

Adobe's Role in Enabling Digital Transformation During the Pandemic

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Author Note

Jeremy Roberts is an employee of Adobe. His research and perspectives related to Adobe are his own and not necessarily those of Adobe.

Abstract

The COVID-19 pandemic fundamentally changed the way businesses, across sectors and around the globe, function at their very core. As a result, many organizations found themselves reactively fighting for survival and cautiously making incremental changes rather than attempting to disrupt organic business transformation with aggressive, cannibalistic strategies. Business transformation is complex in many cases because most companies find themselves needing a strategic partner to enable the necessary, significant organizational change required to drive transformation. They find themselves challenged without the right technology, institutional knowledge, and resources to allow a foundational shift in their business. Organizations are best served to partner with experts that can support processing large amounts of data, building integrations across disparate systems, and offering perspectives to transform their operations and meet the marketplace's needs (Bobeve, 2018). This descriptive case study highlights the California-based multinational software company Adobe that leads the industry in supporting innovation and digital transformation. Adobe has effectively guided companies of all sizes through their digital transformation journey, notably during the pandemic and many years prior. Since the beginning of the pandemic, Adobe has continued its 40-year tradition of being at the forefront of digital transformation, helping companies drive change through innovations, and more recently, around process, technology, and data. It began in 1982 when the two founders revolutionized the way computers deal with fonts. In the 1990s, Adobe introduced the world to Photoshop, Illustrator, and Acrobat/PDF and fundamentally changed the business's value of content. In the 2000s, Adobe saw the data revolution and knew that a customer's experience would soon predicate how well a company brings together content with data by combining the art of content with data science. In 2016, Adobe led the way into Digital Transformation by transitioning their local software to a SaaS (software-as-a-service) subscription model and moved its applications into the Cloud. In

2017, Adobe pushed into the AI and machine learning space knowing the complexities of offering a digital experience to customers. Today, Adobe has grown to more than 22,000 employees worldwide with annual revenues exceeding \$13B and will continue to serve the business community and help to enable innovation.

Keywords: COVID-19, digital transformation, Adobe

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The aftereffects of the COVID-19 pandemic devastated the business landscape and forced many companies to either close or fundamentally change the way they do business (Seiler et al., 2020). Before the pandemic, many companies had considered transforming digitally, with some even developing a plan to manage this change over time. However, many companies were hesitant to implement their carefully designed strategies as the resistance to the change seemed insurmountable. The sentiment of "If it's not broken, then why fix it" permeated organizations at all levels.

Fortune identified that only 12.2% of the 500 largest U.S. companies in 1955 are still around. The remaining 88% of those original Fortune 500 companies have dramatically changed due to a reduction in size, a merger, or bankruptcy and no longer qualify to list in the Fortune 500 (Perry, 2014). Beyond Fortune 500 companies, several known examples of companies that failed to innovate or transition before their ultimate decline. These companies include Hitachi, Yahoo, Nokia, Borders, Toys "R" Us, Polaroid, and Blockbuster (Goh n.d., Aaslaid, 2019). These now infamous brands have all been the victim of a changing business landscape, and all failed to either change or find transformation support from a partner.

Back in 2016, Perficient (an Adobe Partner) stated that they had already begun to notice significant differences in many marketing practices, including how customers were experiencing brands digitally, and they identified a need for fundamental change in how these companies approach a new digital age (Richeson, 2016). They started to see a noticeable difference through the increased use of mobile devices and mobile-friendly systems, increased need for technologies to push customers through the funnel, technologies that would allow companies to scale as needed, and the increasing need for a high level of customer experience that offered a customer feedback mechanism and personalize consumer experiences.

A CIO.com interview by Benoy CS, the Director of Digital Transformation for Frost & Sullivan, revealed why (even before COVID-19 changed everything) there was a noticeable business trend towards a digital transformation that steadily gained momentum (Maru & Cio, 2018). Benoy identifies four fundamental factors that pushed organizations towards digital transformation:

- 1) Employees are stepping away from traditional organization operations and looking for a more sophisticated way of working.
- 2) The threat of new-age competition and progressive business practices is forcing change.
- 3) Consumer technology has influenced enterprise technology and changed the way technology is consumed.
- 4) Customers are becoming more sophisticated and expecting more.

The four factors reveal the new complexities of a modern organization in a constant struggle to stay competitive against the threat of new entrants in the market, new technologies that have closed the competitive gap, and brought new customer satisfaction expectations.

CIO.com also identifies that companies looking to survive and thrive in the new business environment should find disruption and transform as necessary. This means evolving legacy systems to accommodate modern technology solutions that enable a high customer service level that focuses on peak customer experience and satisfaction (Boulton, 2020). The author continues by highlighting three key areas of change that are fundamental to success in the modern digital world that introduces "radical thinking." Finally, Boulton explains that this current company must seek the real difference in their use of people, processes, and technology to establish positive performance and business outcomes.

According to Forbes, the unfortunate results of COVID-19 acceleration not only sped up the need for companies to adopt a digital practice more quickly, but 95% of decision-

makers said that they are now looking for new ways to engage customers (Koetsier, 2020). In comparison, 79% stated that COVID-19 increased their budgets for digital transformation. COVID-19 has widely been blamed for accelerating digital transformation and forced changes in companies in every industry. A survey in the Summer of 2020 shows 2,569 enterprise decision-makers stated that 97% of executives identify the pandemic as the reason for a sudden digital transformation.

Before the pandemic, beginning in 2013, Adobe took on its digital transformation efforts by converting itself from a multimedia and creativity software company into a digital marketing company that supports the entire marketing technology stack. By developing and using its digital marketing solutions, Adobe elevated the importance of its own customer experience and primed itself to offer others an excellent customer experience (Edwards, 2020).

During the pandemic, Adobe identified how they could support the business through their digital transformation and was well-positioned to support companies by offering a great customer experience in a digital world. Mark Greenway, Adobe Director of Digital Media for Northern Europe, states, "Our business is about enabling digital experiences. We always have our customer's mind, front, and centre, of everything we do" (Edwards, 2020). TSB, a bank in the United Kingdom, partnered with Adobe to identify areas of opportunity to support its banking customers with digital forms to help drive a positive customer experience during the pandemic. Over eight weeks, Adobe helped TSB create eighteen online forms to replace face-to-face in-bank visits that were not permitted due to COVID-19 restrictions. As a result, the bank processed 80,000 online interactions using Adobe Sign to replace almost 15,000 in-branch visits with the new technology.

Problem

The COVID-19 pandemic fundamentally changed the way businesses function at their very core and put a strain on the company's ability to change. As a result, many organizations found themselves reactively fighting for survival and cautiously making incremental changes without disrupting the traditional business flow. These companies were challenged to create a foundational shift. However, they find themselves challenged without the right technology, institutional knowledge, and resources to enable a foundational change in their business. As a result, they needed a partner to help execute the necessary changes to allow for and drive transformation. Adobe identified the opportunity and was able to support its process, technology, and data needs.

While this represents a big challenge, doing it right is the single most exciting opportunity today. Leveraging Adobe technology's power, they helped elevate customer engagement to pinpoint where and how to engage customers to create an experience that people remember. As a result, struggling companies could leverage Adobe's customer-experience expertise to deliver solutions across business functions, build a truly integrated customer experience, and fill the missing capabilities around process, technology, and data.

Process

Internal processes, norms, standards, and traditions must embrace change and never accept the mantra of "we have always done it this way." Process thrives on innovation, and something needs to break to progress. Innovation comes from allowing for diversity and chaos to push away from the norm.

Technology

Replace the legacy technologies that obstruct innovation and implement new technologies that support modernization and growth. Technology utilization should be driven by the needs of the business and the customer.

Data

Embrace a data-driven culture that aligns the business and drives business objectives and continued growth with minimal disruption.

Background

A company taking on digital transformation, whether organic or cannibalistic, will thoroughly research and identify the obstacles and rewards of such a demanding undertaking (Seiler et al., 2020). Given the time and resources needed to build the connectivity of systems and processes in this digital age, it is imperative to overcome any bottleneck to ensure a successful transformation. Companies looking to leverage economies of scale in their digital transformation efforts are best served to partner with experts to help them deliver the best results on time.

Choosing a strategic partner for digital transformation involves selecting a partner with genuine expertise and experience across the many facets of digital transformation. Bobev says that organizations are best served to partner with experts that can support processing large amounts of data, building integrations across disparate systems, and offering perspectives to transform their operations and meet the marketplace's needs (Bobev, 2018). In addition, utilizing the right partner can help drive cost savings, secure technology expertise, allow for speed and flexibility in the output, and offer best practices to circumvent a one-size-fits-all approach to success. The author further states that choosing the right partner for digital transformation can provide an agnostic perspective on the digital marketplace to satisfy their best interests, properly align vision and values to ensure that there is consistency in the transition among the goals and culture, and a partner that understands the flexibility needed in a partner to drive success even when timelines and milestones change.

Digital transformation is more than changing a few processes, hiring more people, and acquiring new technology to automate business activities. It incorporates a change to the

company culture, their data, and how they engage with customers. That is why Adobe was prime to enable digital transformation during the pandemic.

Adobe comes from thirty-nine years of digital transformation practice in 1982 by developing a programming language specially designed to describe the precise position, shape, and size of objects on a computer-generated page. This revolutionized the way computers deal with fonts. Founders Charles Geschke and John Warnock developed PostScript to solve a growing need in the industry.

In the 1990s, Adobe introduced desktop publishing software with familiar products Photoshop, Illustrator, Acrobat PDF, and Flash. These now popular solutions fundamentally changed the value of content in business with disruptive software that redefined the quality and complexity of images. These new images could now be created for print, video, film, and the Web. As a result, more than 90% of creative professionals worldwide use Adobe software for their digital image editing and creation needs.

In 2009, Adobe stepped into the world of data and analytics with the acquisition of Omniture. Adobe saw the data revolution and knew that a customer's experience would soon predicate how well a company brings together content with data by combining the art of content with data science.

In 2013, Adobe introduced subscription-based software through a software-as-a-solution (SaaS) model that fundamentally changed all technologies' software landscape. Adobe led the digital transformation by transitioning their local software typically used with physical disks to a SaaS subscription model and moved its applications into the Cloud.

In 2017, Adobe pushed into the AI and machine learning space knowing the complexities of offering a digital experience to customers. Adobe Sensei's integration, Adobe's artificial intelligence (AI), and machine learning (ML) program into their existing applications elevated their digital offerings. In addition, it helped to elevate the existing

capabilities of the solutions by offering scale and automation, which put Adobe in a dominating position in the customer experience business.

In 2018, Adobe acquired commerce and automation leaders, and then in 2020, they acquired the leader in workflow management. Adobe acquired Marketo (marketing automation), Magento (eCommerce), and Workfront (workflow management), respectively, to best offer its customers' solutions that support a scalable online digital customer journey and online retail capabilities that enable the highest levels of customer experience.

Challenges

Adopting digital transformation across a company comes with many challenges, as there is no current standard playbook or guideline. In an article in Forbes India, the publication discusses a series of challenges that make successful transformations difficult and even roadblocks to success (Forbes India, n.d.). The first describes the need for new technologies to advance renovation but what is considered too much or too little when trying to make a foundational change. The second is understanding the need for internal versus external change. Internal change can update your internal operations and processes, but how does that effectively change your customer-facing procedures, and what does need to change externally for your customers to maintain a level of satisfying customer experience. The third is around the overall adoption of new technology and a potential skill gap when you are not invading your employees at the same rate as your technology. The fourth is the idea that an evolving enterprise must have continually changed policies and practices that change with the company's needs. Finally, no matter what happens in the external environment, a company must adopt and adapt to change. The fifth challenge is budgeting for the unknown and ensuring that leadership knows that digital transformation should not require strict budget constraints to achieve its goals.

In an article by Raiker (2020) in Medium, the author talks about five digital transformation challenges facing enterprises. The first challenge is that companies lack a clear vision and a plan that makes it difficult to follow. Without a proper plan, it is challenging to ensure the processes are being followed according to the recognized plan and how they can measure the success of those operations. The second is a common problem amongst enterprises with an organizational resistance to change. This stems from a culture that is critical to transformation and finds it difficult to manifest changing what they have always done. The third is a lack of expertise that identifies a combination of needed digital transformation expertise to support the need for change and their ability to cope with change. The fourth is an ineffective use of data and not challenging the status quo with data-driven decision modeling. This is where the concept of "we've always done it this way" goes away.

Recommendations

The literature identifies the most successful approach to digital transformation as one that begins with a company accepting its need for change and working with a legitimate partner to execute that change. McKinsey, a digital transformation leader, writes about unlocking success in digital transformation and how much more difficult it is than traditional change (McKinsey & Company, 2018). They identify that the digital transformation success rate is consistently less than 30%, and even for digitally savvy industries, they still struggle to find success over 26%. Although these statistics were from a 2018 survey, the possible success rate of digital transformation among companies is still unknown during and post-pandemic.

Results

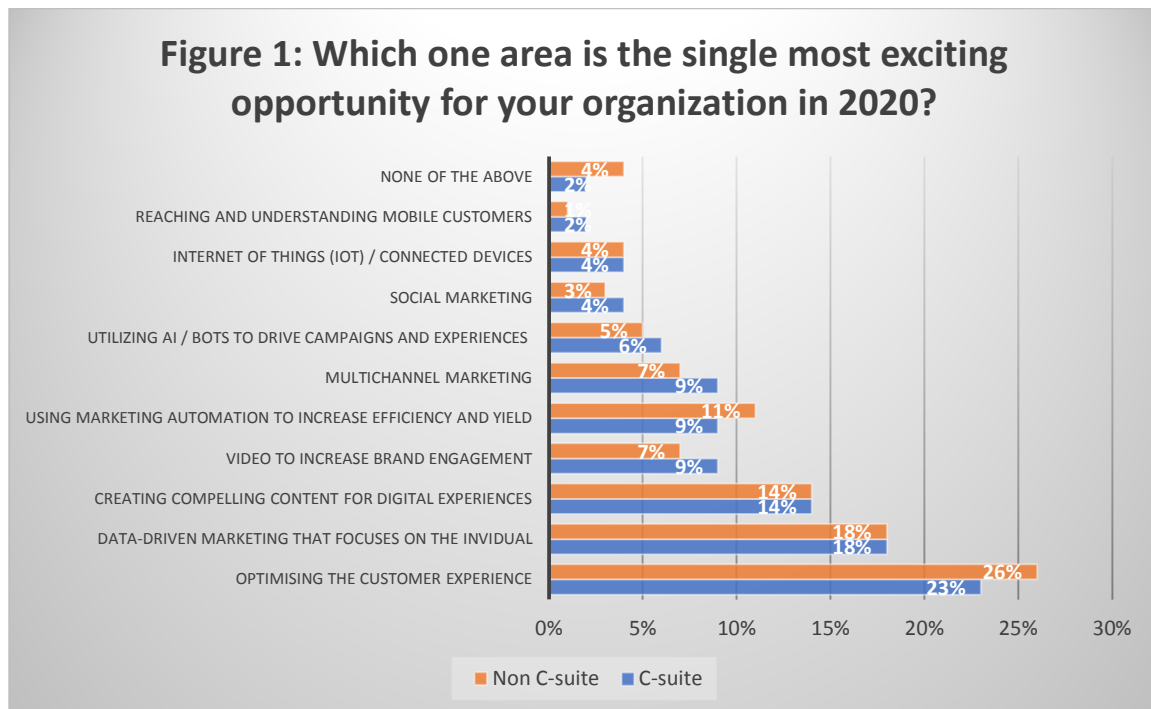
With the pandemic and customer experience top of mind for companies looking to transform digitally, it has been identified that customer experience investment is a top priority. This case study looks to answer three questions to support Adobe's role in enabling

digital transformation during the pandemic. These three research questions are listed under "Results" priority for companies looking to survive the pandemic.

Research Question #1

How did Adobe help companies accelerate digital transformation efforts during the pandemic (COVID-19)?

Adobe understood that supporting companies during the pandemic and offering a great customer experience in a digital world helped spur growth in companies. These new technologies helped companies build compelling content, efficient processes, and an understanding of data to optimize customer experience and increase growth. These struggling organizations knew that a focus on customer experience was the way to winning the CX battle. According to the 2020 Digital Transformation Trends report, CX leaders are three times more likely to exceed their top 2019 business goals (Adobe, 2020).



2020 Digital Transformation Trends

Adobe recognized that companies that did not voluntarily transform during the pandemic had to continue operating and protect their employees and ensure survivability by

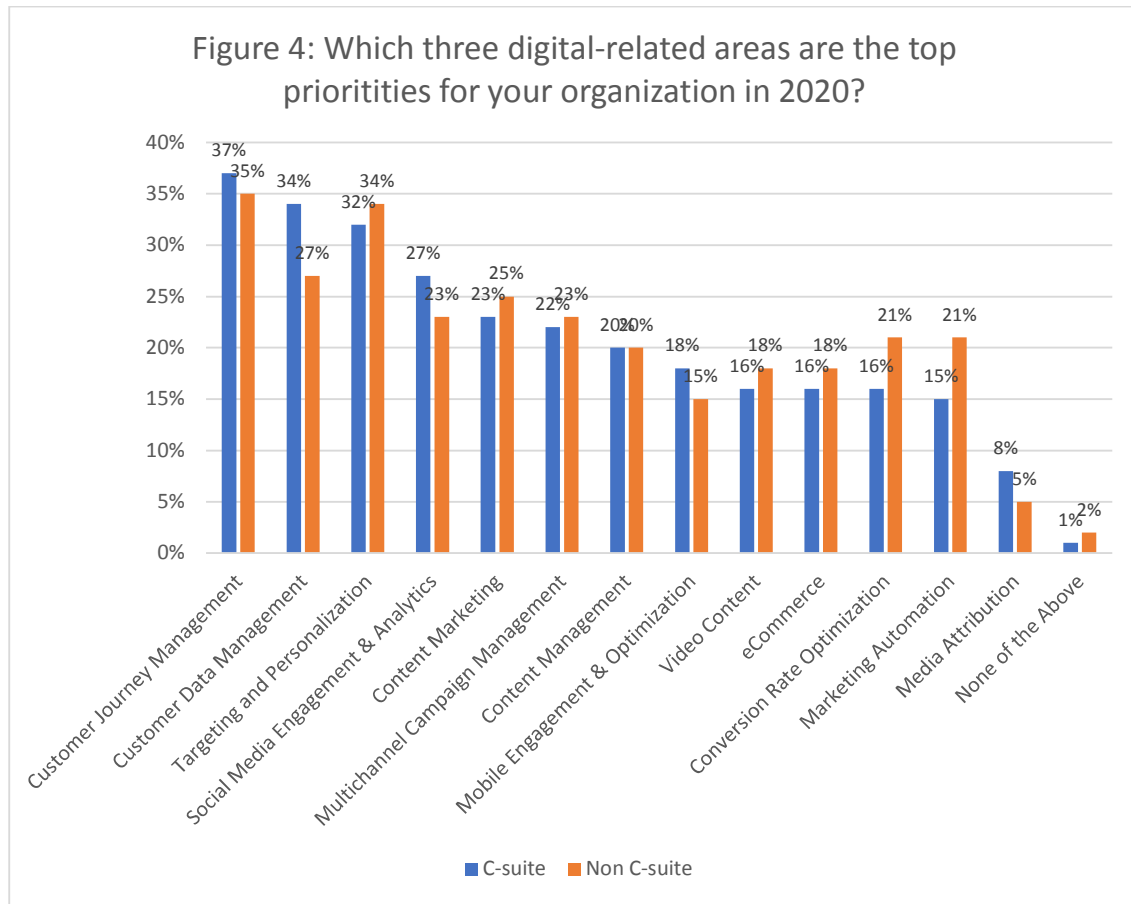
offering a heightened customer experience. Forced transformation is certainly not an ideal scenario. It involves higher risks starting with choosing an emergency technology provider or choosing to send employees to work from home without having the appropriate technology in place to do so. Nevertheless, Adobe recognized the need for change and brilliantly supported thousands of companies to succeed.

Research Question #2

Do companies have the infrastructure, approach, data, and talent in place to achieve digital transformation?

To achieve digital transformation, companies must bring customer experience to the center of their equation. Customer experience is powered by having the proper technology infrastructure, approach to change, proper use of data, and the talent to make everything happen and be sustainable. A byproduct of offering a highly valued customer experience is prioritizing customer journey management, enabling data management, and activating personalization to help drive success. The 2020 Digital Transformation Trends report identifies that customer journey management, customer data management, personalization, and content marketing are the top priorities for companies in a digital-first world (Adobe, 2020).

To have a properly working digital customer journey, brands must now deliver a relevant experience and reach individual customers at every touchpoint. Many senior executives understand the importance – and complexity – of this mission. Adobe offers a full suite of services that fulfill these needs.

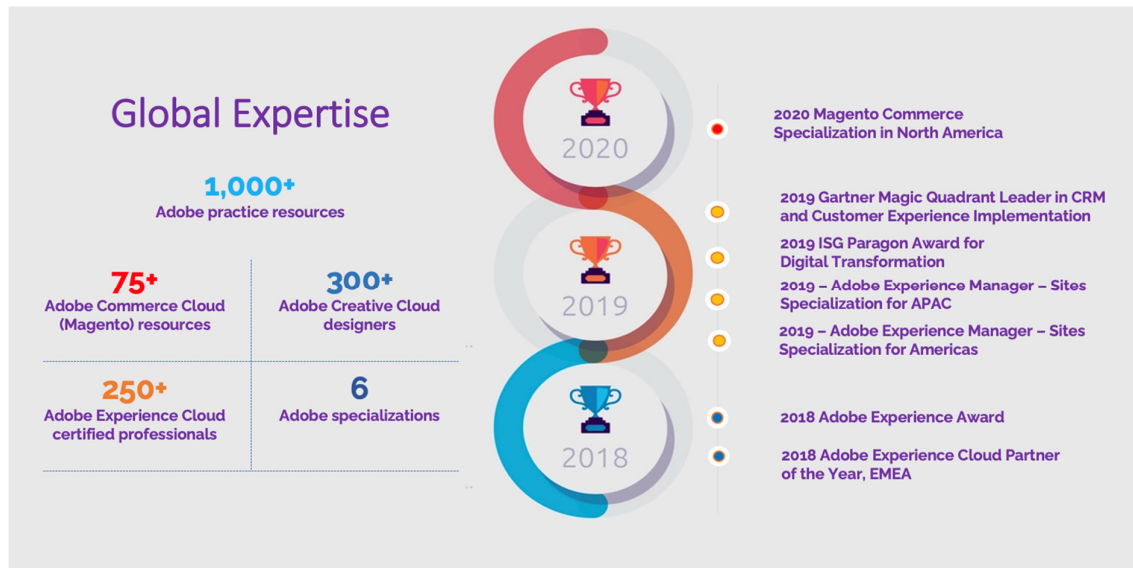


2020 Digital Transformation Trends

Research Question #3

Can companies digitally transform themselves, or do they need support from a partner?

As the lines between dynamic brand experiences and digital transformation have blurred, the convergence across business functions has transformed the way companies engage with customers throughout their buying cycle and how they organize and operate at scale. While this represents a big challenge, doing it right is the single most exciting opportunity today. Leveraging Adobe technology's power will help a company elevate their customer engagement to pinpoint where and how to engage customers to create an experience that people remember. It is all a matter of leveraging Adobe's customer-experience expertise to deliver solutions across business functions to build a truly integrated experience.



<https://www.capgemini.com/us-en/partner/adobe/#>

Conclusion

During a panic, when most companies struggled with what to do next and how to survive the pandemic, many companies looked for answers on how to solve their problems and where to go. They sought a resource that had lived through a foundational change and knew the ins and outs of developing excellent customer experience through digital transformation. Since 1982, Adobe has taken on the business world's norms and identified a way to create change in an unknown environment. In 2013, they thrived in a changing world by moving to a cloud-based SaaS model. Adobe recognized a need for change and knew exactly how to support that, starting with changing themselves to learn how to change others.

According to Christine Kininmonth, the author of "How to be like 'Adobe' and Love your Future Customers" (paras. 3 – 4), she references how Fortune 500 advisor and author of The Disruption Mindset, Charlene Li says Adobe was not blinded by their profitable current customers (Kininmonth, 2021). She states:

- Disruption is an opportunity for change.
- Digital transformation is our way of asserting control over that change.
- Nothing creates change faster than a committed leader.

She recognized Adobe was on the cutting edge of digital transformation through its vast experience over the last 40 years.

Adobe continues to lead the industry in supporting innovation. It has effectively guided companies of all sizes through their digital transformation journey and served as a guide for companies through the pandemic. Adobe has continued its 40-year tradition of being at the forefront of digital transformation, helping companies drive change through innovations, and helping companies to achieve success through guidance around process, technology, and data.

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