

Yogesh Malik,
Philipp Radtke,
Kevin Speicher, and
Rafael Westinner

Ops 4.0: Digital enablement, driving journeys from end to end

Operations November 2017

Lean management's end-to-end perspective revealed the power in remaking customer journeys. Adding digital and agile makes these transformations easier, quicker, and more sustainable than ever—and at unprecedented scale.


First in manufacturing, and later in virtually every sector from banking to government to warehousing, the disciplines collectively known as lean management have enabled organizations to focus ever more tightly on doing only whatever creates value that customers are willing to pay for. New technologies are making these disciplines more critical and powerful than ever. An insurer, for example, reduced its time to market for new products from 18 months to 3, and a government body replaced 50 legacy platforms with a new enterprise-resource-planning system delivered on time and on budget.

Understanding the complete journey. First, technologies are making it easier and faster for organizations of all kinds to see their processes as their customers (or constituents) do—not as a series of departments, but as journeys that have a start, a middle, and an end. The trouble is usually in the middle, as customers struggle with redundant steps, poor communication, and delays because a company's functions don't coordinate their activities.

Analytics tools let organizations see exactly how customers move from one point to another, both within and between channels. Those insights can help a company fix really basic issues—such as simplifying online registration forms or reminding customers to bring a government ID when they pick up products in person—that make a big difference in the customer experience.

Speeding the journey with digital. Next, the organization starts thinking about where technology can change processes more fundamentally. The goal is to ensure that digitization fits in with the way today's customers actually behave rather than the way companies might have built processes in an analog world. Links among back-office systems, for example, help prepopulate forms for existing customers—or eliminate the forms entirely because the information is already available and robotic process automation has already brought all of it together.

Building agility for the future. Last year's breakthroughs quickly become this year's table stakes. To keep up, organizations must behave as tech leaders do, by learning how to refine a moving target: ruthlessly trimming ideas to their "minimum viable product" core, testing and improving them, and then adding new features in the same cycle.

One global financial institution has already transformed customer journeys covering about 80 percent of its interactions with clients. Its culture is changing, as well. Faster decision making and a higher level of comfort with the build–test–revise cycle is helping improve customer experience, while increasing sales conversions in highly competitive product categories by between 4 and 8 percent. 

This article is adapted from "Ops 4.0: Fueling the next 20 percent productivity rise with digital analytics."

Yogesh Malik is a partner in McKinsey's Washington, DC, office, **Philipp Radtke** is a senior partner in the Munich office, **Kevin Speicher** is a senior partner in the Chicago office, and **Rafael Westinner** is a partner in the Madrid office.