

Overview

— Digital transformation is a foundational shift in how an organization delivers excellence to its customers. Digital transformation marks a radical rethinking of how an organization uses technology, people, and processes to fundamentally change business performance.

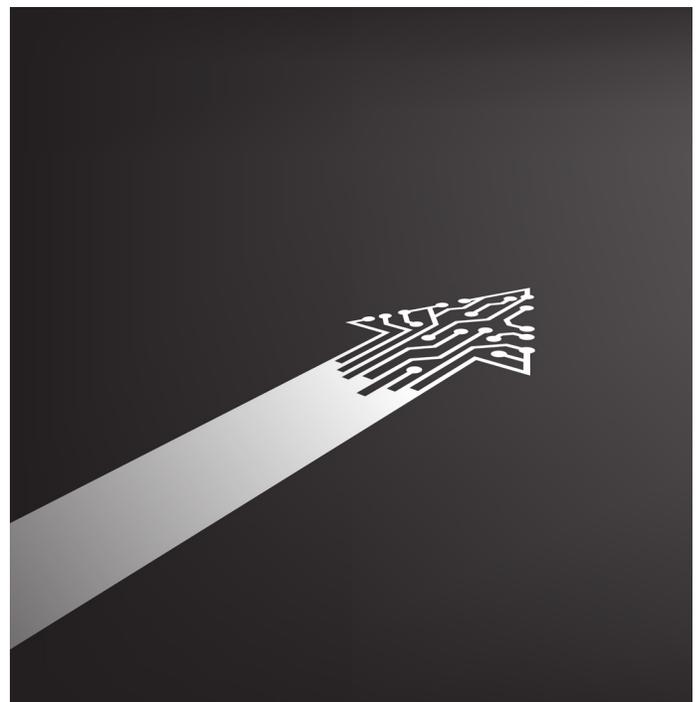
Adaptation of digital transformation is different for every company, but we define it as integrating digital technology into all areas of a business resulting in the fundamental changes to how businesses operate and how they deliver value to their customer. With this, it requires cultural changes in an organization for adaptation, experimentation, and familiarity with the failures. This sometimes means walking away from long-standing business processes that companies were built upon in favor of relatively new practices that are still being defined.

Digital transformation involves using digital technologies such as the web, cloud, mobile, social media, the Internet of Things, Artificial Intelligence, and analytics-driven personalization to reshape and enhance customer synergies, business models, and financial returns. An important focus area is a procurement and continuous enrichment of customer experiences that are multi-channel, data-driven, and digitally-enabled. Ideally, it allows organizations to embrace and employ the exponential rate of technological change to benefit themselves and their customers.

What Drives Digital Transformation?

— Although IT will play an essential role in driving digital transformation strategy, implementing and adapting to the massive changes that go along with digital transformation falls to everyone. For this reason, digital transformation is a people issue. Research from the Forrester states that In the healthcare industry, despite widespread use of smartphones and other mobile devices among healthcare providers, “close to 80 percent (79.8 percent) of clinicians continue to use hospital-provided pagers and 49 percent of those clinicians report they receive patient care-related messages most commonly by pager.”

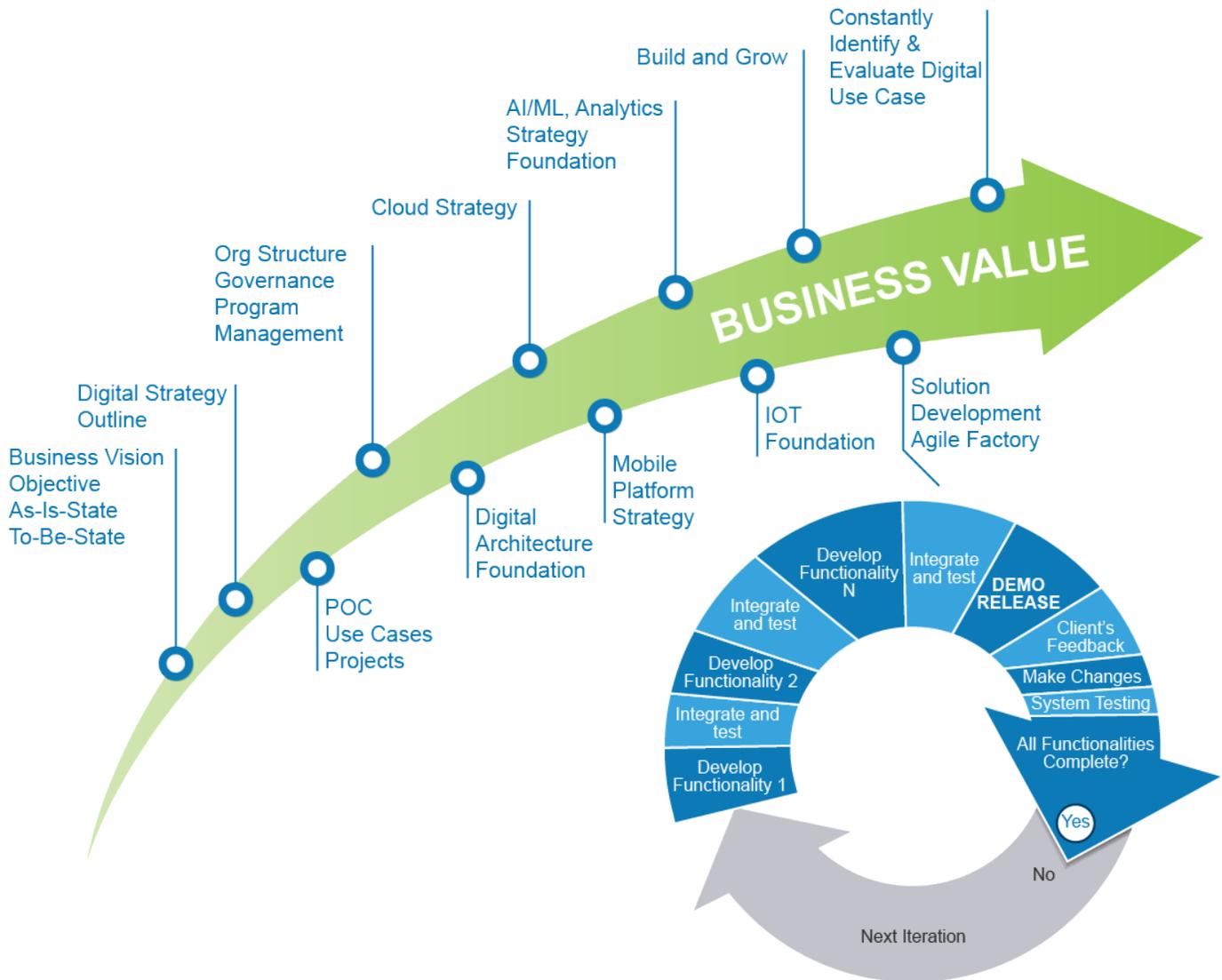
Examples like these span all industries, and the prevalence of legacy technology hinders CIOs’ ability to successfully embark on a digital transformation strategy. It also outlines that on average, CIOs spend an average of 72 percent of their budgets on existing IT concerns, while only 28 percent goes to new projects and innovation.



Innovative Approach to Digital Transformation

— With our decade of work and working with various companies on their digital transformation journey and have noticed that the most successful organizations stay focused on unlocking value, whether the impact of that value is incremental or transformative.

As we have worked with numerous companies on digital transformation, we have refined our process into a framework that we call RAPID, that applies to broadly tested and accepted concepts.



RAPID DIGITAL TRANSFORMATION ROADMAP

“ At least 40% of all business will die in the next 10 years... if they don't figure out how to change their entire company to accommodate new technologies. ”
 - John Chambers, Executive Chairman, Cisco System

Approaches to Digital Transformation

— A successful digital transformation requires the right approach and the right leadership to drive it. What is right for a company depends on the organizational maturity and the goal of the digital transformation. Some companies are looking to set up digital innovation outposts; others are planning full - scale transformations, but all projects call for commitment and a clear strategy.

It is quite vital to understand that digital transformation is a business transformation. Some prefer to use the term digital business transformation, which is more in line with the transformation's business aspect. These digital business transformations are driven by technology innovation, customer behavior, and demand, and external environmental factors.

Why is Digital Transformation Important?

— Digital transformation is having considerable outcomes in every industry. Every company is concerned about the influence of digitization on its ability to ensure the company's business importance and continuity. Forward-looking leaders understand the seismic shift that's happening as their industries and competitors embrace digital transformation. They're worried about its potential impact to:

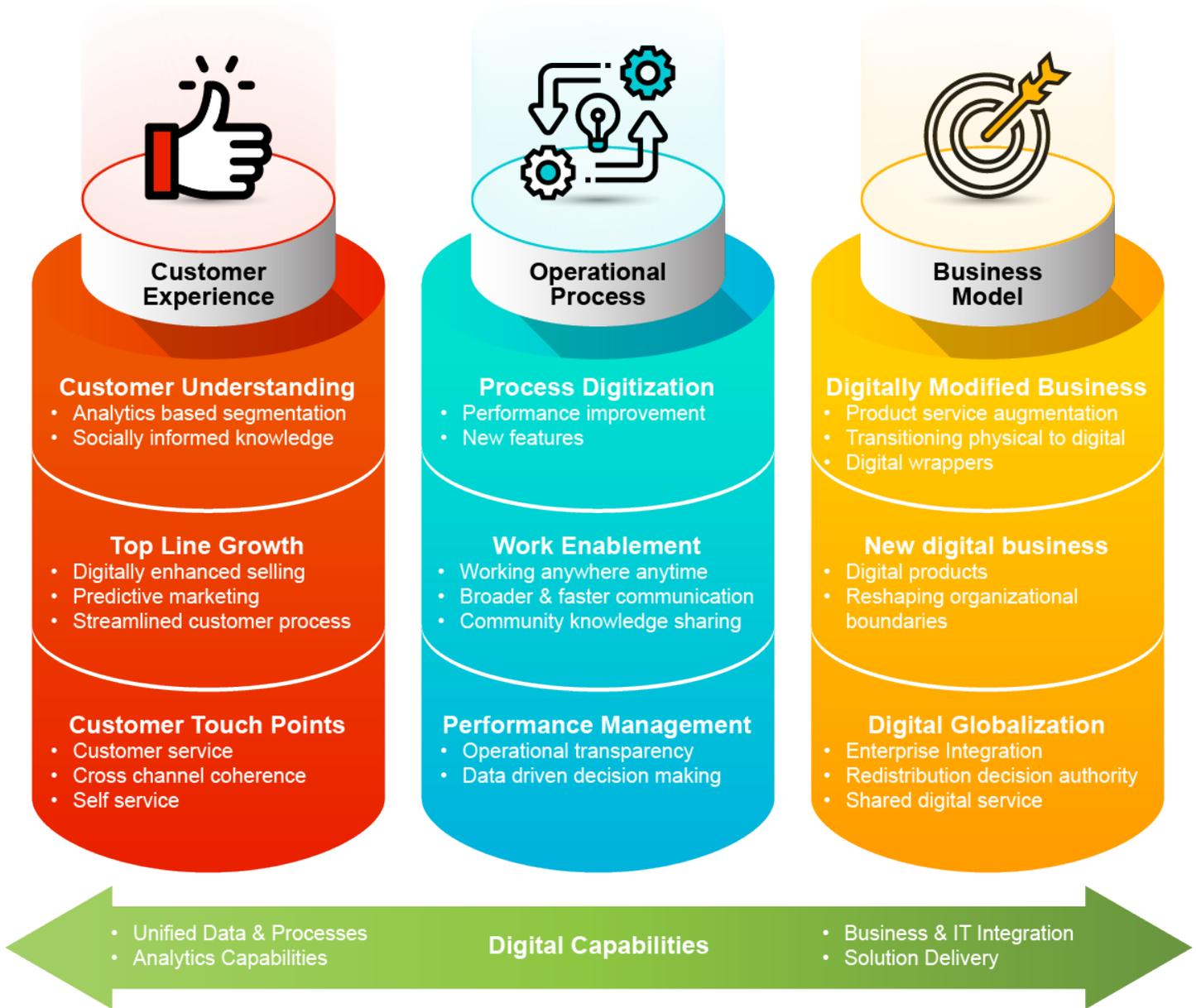
- Obstruct their company's business model, making it unviable
- Force them into a mode of surviving or extinct
- Give their competition the ability to continuously innovate and respond to market changes more quickly than their own company
- Enable contenders to grab market share and sustained competitive differentiation

Adoption of Digital Transformation

— Digital Transformation, which is a part of Technological innovations, leads to technology disruption. But this transformation is not just about technology innovations and their disruption on the business; it is also about how these technological innovations are adopted and used. With change and transformation, every company would ask - Do these innovations bring value to the organization? Are they quickly adopted, or is the organization enduring challenges integrating this new technology? Well, with this, it brings us to the next constituent: customer behavior. What are the customer demands and expectations of the business (and the requirements on technology to satisfy business requirements)? Customers demand increased technological capabilities combined with the desire for ease of use. And finally, organizations have a deal with external influences such as regulatory laws, changing economy, market competition, and business partner demands.

Ardent classifies Digital Transformation in three segments.

1. Customer Experience
2. Operational Process
3. Business Model

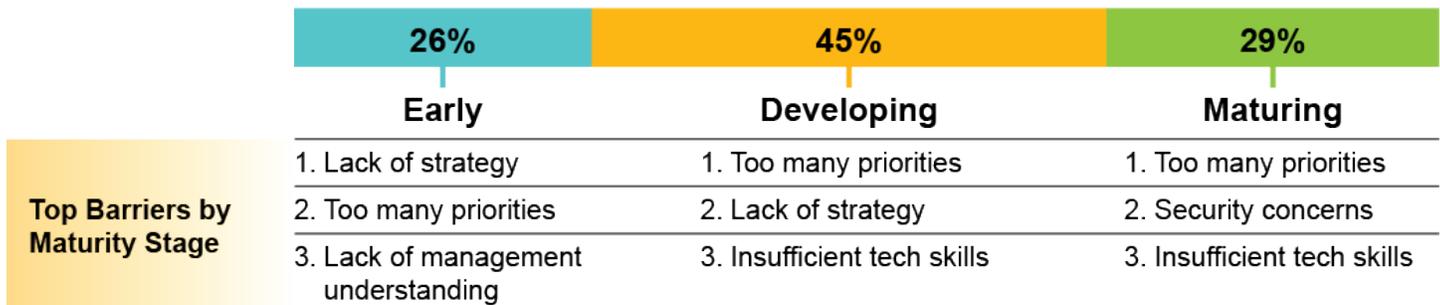


— First and foremost is the customer experience, where delivering a cross channel practice is going to be crucial. Second requires operational improvements, including leveraging technologies such as cloud computing to streamline the IT environment, using big data, machine learning, and Artificial intelligence for actionable insights that improve customer experience, deliver better business outcomes and exploit the IoT appropriately. Finally, business model transformation requires deep domain knowledge, a good understanding of market trends, and an ability to invest in transformative bets.

“ APIs are at the heart of digital business and are enablers for turning a business or organization into a platform for transformation.
 - Gartner

Market Research Finding

— This year, the MIT slogan Digital Transformation findings are based on an assessment of digital business maturity and how maturing organizations differ from others. To assess maturity, we asked respondents to “imagine an ideal organization transformed by digital technologies and capabilities that improve processes, engage talent across the organization and drive new value-generating business models.” We then asked them to rate their company against that ideal on a scale of 1 to 10. Three groups emerged: “early” (26%), “developing” (45%) and “maturing” (29%).



(Credit - MIT Sloan Digital Transformation Global Exec Study and Research)

According to Forrester, only 27% of today’s businesses have a coherent digital strategy that sets out how the firm will create customer value as a digital business. Gartner reports that 125,000 large organizations are launching digital business initiatives now and that CEOs expect their digital revenue to increase by more than 80% by 2020. IDC expects that the percentage of enterprises creating advanced digital transformation initiatives will more than double by 2020, from today’s 22% to almost 50%.

Adding Agility to the Platform

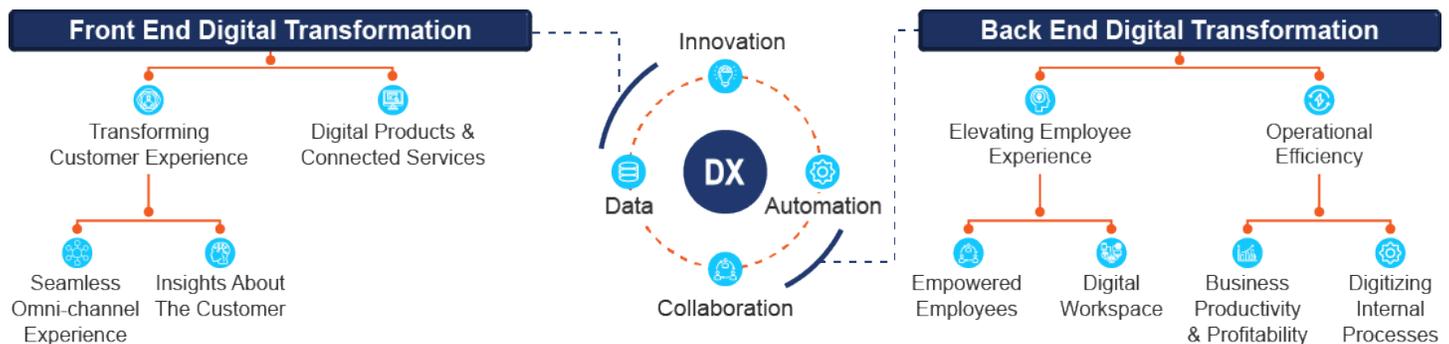
— Agility for digital platform is about being adaptive, evolutionary, continuously improving, making rapid changes, etc. with speed and smooth experience.

Agility does not happen itself; it comes by design. Agility will come from how we set up the platform, choose and configure needed components, define experiences, etc. User engagement

mechanisms such as tracking and analyzing user behavior using analytics, enhancing the engagement using segmentation, delivering most contextual information using rules engines, etc. need to be core to the platform strategy. Setup agile processes to continually monitor and measure business results and impacts. Deliver constant improvements and enhancements and deliver new experiences on-demand using agile frameworks.

Complexity of the Legacy System on Digital Transformation

— Complex legacy systems, point-to-point data pipes, various technologies, siloed systems, disparate security, and more are preventing enterprises from making rapid progress on the digital transformation journey. There is no solution for speed unless we solve this anarchy. The challenge is HOW to get there? This is where our focus on the ‘how’ of digital comes in.



Cloud-native, On Premise, or Hybrid?

— There are options in terms of how you can deploy your platform – build off the cloud provider infrastructure such as Amazon AWS, Microsoft Azure, Google Cloud, and IBM Cloud or build using your on-premise infrastructure, also known as data-center. If you have extra capacity and manageability, the on-premise approach may help optimize that, although you may need to worry about future scale and hence the need to procure more infrastructure.

Public cloud platforms offer many services that can help engineer your digital experience platform quickly, without you having to worry about infrastructure, security, and the lights on yourself. Public cloud services providers also offer storage, data processing, DR, and others that can add direct value to the digital platform.

The third option is to leverage extra capacity and tools from on-premise infrastructure while using a public cloud platform for managing scale and bringing speed to the platform delivery.

How Does **Cloud Technology** Help Transform Your Digital Workplace?

— Why choose the cloud?

One of the most common reason for organizations choosing cloud, according to the Cloud Industry Forum, is for the flexibility of its delivery model. This is followed closely by scalability and 24/7 service dependence. 64% of people found that using the cloud has saved their organization time and nearly half (45%) said that enabling innovation drives their continued cloud investment and almost all (98%) organizations have trust in the cloud security and have not seen a breach.

Fast, Faster, and **Fastest**

— Today users expect IT to be able to work at the speed of business.

Business continuously needs to discover and improve experiences or discontinue them. With application and experiences being almost disposable in the eyes of a user, the new imperative requires speed to create, build, deploy, and evaluate those actions. To become software-driven, a platform designed for speed must be part of any transformation; one-time transformations will get left behind.

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It's no longer the big beating the small, but the fast beating the slow.

—Eric Pearson
CIO, International Hotel Group (IHG)

What Approach is Better - **Data First, API First, or Experience First?**

— Building a digital experience platform is a course that should be viewed as a roadmap for continuous transformations.

How and where to get started is a crucial decision to take. If data is disparate and siloed across systems and organizational boundaries, then it is a good idea to start from a data-first approach, which essentially means focusing on integrating data, processing it, managing the quality of data, etc. If we have been good at managing and expanding data and capabilities, how are we bringing meaning to it from a people and process view? How do we expose it and control who does what with data? This is where an API-first approach can bring transformation opportunities to success quickly.

How do stakeholders find value in data when they want it? If these are the priority concerns we are trying to address, we should be thinking about an experience-first approach.

Conclusion

— Digital consumer experiences make it compelling for every enterprise to transform themselves. Digital transformation has to be business and software-driven so that it can deliver speed where it matters. The solution is to develop a Digital Experience Platform in an enterprise's context by leveraging existing assets and investments into data, software, and tools. The roadmap is not easy unless it is a proven blueprint and the right mindset. Think of building a digital experience platform with speed, starting with the reference architecture and building blocks in place. Choose an API-first, data-first, or experience-first approach, whichever suits best, and build your platform. And always remember, focus on speed and continuous transformation – by design.

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You've got to start with the customer experience and work back toward the technology, not the other way around.

-Steve Jobs