

# Taking a bi-modal, multi-sourced approach to digital transformation



By [Kim Andersen](#)

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Age-old industries that once stood as surely as stone masonry, are suddenly shifting like sand under our feet. For example, Uber has rapidly risen to become the world's largest taxi company - without actually owning any cars. Alibaba, the most valuable retailer, has no inventory. And Airbnb, the biggest accommodation provider, owns no real estate. These dramatic shifts in the global business landscape - caused by new technologies, increased globalisation, and the arrival of the millennial generation - create unprecedented risks and opportunities for organisations in almost every vertical.

The companies listed above, and many other young start-ups that are outpacing their more established rivals, can be described as 'digital by nature'. Their advantage is they do not have to shake off the legacy technology, systems and processes of the past. The challenge for the older, 'analogue' companies is to transform themselves to adapt and compete with those that are digital by nature. Digital transformation enables organisations to compete more effectively, innovate faster, and find new ways of doing business.



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**So... what is digital transformation?**

In essence, digital transformation is any formal business investment in new technology, models, systems and processes - to change the way companies sell, market, operate, and scale in an increasingly digital economy. However, it isn't simply about ripping and replacing every legacy asset or every system, and replacing it with the shiniest, brightest new technology innovation. True digital transformation selectively applies the right IT solutions, to respond to opportunities where business value and customer experience converge.

Most importantly, it isn't so much about the technology, but rather about the transformational business impacts that new technologies can enable. For example: all at once, a mobile app can be made available to millions of customers via the smartphones that are now a pervasive factor in our lives. The likes of Uber and Airbnb have been incredibly successful due to the simplicity, convenience and intuitiveness of their services. They make use of every piece of data to create the most user-friendly experience - where things happen "as if by magic".

In fact, digital transformation allows organisations from almost all industries to get closer to their customers. Applying the right technology helps in creating more personalised and contextual experiences, surfacing more applications in a user-friendly way, giving customers a better service and customer experience. Narrowing the gap between the organisation and the customer is a process that ultimately culminates in a state of 'zero distance' - real-time, instantaneous delivery of services to customers.

## **How should a company go about achieving digital transformation?**

The first principle we recommend is that of Bi-modal IT, a term coined by analyst house Gartner. Bi-modal IT allows the traditional approach to enterprise technology (emphasising efficiency, stability, accuracy and scalability) to coexist with a second approach that focuses on agility, speed and innovation.

While preserving the benefits of the stable, traditional IT operation, the Bi-modal philosophy aims to unleash greater dynamism where necessary - applying new techniques to replace old processes and measurements, defined as old ways of working. This new kind of partnership enables 'IT that works' (technology that serves clear business requirements or opportunities). Bi-modal IT allows even the largest corporates - those with masses of sprawling legacy systems - to compete at the same speed as their lean and agile start-up competitors.

It's an approach that mirrors the groundbreaking new doctrines of change management and leadership guru John Kotter. In his work titled *Accelerate*, Kotter advocates a 'dual operating system' within the enterprise - a second, highly-agile network structure that functions in tandem with the formal hierarchy structure (the bedrock of the organisation). The second principle that comes to the fore is that of multi-sourcing. This approach is derived from the concept of digital transformation - and is essential in making transformation happen.

With multi-sourcing, the client flexibly provisions and blends IT solutions from various service providers based on the requirements at that point-in-time. It is in stark contrast to the IT master service agreements of the past, which ran over many years, covered broad aspects of the technology estate, and locked clients into certain standards and vendors. Multi-sourcing goes hand-in-hand with Bi-modal IT. It helps organisations to identify what systems need to change, and at what

speed, to keep pace with more agile 'digital natives'.

Applied in tandem, Bi-modal IT and multi-sourcing elevate the nature of supplier/client technology relationships. Business transformation becomes the lens through which all IT discussions take place, with a strong focus on great customer experience. As the pace of change in business, and society in general, continues to accelerate, traditional analogue companies are forced to rapidly transform and digitise. However, with trusted ICT partnerships set within the frameworks of Bi-modal and multi-sourcing, organisations in every industry can design and implement the strategies to transform into the new digital era.

## ABOUT KIM ANDERSEN

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