Five factors behind digital transformation success

By Jonas Bogoshi   10 Nov 2016

Digital transformation is having a huge impact on every aspect of the way we work, live and learn. Big data, social, cloud computing and developments in mobile technology have already drastically altered the landscape of business, education, entertainment and government.

Jonas Bogoshi

Whole businesses have been built on cloud and big data, while existing companies have used the technology to diversify into new areas of business. And any company that is not paying attention to social media and mobile innovation is frankly living in the dark ages.

A business imperative

The pace and scale of change that digital technology is enabling means organisations must adapt to remain relevant. And they must use digital technology to do so. In short, digital transformation is now a business imperative.

The form this takes will vary widely, but the majority of enterprises will overhaul their digital customer interfaces, along with the customer engagement systems behind them. Customer services will also become increasingly personalised, with IDC predicting that doing this at scale will be a "complex enterprise-wide digital transformation initiative".

In addition, IDC predicts that in the next two years, two-thirds of Global 2000 CEOs will put digital transformation at the centre of their growth and profitability strategies while the scale-up of digital business strategies will drive more than 50% of enterprise IT spending within the next 24 months, rising to 60% by 2020.

However, most organisations are still in the early stages of digital maturity, working on isolated projects that lack coordination. Even where digital transformation has taken place, it's not always been a success: IDC found that less than half of such initiatives achieve their goals. This is often down to IT departments failing to deliver the speed or quality needed to chase new markets, respond to competitive threats or increase profits.

In contrast, the handful of organisations that fully understand enterprise-wide digital transformation are making increasingly-rapid progress, disrupting industries and leaving competitors behind in the process.

Digital transformation clearly means different things to different people and that pursuing a strategy won't necessarily equate to the changes that are needed to ensure future business success. But if businesses are able to incorporate some key ingredients into their digital transformation strategies, success will more than likely follow.

What follows is a summary of the considerations exchanged in a series of discussions with more than 150 high-level IT executives from different industries across Europe about digital and IT transformation, highlighting what's really needed to help CIOs thrive and overcome obstacles on their journey, from roadmap definition to multi phased implementation across applications, infrastructure and operating models.

1. Adopt a risk-taking attitude

Transformational change is often difficult to achieve as existing IT systems, organisational setup and culture create an inertia that is hard to break from. A culture of 'if it ain't broke, don't fix it' persists in many organisations, to the detriment of change.

Businesses must be prepared to take risks and move away from the way things were done in the past if they are to achieve IT-driven innovation. Essentially, they should try new approaches that will help pave the way for digital transformation across the entire organisation.

This could mean putting open innovation and dev ops programmes in place or assigning IT teams to specific business units. Looking at the talent side of things, a hiring programme focused on millennials would bring in native digital skills to support the new way of doing things.

2. Put data at the heart of things

Data is the fuel for innovation and should be used for value creation, prediction and process optimisation. Success in creating new services and ways of working depends on the data pipelines that flow in and out of organisations.

Some organisations have taken this seriously by appointing a chief data officer who will have an overview of company data and how it should be classified. They will look at the rules and regulations for various data classes to ensure they are used in the most appropriate way.

Big data and analytics are critical in this, as they provide the capability to extract more value from data than ever before, slicing and dicing information in new ways that can provide new and useful insight that could be used to enhance digital customer experience and targeted marketing.

3. Create a modern data centre

This secular shift requires and is propelled by a fundamental IT transformation, which embraces cloud as a primary IT architecture and consumption model, to manage millions of devices and the data deluge associated with them, to create large data lakes and enable, for example, predictive services. This all creates the need for a modern data centre architecture to overcome the information siloes and rigid IT infrastructure that limits transformation and the implementation of a hybrid cloud IT infrastructure.

Hybrid cloud infrastructure is in fact a key enabler of digital transformation as it supports mobile and cloud native workloads as well as the existing business-critical and legacy workloads. At the same time, it supports innovative projects initiated by the business.

It is important that CIOs evaluate which workloads and data should move to the cloud so that the benefits of scalability, agility and service-based IT delivery are maximised. A strong business case should always be developed before data is moved between environments to ensure that it is being moved for the right reasons.

4. Foster closer ties between IT and business innovation

Business innovation initiatives are often limited in their success by being separated from the infrastructure, systems and processes required to support them. This siloed approach means business departments and IT aren't aligned, making it harder for IT to deliver exactly what is needed.

Effective digital transformation requires an IT organisation that acts as a strong partner with the rest of the business that provides the necessary tools and infrastructure to support specific projects. Bringing together the skills and talents from across business and IT will ensure transformation projects deliver the intended impact.

This is particularly important given that long-term stable digital transformation requires continuous innovation and integration.

5. Choose the right tech provider

The final element needed for effective digital transformation is a technology provider that matches the ambition of the business and will be relevant in the long term. To be effective and successful partners to their customers, technology providers must provide support for a strategy and governance framework that spans operating model, infrastructure and applications, delivering measurable results in each phase of implementation to then also transform leadership and customer experience. This will truly help CIOs to thrive in the digital era.

ABOUT THE AUTHOR

Jonas Bogoshi, general manager for Dell EMC Enterprise Business

For more, visit: https://www.bizcommunity.com