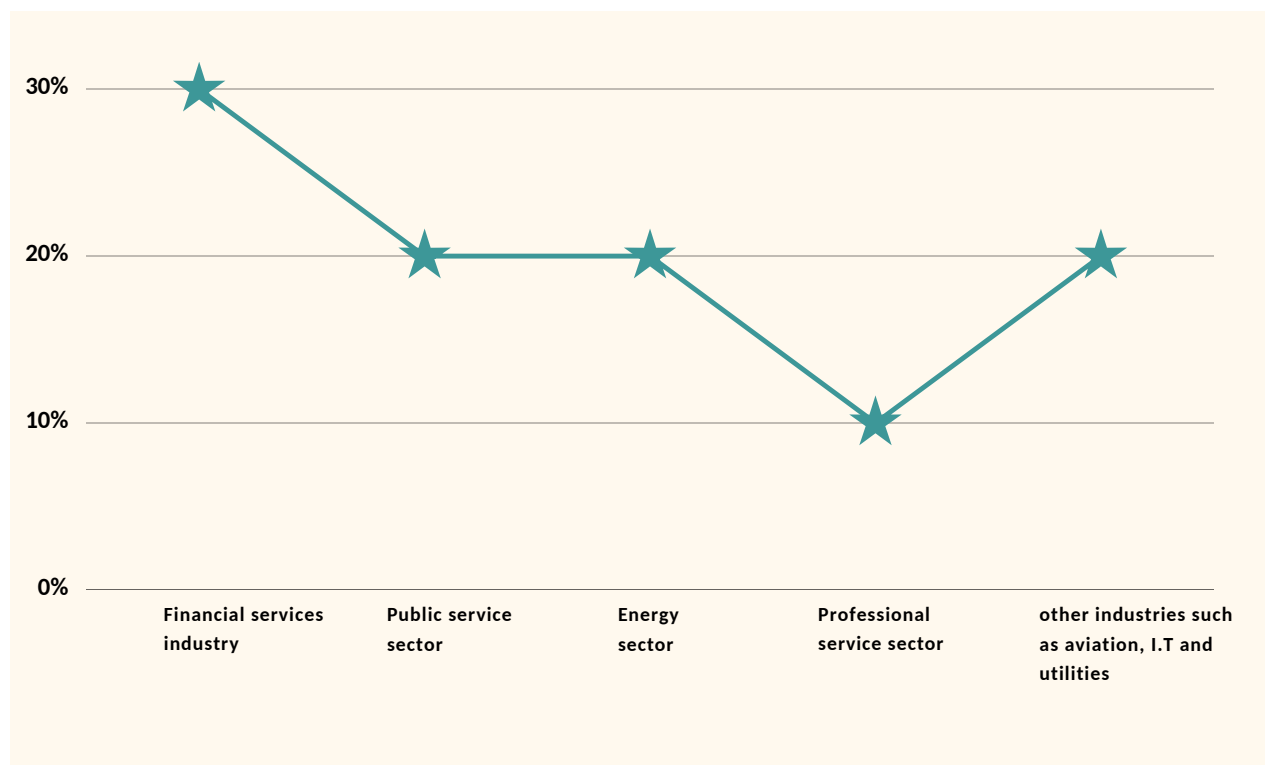
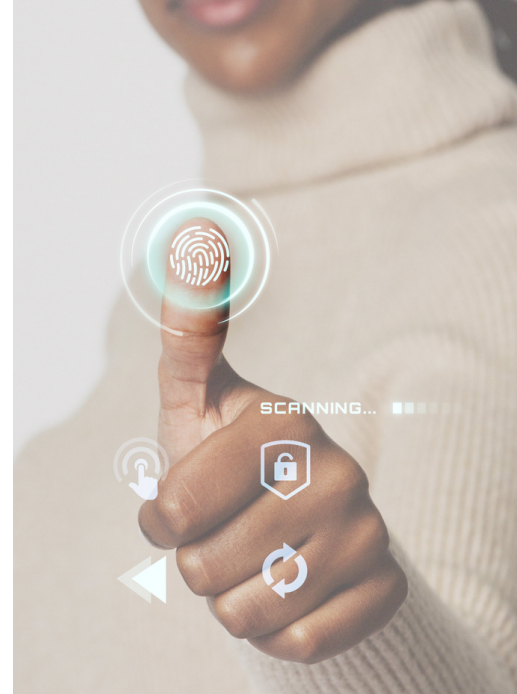
What is digital transformation?

Digital transformation is often described as the process of using digital technology to create new or modify existing business processes, culture, and customer experiences to cater for changing business needs and market requirements.

As organisations around the globe evolve from the COVID-19 pandemic and further navigate political, economic, and social challenges, they are seeking to drive growth, value, and improved efficiencies through ambitious digital strategies.

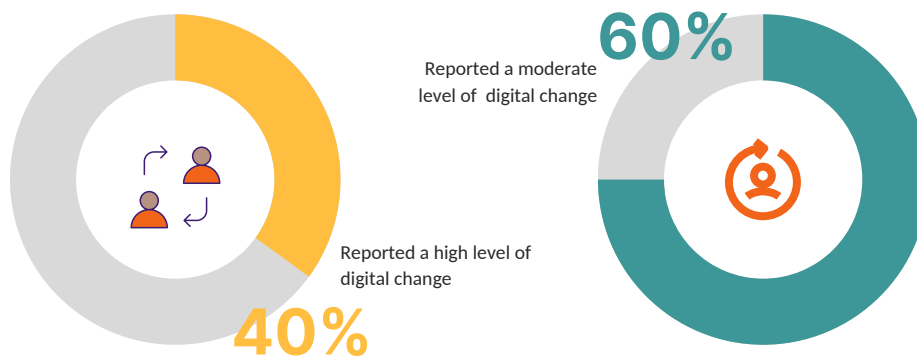
Cedar Africa Group conducted a survey among change leaders in East Africa to understand their experience in leading, supporting and implementing various digital initiatives, gain an understanding of the impact of these initiatives and the results observed.

The survey respondents were drawn from different sectors, with



Key Findings

Most, if not all organisations are going through digital transformation to better serve their customers and retain or grow their market share. According to the Change leaders surveyed,



In 2023, the rate of digital transformation is expected to increase across most organisations as companies seek to maintain or create a competitive edge. Data from the survey indicates that

80%

of companies will experience an increase in digital changes with the rest maintaining status quo as they are already engaged in digital transformation projects.

Through the survey, we sought to understand why the rate of digital changes is expected to increase, and the respondents pointed out the following as the key drivers;

01

More areas in the organisation identified for digitization.

02

Planned projects around efficiency and customer experience.

03

Businesses will need to align with changing needs in the global environment thus digitization is a strategy in response to these changes.

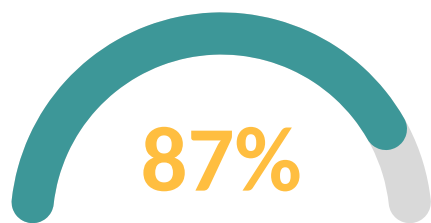
04

To accelerate their value proposition and differentiate their offerings to stay ahead of the competition.

05

There is a clear strategic need to digitize services to address rising customer demands for faster, easy-to-access services.

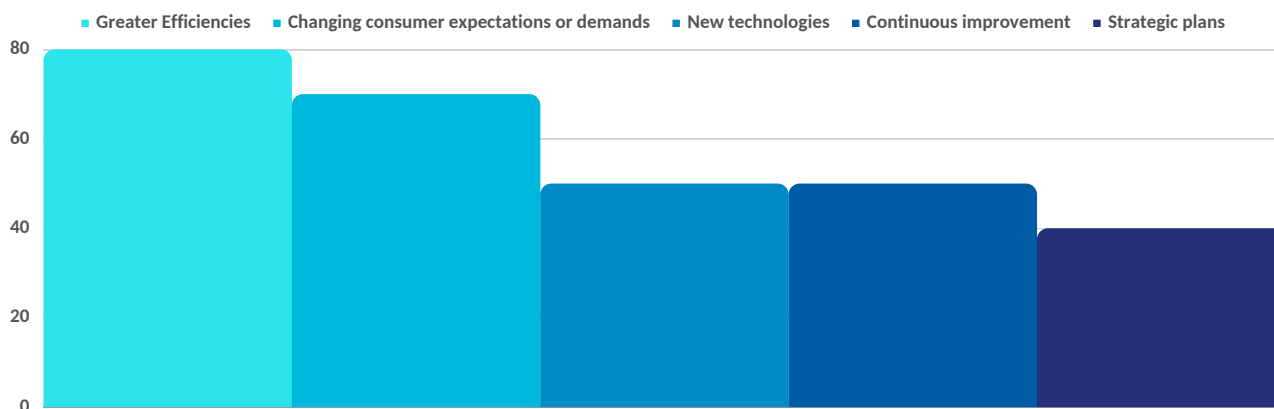
In the public sector however, survey respondents shared that budgetary constraints and austerity measures might slow down digitization leading to a delay in some projects targeted at improving efficiencies and customer experience



of business leaders are of the view that digital transformation will disrupt their industry and a significant amount of resources will need to be being set aside to implement digital strategies.

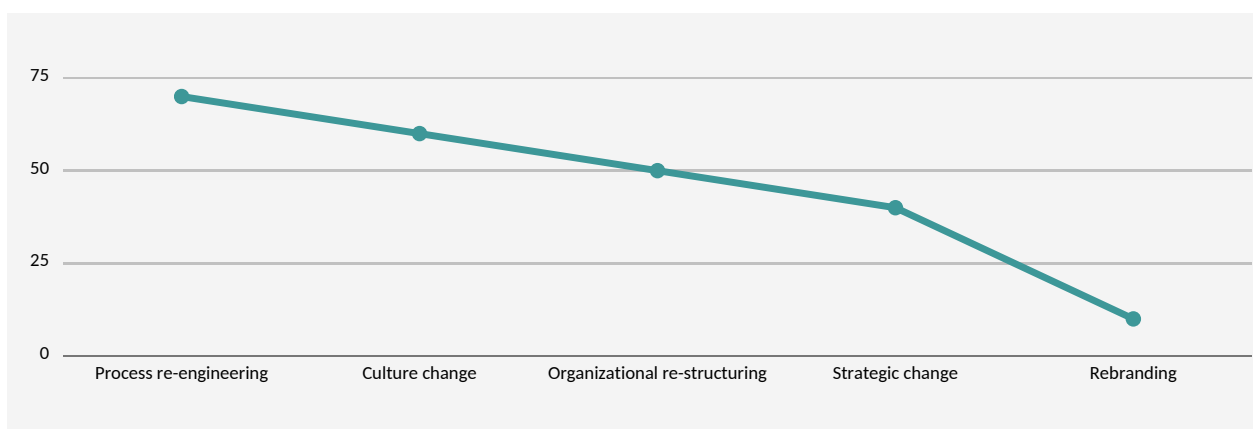
Digital transformation drivers

Feedback from the survey pointed to the following factors as key drivers for organisations digital strategies.



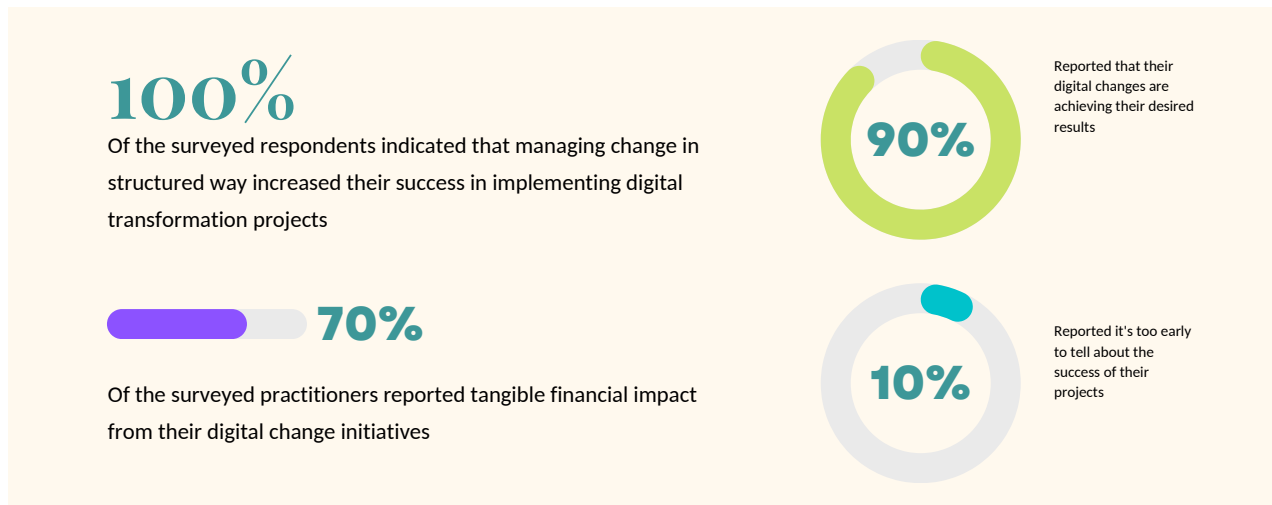
Other areas of digital transformation

The survey respondents also mentioned other types of changes being implemented in their organisations, with the following cutting across the organisations;



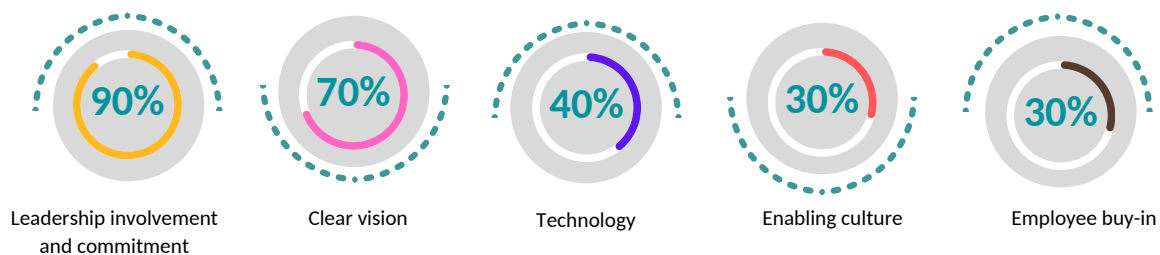
Leaders expect to enhance the efficiency and profitability of their organisation once they undertake a digital transformation project. This is their return on investment after committing resources to digitizing their operations and better serve their customers.

Is digitization bearing fruit?



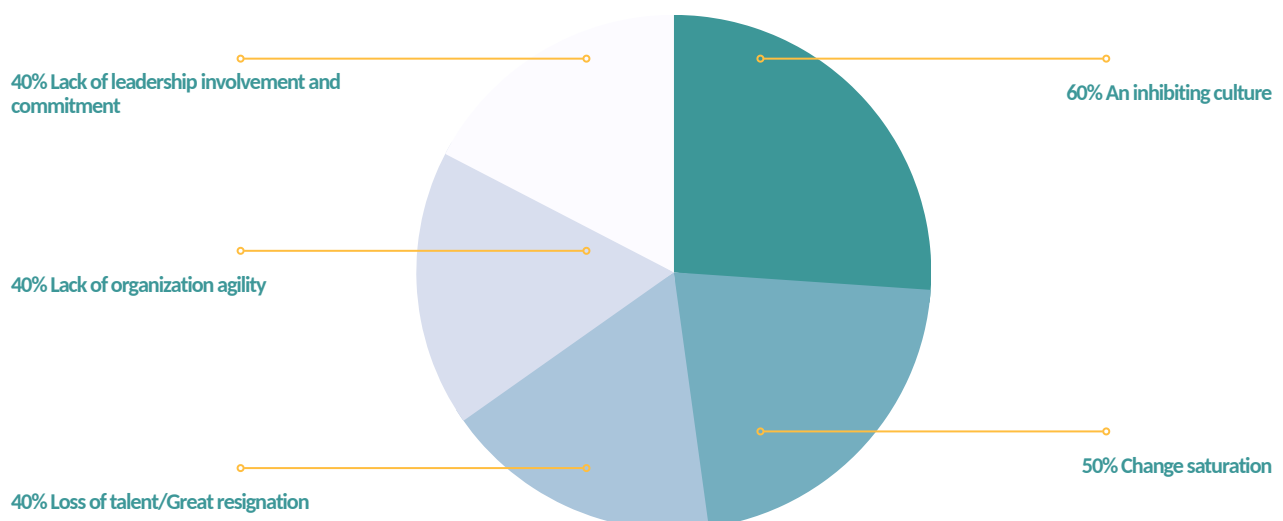
Enablers

According to the surveyed change leaders, the following are the top enabling factors for a digital change to be successful



Inhibitors

On the flipside, the respondents reported that digital transformation projects usually fail due to;



Recommendations

The surveyed leaders gave the following recommendations to improve the success of digital transformation strategies:

01



A focus on the people side of a change with proper allocation of budgetary resources to help support change and sustain it.

02



Executive and top management sponsorship starting from the board level and a commitment by senior leadership to establish a culture of change.

03



Properly structuring organizations to support the speedy development and implementation of change initiatives.

04



Ensure that there is an enabling culture before embarking on a digital transformation journey.

05



Clearly communicate the value of change management in ensuring the success of a digital transformation project.

06



Early employee involvement in digital strategy formulation.



The findings and conclusions in this report are based on a 2022 survey conducted on change leaders in East Africa by Cedar Africa Group

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Thank you to all the respondents for your efforts to contribute to the digital transformation survey.

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