

## Transformational Digital Technologies

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### Effects and Requirements

## Overview

What is the right time for the business to begin, continue, or accelerate a program of digital transformation? Which areas within your company should be the first, second, etc.? Is the investment providing a quantifiable ROI driven result? How should technology effectiveness be monitored and measured? Will an outside specialized IT consulting partner further and quicken the initial projects and overall program?

These questions are true for any transformational initiative, though prove harder when the company's core service is not IT or IT enabled. Digitization efforts in small-to-medium size businesses (SMB's) to Fortune Global 10 enterprises face similar questions.

On a 24/7 basis your company provides a range of services to its commercial and residential clientele, your digitization initiatives are often considered a luxury, not a priority.

While most companies like yours are aware of advantages of digitization, often they are lost in transformational traps. Is it:

- An abstinence due to bad experience?
- A missing or incomplete shared vision across the enterprise?
- A Lack of funds?
- A champion who will drive the program to its successful completion?

Maybe it is all of these and more. But there are successful ways to adapt to digitization.

Technology transformation happens every day and the relevance of what is presented today is short lived, unless the organization defines a good roadmap.

This paper focuses on the essentials for making digitization a competitive advantage.

## Organizational Outlook

### What to Digitize?

True to any new technology adaptation, your company and customers have digitized many non-core business and operational functions. Within these core functions digitization initiatives have been conducted by deploying a series of pilot to full scale programs, each designed to evaluate the project's effectiveness.

Though both approaches are correct and utilize a low risk approach, these initiatives are non-committal — your business managers or corporate stakeholders are reluctant to move ahead after the initial burst of programs.

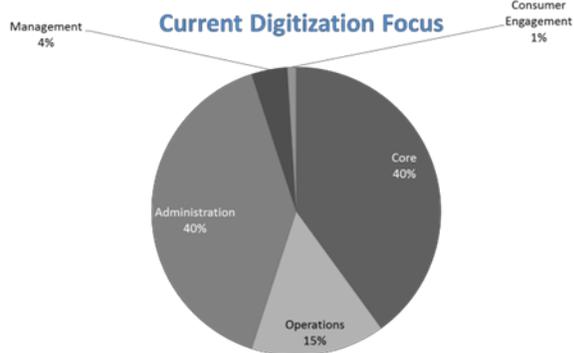
The reasons and justifications are simple and straightforward: the digitization results have not had a direct transformational difference to the your operations - there have not been any effective KPIs and measurement tools and processes put into place.

### Company's business perspective

Your company's foremost business criteria is on

- Securing sources: personnel, hardware and/or software, production facilities, etc.
- Establishing a functional operating distribution network, connecting suppliers and customers
- Ensuring quality and services in a uniform manner
- Generating accurate timely corporate, business, and/or consumer invoices

These operational and business activities support the core business. Overseeing the business and operation's groups and activities are the administration team and services. The management and regulatory groups ensure overall governance. All groups within the cater to your direct and/or indirect consumers, who are the beneficiaries of the company's services and solutions.



The bulk of your company's efforts is focused on its core business fulfilment. Interestingly, the decision-making function often suffers from its inability to effectively monitor and react to issues emanating from these areas.

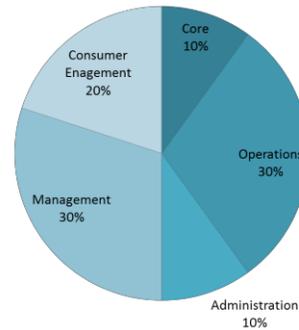
That is also evident from the associated chart, where digitization spend on enabling the operations and management team is indirectly proportionally to investments made in other non-key areas.

Naturally, an initiative kicked off in the core business group will not see its desired result because the effect of the initiative goes unnoticed. Speed, convenience, and analysis are the net digitization benefits.

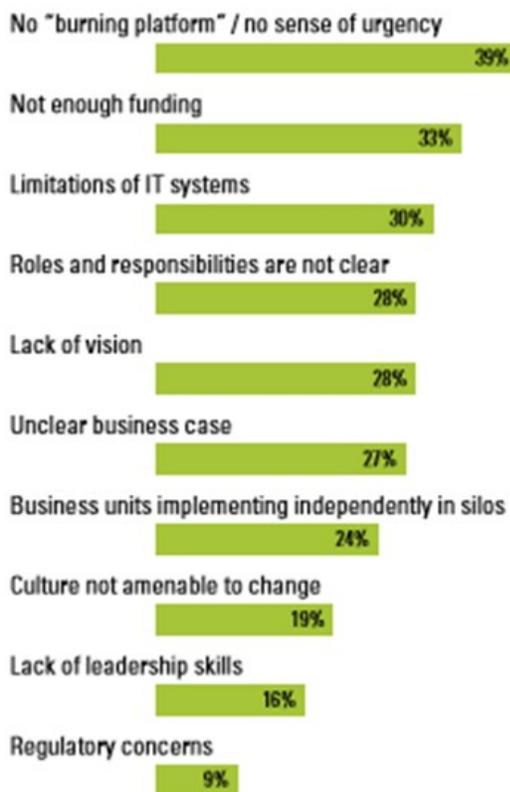
The result of digitization is derived actionable intelligence. The chart easily demonstrates the value of actionable intelligence within different user groups.

As can be seen, the highest value is derived from the groups driving the decision and enabling their team with the accurate timely information.

### Value of Actionable Intelligence



### Transformation traps



Desire, funding, personnel, and the proper tools are obvious hurdles for any transformation initiative. Typical traps are categorized as illustrated.

Lack of urgency is probably the biggest reasons slowing down digitization. But what usually gets discounted - the adaptation is not because things work, it is for things to continue work better.

A shared vision across the organization for implementing digitization is equally important.

While your company focuses on doing the core work, it should be able to do it much easier with higher productivity. This starts with a vision driven by top management and translated into well identified areas.

**93% of successful transformations happen when top down driven with a champion managing and shepherding the overall program.**

### Institutionalize Transformation

The below are recommended practices to embrace the changes happening within your company, markets, and more so client base.

#### CIO office

The first step is the development and creation of a modern CIO office. Upon establishment, this drives a fundamental message throughout the organization about the evolutionary change through digitization. The CIO office and associated IT consulting partners are then able to develop and

implement the required digitization. This eases IT systems and solutions procurement, and more importantly, the day-to-day running of the existing systems.

#### **Defining KPIs— monitoring for success**

Develop the implementation business case with clear definitions for expected and anticipated ROI. It is critical to define all transformational KPI's and associated ROI. Monitoring these on a monthly or milestone basis will allow the company to acknowledge and foster any desired cultural change.

#### **Incentives**

Build an ecosystem where the initiatives on digitization are incentivized.

#### **Nurture Technology—specialized IT Consulting Partners**

Disruption in technology is usually best handled by SMB specialized IT consulting partners who have the background, skills, and personnel to rapidly and effectively implement change, all without disrupting current operations and personnel. Beyond the pilot programs, the full scale implementation takes a different route, technology is of minimum focus, this is where the partner brings valuable capabilities and services to the table.

#### **Technology Outlook**

Over the past, decade the digital world has seen rapid changes in the enterprise, corporate, and SMB landscape. This due to:

- Increased Internet bandwidth availability
- Evolving system-on-boards and system-on-chip technology
- Widespread low range wireless networks
- Increased data security over wireless
- Multi modal connectivity devices
- Infinitely scalable resource infrastructure
- Advent of Big Data analytics
- Ability to consume information 24x7

Today and for the future, Omni-channel commerce and distribution is where your company needs to be. It must be able to deliver contextual information on any device, 24/7. This forces your company to not further delay or embrace their digital initiatives.

#### **Recommended Digital Initiatives**

The recommendations made here are more strategic and aim to initiate multiple projects around each recommendation.

#### **Shared infrastructure capitalization**

Take advantage of SaaS, PaaS, and IaaS by collaborating with other parts of the company to reduce capital investment on digital initiatives through a shared ecosystem.

### **Analytics Platform**

Establish metrics for monitoring the operations and start mining the data for developing analytical insights. This can be done independently of the information. A focused analytics team helps to constantly report the company's health, its initiatives and performance.

### **Managed IT Infrastructure**

Establish an internal-external partnered IT infrastructure management team. Engage them on incentive based pricing ensuring commitment to SLAs and QoS payment infrastructures. Your company may have a considerable customer base with an associated periodic collection system. Enabling easier online payment options will speed and reduce collections.

### **Monitored Assets and Services**

Get better control of operations and overall business management by defining the KPIs and setting up a monitoring ecosystem. The data collection ecosystem combined with analytical platform enables higher productivity, transparency, and efficiency.

## **Blueprint for Action**

Going digital is imperative. The wait is over and it becomes more essential your company to be on a connected ecosystem to deliver your products, solutions, and services. The costs are increasing and working with a specialized IT Consulting Parting will continuously improve your core and non-core operations. The change certainly has to begin with the organization's outlook. The initiatives have to be strategic-to-tactical, definitive and measured.

## **ThoughtFocus**

The company is a US based, privately held consulting, software and product engineering, K/BPO outsourcing firm whose global team of over 1,300 associates consistently helps clients achieve their most critical business objectives. Local offices, supported by start-of-the-art development and outsourcing centers in India and the Philippines, allows the company to balance delivery risk and cost for clients for over a decade.

ThoughtFocus is able to bring to our engagements intellectual capital, in the form of technical and process frameworks, target operating models, software and infrastructure to provide acceleration of critical programs, thereby reducing cost and delivery risk. Our goal and aim is to always find a way to give you a competitive advantage in your markets.

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