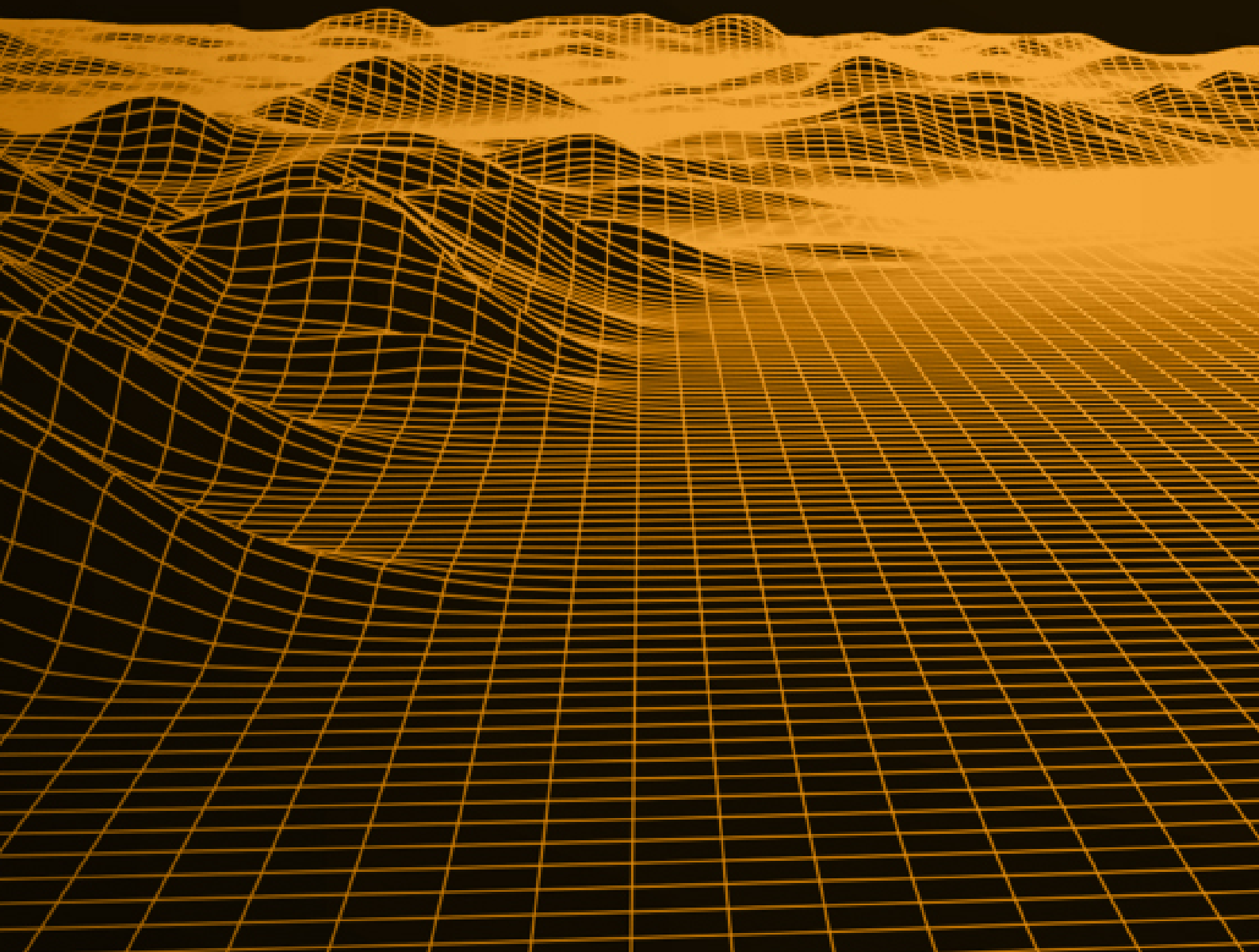




White paper

BUILDING A DIGITAL STRATEGY ROADMAP

Vaimo works with retailers, brands and manufacturers all over the world to help them accelerate their growth in the digital space.





Vaimo works with retailers, brands and manufacturers all over the world to help them accelerate their growth in the digital space. A key part of achieving success is knowing where you are going as a business and why you embarked on your chosen journey.

Defining your company's needs and digital strategy sometimes feels like an overwhelming task. Most eCommerce project teams spend their days working through a long list of backlog items without a clear idea of what digital activities will ultimately drive success for their business, and help them to achieve their KPIs and overall goals. We've seen clear examples of companies who define and follow a digital roadmap and meet or exceed their goals. We've also seen companies without a focus on what digital commerce success means for them and where they fail as a result. In the current times, your business has a much better chance of survival if you plan effectively.

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10+

years collaborated
around the world

At Vaimo, we help our clients to build and develop their digital strategies, tailoring technical solutions to suit each business' specific needs. In order to form a successful long-term partnership, we focus on aligning our teams with clients on their goals and success criteria. We are proud to have collaborated with companies from across industries and around the world for 10+ years. Over this time, we have gathered immense experience in helping companies not only define but also achieve their digital goals.

One of our most important goals is client satisfaction. To this end, we've developed a client success programme to ensure that we are working with them towards achieving growth and success.



In the upcoming chapters, we'll break down each stage, showing you how to create your digital strategy roadmap. We'll include tips, recommendations, best practices and research along the way to help guide you throughout the whole process.

BUILDING A DIGITAL STRATEGY ROADMAP: GOAL SETTING

In this chapter, we'll explain the first roadmap phase, which is identifying your digital goals. This process begins with identifying the business' goals. Often these are already in place and will relate to revenue or market share targets. The key part is understanding which digital areas and activities support these targets.

On larger teams, a democratic approach is recommended, whereby broader IT, marketing and eCommerce teams contribute towards setting appropriate goals to achieve the desired outcome. This process begins with visualising the celebration after achieving your biggest goal. In this exercise, team members think about what needed to be achieved to reach this goal. A simple voting process and collection of findings can produce clear patterns and ideas on where to start setting goals.

Goals should follow the simple rules of being SMART:

- Specific, Measurable, Achievable, Realistic and Time-bound.
- Goals should clearly state the baseline or current statistics, the future objective, and when you expect to achieve them.
- We often look at goals from a short-term, mid-term, and long-term perspective.



Examples:

Short-term goal (Quarterly):

- Grow customer base from 20,000 in Q1 to 22,000 in Q2
- Increase B2B revenue contribution to total revenue, from 30% in June 2020 to 50% in June 2021
- Successfully launch the new eCommerce platform on time and within budget
- Grow own brand product mix from 25% contribution to 50% by 2023
- Introduce product customisations on the site for customers to personalise their products

Mid-term Goal (Annual)

- Increase B2B revenue contribution to total revenue, from 30% in June 2020 to 50% in June 2021
- Successfully launch a new eCommerce platform on time and within budget

Long-term Goal (2-5 year)

- Grow own brand product mix from 25% contribution to 50% by 2023
- Introduce product customisations on the site for customers to personalise their products

There's no rule regarding the number of goals but avoid setting too few and making the strategy vague. On the other hand, you should avoid setting too many goals and obscuring the focus on crucial goals. Once your short-term, mid-term, and long-term goals are defined, make sure they are shared and kept visible.

Goal-setting is also about defining the process, communication, and ways of working that will ultimately facilitate success and growth. At Vaimo, we work hard to serve each client's individual needs. We review goals with our clients every quarter and monitor progress to identify what areas need attention and when to focus on them.

If you need inspiration on how to set goals, you can get some inspiration from [McKinsey's framework for digital transformation](#).

If you are looking for a tool to use for your digital transformation roadmap strategy, you might find some templates [here](#).

In the next chapter in our Building a Digital Strategy Roadmap series, we'll cover how to identify the key performance indicators that drive digital commerce success for your business.

BUILDING A DIGITAL STRATEGY ROADMAP: DEFINING KPIS

Welcome to Step 2 of the digital strategy roadmap planning. To celebrate success, you need to define success early on—what does success mean to you as a merchant? One of the best ways to do this is through ensuring that stakeholders define and understand your digital strategy roadmap through Key Performance Indicators (KPIs).

To recap, below are key stages in our digital roadmap strategy planning process:

- Identify business and digital goals for the short-term, mid-term, and long-term
- Identify the key performance indicators that will drive success
- Collate and brainstorm tactics (activities & projects) that will drive these KPIs and goals to success
- Prioritise the activities and projects based on cost and impact
- Build a thematic high-level plan
- Create a visual time-based roadmap

In this chapter, we examine our approach to setting KPIs, the suggested frequency of measurement, and why KPIs fail. Lastly, we give additional advice to ensure that your KPIs are set up correctly and that your targets are met in order to attain your long-term goals.

KPIS DEFINED

A KPI is a metric with a target that is integral to your business's success. Every company has goals and objectives, and these usually touch on areas such as financial performance, customer satisfaction, operational efficiencies, etc. KPIs track the efficacy of goals and ensure that the roadmap's planned activities and move the right areas of the project forward.

FREQUENCY

It's important to know how often to track KPIs. The frequency of evaluation reveals new opportunities and even finds different ways to achieve your goals. The following frequencies are used when tracking KPIs:

- Live (tracked continuously)
- Daily
- Weekly
- Monthly
- Quarterly
- Bi-annually

The duration of your KPIs also plays an integral role alongside your frequency of tracking them. It's important to set short-term and long-term KPIs. Locating your immediate targets and having a vision for the road ahead, gives a complete overview of your strategy. Start with long-term KPIs and work backwards to define the short-term targets. Once you set your short-term KPIs, you will notice that they give rapid feedback on your performance and time to course correct.

When periodically analysing your KPIs, leave room to reevaluate KPI targets and be realistic about performance and what you feel is achievable going forward.

SETTING KPIS

As one of the foundational aspects of your digital strategy roadmap, KPIs propel your business forward. But, first, ensure you have clearly defined what the KPIs are. Usually, they are known and well-used metrics attached to customer experience and financial performance. Additionally, they can also be based on time and cost savings if they are integral to your business.

Some examples:

- Revenue
- Conversion rate
- Revenue per visitor
- Customer lifetime value
- Net promoter score
- Customer satisfaction
- Average order value
- Time on the site
- Customer service ticket rate of resolution

Next, set a baseline. This means capturing the metric as-is or in its current state. From there, you can set your targets for the short-term and long-term. In some instances, ambitious targets can be used to motivate teams to push further.

Finally, attaching a timeline to your targets and KPIs is critical. A good approach is to use the following and fill in the blanks:

This equation: **Increase/ Decrease (KPI)** from X (**baseline**) to Y (**target**) by Z (**date**)

The result: Increase turnover from £1M to £2M by 2023

Focus Area	Measure / Metric	From	To (Base)	By	Frequency	Source	Q1	Q2	Q3	Q4	YTD	Roadmap Theme
Experiential	CSAT rating	84	95	March 2021	Quarterly	CRM Tool						Customer Engagement & loyalty, Personalisation
Experiential	Net Promoter Score	-10	0+	March 2021	Quarterly	CRM Tool						Customer Engagement & loyalty,
Experiential	Reviews (avg rating)	3 stars	4.5 stars	March 2021	Quarterly	Reviews Tool						Customer Engagement & loyalty, UX & content
Experiential	Bounce Rate	62%	40%	March 2021	Monthly	Analytics						UX & content, Performance
Experiential	Community Size- Email (DB)	75,000	100,000	March 2021	Monthly	EMS						UX & Content, Customer Engagement & loyalty
Experiential	Page Speed	25	50	March 2021	Monthly	Google Pagespeed Insights						Performance Optimisation
Experiential	Largest Contentful Paint	3s	<2.5s	March 2021	Monthly	Google Pagespeed Insights						Performance Optimisation
Experiential	Cumulative Layout Shift	0.5s	<0.1s	March 2021	Monthly	Google Pagespeed Insights						Performance Optimisation
Financial	Revenue	£230,000	£350,000	March 2021	Quarterly	ERP						Checkout, Performance, Personalisation
Financial	Conversion Rate (Mobile)	0.50%	1%	March 2021	Quarterly	Analytics						Checkout, Performance
Financial	Average Order Value (AOV)	£31	£45	March 2021	Monthly	Analytics						Checkout, Performance, Personalisation
Financial	Customer Acquisition Cost (CAC)	£5	£10	March 2021	Monthly	Analytics						UX & content, Performance
Financial	Shopping Cart Abandonment Rate (SCAR)	80%	60%	March 2021	Monthly	Analytics						Checkout, Performance
Financial	Customer Lifetime Value (CLV)	£150	£250	March 2021	Monthly	Analytics						Customer Engagement & loyalty, Personalisation
Financial	Revenue per visitor	45p	£1	March 2021	Monthly	Analytics						Checkout, Performance, Personalisation

ACCOUNTABILITY

All KPIs should have an owner who is responsible for monitoring KPIs and achieving the targets set. KPIs need continuous grooming and assessment. KPIs can also be associated with an individual's performance. This can have a direct and positive impact on your targets and business goals.

Finally, it's important to remember that KPIs can fail. Some common reasons for this are KPIs lacking specificity and not being defined properly. KPIs can also fail when it is unclear how to measure them. Ensuring you have access to the data you need, and having determined the data source upfront is critical for alignment. The last check is to make sure your KPIs are achievable. Looking at short-term and long-term targets at the right frequency will help you understand if you are on the right path.

Later in this blog series, we'll circle back to KPIs and their importance. When planning your roadmap, you need KPIs that tell you if your roadmap themes and activities are the right ones to help you reach your goals.

In the next chapter of our Building a Digital Strategy Roadmap series, we'll cover how to brainstorm tactics (digital activities & projects) that will form your roadmap and drive your KPIs and goals to success.



BUILDING A DIGITAL STRATEGY ROADMAP: ACTIVITIES & PROJECTS

Welcome to Step 3 of the digital strategy roadmap planning. In this chapter, we'll be discussing how to identify and plan the activities and projects that you need to achieve your goals and targets.

At Vaimo, we engage with clients at different stages of their roadmap development. As a result, we've developed tailored two scenarios to meet our clients' varying needs and ensure any work already completed in this area is taken into account.

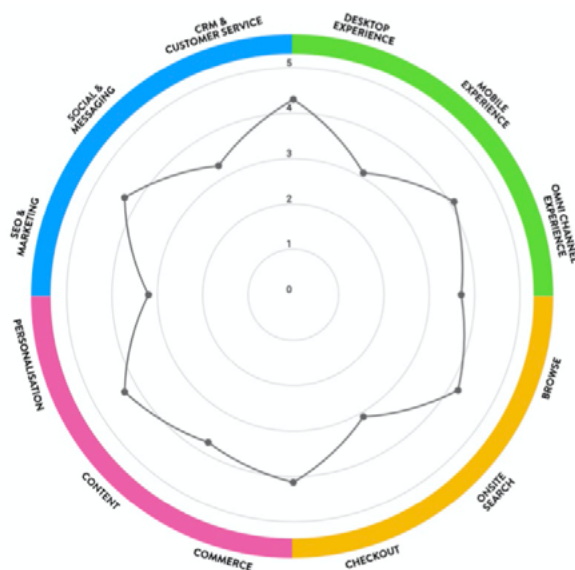
SCENARIO 1 - NO CLEAR BACKLOG OR IDEA OF WHAT PROJECTS AND ACTIVITIES ARE REQUIRED

In this approach, we work with the client to find gaps and opportunities. These are discussed and planned with the vision, goals, and success factors in mind. A critical aspect to succeeding in your strategy is ensuring that you have sufficient projects and activities supporting the overarching business and website goals you have set.

In this scenario, we use tools such as our [Digital Maturity Assessment](#) and the [Customer Experience Rating](#) to review key areas of the business, people, processes, and website experience:

01. CRM & Customer Service	08. Search	15. Assortment & Pricing
02. Social & Messaging	09. Browse	16. Payments
03. Search & Marketing	10. Omnichannel Experience	17. Digital Marketing
04. Personalisation	11. Mobile Experience	18. Fulfilment
05. Commerce	12. Desktop Experience	19. Product Information
06. Content	13. Sales Channels	20. System & Tools
07. Purchase Journey	14. Customer Data	21. Digital Team Capabilities

Measure your customer experience rating across 12 key criteria to drive higher conversions and engaging experiences!



Upon completing the assessments, we understand your business and website’s strengths, weaknesses, and opportunities. We then advise which activities and projects to implement, versus those that would require validation before implementing.

SCENARIO 2 - CLIENT HAS AN IDEA OF WHAT KEY PROJECTS AND ACTIVITIES ARE REQUIRED

In our second scenario, the client will come to us with an idea of the key activities and projects to be implemented. We then help them to validate those activities against the goals and success factors and prioritise them based on a cost-benefit analysis. Following the analysis, we can start to prioritise your activities and projects.

Validating and prioritising your activities is no small feat. In this second approach, we begin with identifying activities that require validation. This could be through testing, data analysis or market research. Once an activity or project is validated, it will become an activity to implement. At any point, you might have a list of activities that you're busy validating through testing and data analysis (whilst implementing the backlog items from your implement list).

Once activities and projects are defined, you will need a clear way of prioritising them so that you implement the high impact activities and projects first. At Vaimo, we use a planning board to do this. The planning board is based on cost vs benefit analysis and takes into account predetermined factors that have been weighed in terms of importance.

For example, benefit factors might include increased revenue, customer value and strategic value, and cost factors might be implementation effort, operational cost, and risk.

We define these factors and weigh them according to their importance. Once this is done, we score each activity based on their impact on the factors.

The outcome is a score for each activity that can be ranked by the impact on the overall goals.

Example of the planning board, cost & success factors, weight by importance, score, rank, priority:

Title ↓	Lane ↓	Benefit			Cost			Score	Rank ↓	Actions
		Increase Revenue	Customer Value	Strategic Value	Implementation Effort	Operational Costs	Risk			
		Weight	10	30	20	20	20			
Paypal - Payment Option	On Site Customer Experience	5	4	4	1	1	2	106	1	⋮
New Stores (6) & Multi Currency	On Site Customer Experience	3	5	4	2	1	4	96	2	⋮
Pre Order / Early access	Overall Customer Experience	3	4	4	3	2	2	90	3	⋮
Virtual fit assistant/ fit finder	Personalisation	3	4	3	3	1	2	90	3	⋮
Wishlist / Save for later	Personalisation	2	3	2	1	1	1	90	3	⋮
On Site Search	SEO	3	5	4	3	2	4	88	6	⋮
Personalisation- Nosto (TBC)	Personalisation	5	5	4	3	3	5	84	7	⋮
Notify when out of stock	On Site Customer Experience	4	4	4	3	2	4	84	7	⋮
Online Live Chat	Overall Customer Experience	3	5	4	2	4	4	84	7	⋮
Loyalty	Overall Customer Experience	3	5	4	3	3	4	84	7	⋮
CRM	Overall Customer Experience	3	5	4	3	4	3	84	7	⋮

It's important to align your activities with the KPIs that you originally set out so that your projects have a direct impact on your targets. Additionally, monitoring your KPIs and their progress will help you with the prioritisation of your activities and projects on an ongoing basis. KPIs are often difficult to measure at an activity and project level, and we usually recommend setting and measuring these against your goals and success factors.

In the next chapter in our Building a Digital Strategy Roadmap series, we'll cover how to create a high-level thematic plan. This is the last step before putting together the roadmap, and while not critical, it offers a pragmatic and holistic overview of the varying themes and epics to base your roadmap on.



BUILDING A DIGITAL STRATEGY ROADMAP: THEMATIC HIGH-LEVEL PLAN

Welcome to Step 4 of the digital strategy roadmap planning. In our chapter, we explained how to identify the key activities and projects you need to achieve your digital strategy goals. We also looked at how we prioritise and validate them in a methodical manner that supports your strategy and intentions.

In this chapter, we'll be discussing how to use these activities to create a high-level thematic plan. This plan, whilst not critical in the overall process, gives a great high-level view of the investments required by an epic or theme, as well as a quality overview of the key projects to be undertaken on a monthly basis. This view helps senior management and C-suite executives to better understand where investments are made and the desired impact and ROI.

Firstly, you need to identify the themes that have emerged in your activity planning. These are the themes that your roadmap will be based on. We see some common themes emerge across many of our clients, some of which are described below:

- Improve on-site performance
- Optimise search & SEO
- Enhance personalisation
- Enhance customer experience
- User experience & content optimisation
- Checkout optimisation
- Grow omnichannel capability
- Increase automation & efficiencies
- Mobile optimisation

Themes are groupings of similar activities, projects or initiatives. Ideally, your themes should describe some type of customer or business value, for example, "improve on-site performance".

“EVERGREEN LANES”

While planning roadmaps, we have identified a few areas that we believe require attention on a monthly basis. The first is security updates, platform upgrades and bug fixes. It’s important to allocate time and budget towards this area every month. Generally, we recommend a 30/70 split between this keeping the lights on work and roadmap development work, but this varies depending on the client and business needs.

The second lane we recommend planning for on a monthly basis is performance. As more functionality gets added to websites, and content is updated, performance is impacted. We all know that conversion and performance are interrelated—if performance is degraded, conversion is negatively impacted as well. It’s critical to keep a constant eye on the performance of your website to deliver the best possible experience to your customers.

The final lane, which is optional, is analytics and reporting. Similar to performance, as your website functionality grows, so does your need to measure and track data to understand its effects. We recommend keeping some time and budget allocated towards improving data visibility and automated reporting, so you can actively track and monitor your data and progress.

The number of activities and projects that you have behind each theme will determine the level of investment you will need in those areas. You need to allocate high-level budgets (in hours) towards each theme and ensure that you have a reasonable allocation of the budget towards the maintenance (upgrades, bug fixing, security updates) lane. In summary, you should have a better idea of the total you are investing towards each area by month and for the year. In addition, you will receive an overview of the division of work between roadmap development and bug fixes and maintenance.

A final note is to ensure you have identified your KPIs alongside your themes, according to what metrics the activities will impact. This becomes important further down the line when you need to assess whether your efforts have had the right impact on your overall business goals.

Here’s a simplified example of what this roadmap plan could look like:

Epics/ Themes	2020									KPIs
	May	June	July	August	September	October	November	December	Total	
Performance Optimisation (Speed)	25	20	20	25	10	20	15	20	155	FID, FCP, LCP, CLS, PSI Score
Checkout Optimisation	0	0	30	0	0	0	0	0	30	Funnel drop off%, CR, SCAR
CRM (Engagement & Loyalty)	0	0	0	0	0	15	0	0	15	Returning customers, CSAT, NPS
Personalisation	10	30	10	0	0	0	30	30	110	Revenue Growth, Conversion, RPV
UX/ Content Optimisation	0	20	0	15	15	0	0	0	50	Revenue, Conversion, Return visitors, RPV, Time on site
Analytics & Tracking	10	25	10	10	10	20	10	20	115	Revenue Growth, Conversion
On Site Search & SEO	20	0	15	15	0	0	15	0	65	Search Exits, CVR, Revenue from Search
Conversion Rate Optimisation	10	25	0	0	20	0	0	0	55	Conversion (Desktop & Mobile), Cart to detail rate
Mobile Optimisation	10	20	0	0	0	0	0	0	30	Mobile Conversion, Mobile Revenue
Automation & Efficiencies	20	0	0	0	0	20	0	0	40	
Upgrades, Bug fixing, Security updates	50	50	70	50	50	70	50	50	440	
Total	155	190	155	115	105	145	120	120	1105	

In our final chapter in the Building a Digital Strategy Roadmap series, we’ll cover how to build a visual, time-based roadmap. We’ll discuss best practices and recommendations based on our experience with B2B and B2C businesses.



BUILDING A DIGITAL STRATEGY ROADMAP: VISUAL TIME-BASED ROADMAP

Welcome to Step 5 of the digital strategy roadmap planning. In our previous chapter, we explained how to identify the key themes for your digital roadmap. We also discussed evergreen lanes and the importance of tying your KPIs back to these themes to measure success.

In this final chapter of our Building a Digital Strategy Roadmap series, we will be discussing how to create your visual roadmap. After constructing a visual roadmap, you will know where you headed and how to get there without getting stuck. You need to be able to communicate your plans effectively and visually without being tied to spreadsheets. Spreadsheets are great for organising and prioritising but not great at communicating a vision. Presentations take time to produce, and alignment is a continuous struggle in most organisations. A roadmap is a useful guide for teams and speaks to the long-term vision, without losing sight of what is needed in the day-to-day.

A NOTE ON THEMES

We have previously discussed themes and why they exist. When crafting the roadmap, it should be updated annually or quarterly to align with the current needs and objectives. Establishing these themes is a great way to gain buy-in and vision alignment from stakeholders and team members. Themes should be clear and actionable by nature, so people are excited to implement them. Whilst a vision is highly unlikely to change from year to year, themes can change quarterly or annually, as these create the foundation of your roadmap.

PLOTTING THEMES AND PLANNING

First, identify all of your key milestones. These include peak trading days such as Black Friday and the peak holiday season. Is there a particular feature that needs to be completed by a certain time? Now is the time to indicate this, so you prioritise the right work and themes to support its success. An example is load testing and performance work leading up to Black Friday or gifting options for the peak holiday season.

Once this is done, getting an idea of the capacity and budgets that you need to work within will help with prioritising the work you need to do. You want to ensure you have a good spread of efforts and hours across key themes, but that your critical larger projects are accounted for in the months they need to be executed. Balancing the needs with your budgets and team capacity can be tricky, and this is why it is crucial to keep your roadmap flexible and easy to update.

Once this is done, getting an idea of the capacity and budgets that you need to work within will help with prioritising the work you need to do. You want to ensure you have a good spread of efforts and hours across key themes, but that your critical larger projects are accounted for in the months they need to be executed. Balancing the needs with your budgets and team capacity can be tricky, and this is why it is crucial to keep your roadmap flexible and easy to update.

WATCH OUT

Keep close tabs on the time allocation for the bugs and maintenance lane and ensure that your roadmap is not impeded or eaten up by time spent on bug fixing. Make sure that you can measure this regularly and report back to ensure you are on track. A general rule of thumb is to split the allocated budget hours 70/30 between roadmap work and bugs. This ensures you always have hours available for bug fixing, maintenance and security. But it also provides a significant amount of hours to invest in your roadmap to achieve your goals and drive innovation.

ROADMAP ITERATION FREQUENCY

Roadmaps are updated on varying frequencies, depending on organisation size. Larger companies will update once every six months or annually, where smaller companies might choose to review quarterly. Flexibility is key, but where bigger teams are involved, and more dependencies are present, long-term planning is needed.

WHAT TOOLS SHOULD YOU USE?

There are some good tools available for building and sharing visual roadmaps. Some that are commonly used are:

WWW.PRODUCTPLAN.COM/

WWW.ROADMAP-PLANNER.IO/

TRY.AIRTABLE.COM/ROADMAP

ROADMUNK.COM/

Some companies offer free trials, and it is recommended to test a few before deciding on which one will support all of your needs for planning and communicating your roadmap.

Another consideration with whom you share the roadmap. You want to be able to view enough detail when talking about priorities with the teams, but you also want to be able to get a high-level view when discussing with senior stakeholders. It is important to ensure that the tool you use can cater to these different views, based on your company needs.

A final note relates to good digital roadmaps:

- Are easily shareable and understood
- Are easily updated and agile
- Provide transparency to the vision for all stakeholders
- Gain alignment and buy-in from team members
- Get the teams excited about what they are building and delivering

Thank you for following and reading our Building a Digital Strategy Roadmap series. We've covered everything from creating goals, identifying key performance indicators, identifying activities and projects, all the way through to building a high-level thematic plan and ultimately, your visual roadmap.

It's now time to get started on your roadmap and start working towards your digital vision! If you need help or advice, reach out to our global dedicated consulting team who can help guide and advise you on your journey!