The Four Essential Pillars of Digital Transformation

A practical blueprint for going digital

By Dr. Ian Thomas and David Rosewell

www.runmyprocess.com
Over the last decade a new breed of digital company has quickened the tempo of business.

Digital natives such as Spotify, AirBnB and Uber have delivered more convenient, responsive and engaging experiences for customers — and often disrupted entire industry business models while doing so. As “digital natives” their intrinsic use of digital technologies such as cloud, mobile and analytics means that they continue to evolve and scale at speeds that are unthinkable for traditional organizations.
Today, the potential impacts of digitization extend beyond these digital natives and are a pressing issue for businesses across almost every industry.

As more people, systems and things become interconnected, so the scope to create new and novel digital value chains rapidly increases. Understanding the impact of these changes and successfully evolving to avoid or exploit disruption is therefore critical to survival. But while there is a broad recognition of the dangers of inaction there is also much confusion; a recent landmark survey by Fujitsu¹ found that this lack of clarity results in two in three digital projects being considered a gamble.

C-level executives cited a number of roadblocks that were driving this feeling, such as a lack of alignment on digital priorities, difficulties integrating with existing infrastructure and processes, and a perceived lack of relevant skills. Together these issues have led to a broad range of digital disconnects – such as fragmented user experiences, disconnected islands of process and data, a slow pace of change and a rise in silos caused by shadow IT – all of which create further turmoil and undermine the end-to-end alignment required for success.

But there is another way. In this paper we share our experiences of working with companies who are taking an outside-in approach to transformation, using customer experiences to drive alignment, integrating infrastructure and processes across the whole digital environment, and transforming IT practices to accelerate change and empower everyone in the organization to make things better.

¹ “Walking the digital tightrope, a Fujitsu report”, January 2016

Our experts

Dr. Ian Thomas
Chief Marketing Officer, Fujitsu RunMyProcess

Ian Thomas is a Fujitsu strategist and thought leader, currently serving as Chief Marketing Officer of Fujitsu RunMyProcess. He also maintains a role as a Strategy Director within Fujitsu’s Global Software Center.

David Rosewell
Head of Strategy, Change & Assurance, Fujitsu Digital, EMEIA

David Rosewell helps organizations achieve their business outcomes in the digital world. His extensive experience in the IT industry spans business development, consulting, and systems delivery across a variety of sectors including government, defense, utilities, retail and financial services.
The great digital gamble.

It is no great insight to say that enterprises need to go digital. Recent Fujitsu research has confirmed that most organizations now have a clear understanding of the potential benefits.

But our practical experience has also shown us that there is also no easy path. Most existing businesses have been built and optimized for a pre-digital world and therefore find themselves weighed down by pre-digital technology investments, cultures and ways of working. Such organizations cannot merely flick a switch and become digital overnight - or wait years for large, costly and high risk transformation programs. They must achieve digital transformation using many quick, iterative steps – taking an evolutionary path that balances new capabilities and old.

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Figure 1: Digital Tightrope Survey question: What do you think are the main benefits to digitalization within your organization?

- Attraction and retention of talent: 43%
- Business responsiveness to the market: 38%
- Customer retention and loyalty: 37%
- Increasing workforce productivity: 37%
- Creates new value / revenue: 27%
- Greater competitive edge: 23%
- Helps to protect core business: 18%
- Others: 3.0%
But many enterprises take an unbalanced view of this evolution, addressing just one aspect of the necessary transformation, such as creating new user experiences or introducing new development practices. This fragmented approach results in a range of digital disconnects, with front-end customer experiences not connected with back-end systems, with development practices siloed between new and old systems, or with business colleagues still frustrated and finding their own solutions beyond the four walls of the enterprise.

The practical outcome of these problems is an inability to know whether planned initiatives will actually make things better, or create unforeseen new digital disconnects – leading to an overwhelming feeling that digital projects are simply a gamble.

Two in three digital transformation projects are ‘a gamble’.

Beneath the bravado, organizations say digital success is hindered by complexity, conflicting priorities and a lack of confidence.
Improving the odds.

But not all organizations are trapped by the digital disconnect.

When working with enterprises who are successfully enabling digital change, we have observed a consistent set of behaviors which can be generalized to create the foundations of a repeatable, evolutionary approach. In particular these organizations take an unashamedly end-to-end approach that consists of four interconnected pillars:

- **Unify the digital experience**: Fully exploiting the capabilities of connected devices to deliver better user experiences.
- **Connect the digital supply chain**: Integrating end-to-end digital processes to efficiently deliver outcomes.
- **Deliver at digital speed and scale**: Transforming technology practices to support the continuous delivery and evolution of offerings at scale.
- **Empower digital innovation**: Enabling distributed innovation by empowering the organization.

Together these four pillars combine to deliver a highly effective outside-in approach to digital transformation.

Figure 4: The four pillars of digital transformation.
To ensure a joined-up digital strategy, it’s important to start with the needs of your stakeholders and work inwards.

Creating a consistent, connected experience for customers, citizens, employees and partners – one that supports people in achieving their business goals, wherever and however they happen to work – is the most important factor in satisfying peoples’ digital expectations.

In particular creating experiences that help people get things done is a key weapon in attracting talent, maximizing employee productivity and retaining customers – three of the most popular aims cited by organizations in our digital research.

But the consumer-focused approach of delivering individual apps is a poor template for the demands of enterprise mobility. Delivering digital experiences for the enterprise requires us to go beyond individual apps and provide device and location-independent access to the existing process and information infrastructure of the enterprise. It is maximizing the mobility and connectedness of users that unlocks the value of digital, not the devices themselves.

43% of IT and business leaders surveyed said attracting and retaining talent is a key benefit of digitization.
True enterprise mobility therefore requires three major capabilities:

- **All-round mobility**
  
  A mobile application should not be tied to a single device type. It should seamlessly adapt to smartphones, tablets, wearables or desktop PCs; it is the mobility of users that delivers the full benefit of digital processes, not the devices themselves.

- **A common point of access**
  
  People need a single, device-independent location where they can find and access all of the digital tools they need to interact with the business; such as an ‘enterprise process store’ of available applications, to ensure ease of access, visibility of use and consistent governance.

- **A 360 degree view of interactions**
  
  As people increasingly work across multiple topics they need to gain a dynamic, ‘at a glance’ view across their ongoing tasks. To replace siloed, app-centric views with one which visualizes their total backlog of work holistically across all processes and systems.

**Example**

At a major European public transport operator, a mobile incident reporting app allows inspectors to file complete incident reports for bus lines from their phones in less than a minute. This has given the maintenance team immediate access to details and photographs of the bus repairs required.
Connect the digital supply chain.

Digital leaders have shown time and again that web-enabled connections between people, systems and devices can transform business models and create better outcomes.

But many organizations miss the central role of end-to-end connectivity in this process, instead focusing only on the digital front-end. Simply creating ‘pixel thin’ solutions via new apps or slicker websites, however, fails to address the underlying process and integration changes necessary to optimize digital experiences, simply layering more complexity over existing silos.

Creating a truly digital business therefore requires the creation of end-to-end process flows which optimize the fulfilment of connected experiences. This requires an outside-in approach to transformation, reimagining outcomes before moving inwards connecting all of the people, software and things required to deliver the necessary value. And having the capability to constantly extend and evolve these ‘digital supply chains’ as customers, partners and suppliers evolve, is a critical skill for the digital age.

65% say they would benefit from a balanced approach that effectively combined new technologies with existing solutions.
True process change therefore requires three major capabilities:

• Extending to digital

On-premise systems still make up the critical transactional core of most enterprises and need to be quickly and easily connected to new digital processes. This requires a combination of integration connectors, API management and manual workarounds, to securely and robustly connect incumbent systems to new digital flows.

• Harnessing digital

Building end-to-end digital flows requires us to ‘mesh’ our internal systems with people, systems and things that exist beyond the bounds of the organization. The technology infrastructure must therefore connect the whole digital landscape, making on-demand resources an integral component of end-to-end business operations.

• Empowering ecosystems

Competing in the emerging digital economy means participating in wider ecosystems with customers and partners. By using a business’s APIs to expose its reach, the full power of technology can be bought to bear.

A major global utility has created a range of digital processes which connect their complex hybrid IT estate end-to-end. By using integration connectors to modify access rights across a range of on-premise, partner and cloud systems, these processes ensure that data remains secure as employees and external contractors join, change roles or leave the company.
Deliver at digital speed and scale.

The digital world will not wait for slow, incumbent development processes, technologies and applications to deliver change.

To seize market opportunities, satisfy customer demands and innovate at digital speed, the enterprise has to be capable of delivering web scale IT at a fundamentally different pace. Outward-facing teams must be able to constantly build and test new ways of interacting - from experiences, offerings and channels through to entirely new business models - in order to discover and scale what works best.

Creating a truly digital business therefore begins with the use of digital platforms which support innovation at the new speed of business. By leveraging the increasing industrialization of IT we can create end-to-end modelling and deployment environments which increase speed of delivery, connect to existing legacy systems, and automatically handle the deployment and scaling of solutions to any size of audience.

76% of organizations would like their digital transformation projects to move faster.

Figure 7: Digital Tightrope Survey question: Is there an appetite in your organization to move faster towards digital adoption?
Accelerating business change therefore requires three major capabilities:

- **Rapid outcomes**

  By using the cloud to integrate technology we can create digital platforms for high productivity business change. Such platforms enable enterprises to rapidly model and test new processes before immediately rolling them out at scale to shorten release cycles.

- **Multi-speed operation**

  While new digital platforms can transform delivery speed, we still need to accommodate slower, mission critical IT. Our new platforms must therefore provide the capability to decouple change cycles, quickly delivering new digital processes while maintaining connections to back-end systems until they are upgraded or replaced.

- **Delivering instant scale**

  Development, integration and deployment is only the first step to becoming digital. Many organizations overlook the challenges and delays of scaling successful systems. Digital platforms enable organizations to avoid delays by removing the need for hardware and software procurement when there is increased demand.

**Example**

I HEART Studios, a rapidly expanding digital content provider based in London, developed a digital process solution to automate and manage its product photography services. In just 12 months this solution enabled the company to grow its revenue by 800% and absorb a tenfold increase in staff, all without significant disruption.
Empower digital innovation.

Today’s business talent is increasingly provided by digital natives who expect to be able to shape technology to their needs.

But there is also a rapidly growing gap between a business’s appetite for digital change and the resources available to enterprise IT. Swamped by legacy systems, siloed data and locked-down budgets, CIOs are often forced to maintain the integrity of the company’s traditional information systems at the expense of meeting its digital needs. This drives many business people to adopt ‘shadow IT’, creating huge potential security and scalability headaches.

But the increasing democratization of digital platforms provides us with an opportunity to embrace business colleagues as partners in a new and more collaborative delivery model. By empowering more people to build simple solutions for themselves, we free CIOs to focus on core technology challenges and the co-opting of successful innovations.

Almost 60% of IT and business leaders believe their organization does not have the right skills to successfully deliver digital projects.

Figure 8: To what extent do you agree with the following statement on your organisation’s digital approach? My organisation does not have the right skills to successfully deliver digital projects.
Empowering the organization therefore requires three major capabilities:

- **Democratizing change**
  Empowering non-technical users with simple tooling can enable greater acceleration of business improvement. People can begin to improve things outside the scope of IT, trial new ways of working without upfront cost, and test new ideas before requesting further extension by IT.

- **Empowering cross-functional collaboration**
  Enabling people to co-create their own processes enables them to work together better. By breaking down old-fashioned organizational or application siloes, people can realign the processes they use to reflect the way in which value is actually delivered.

- **Shifting to a digital culture**
  By keeping a watchful eye on the large-scale testing and experimentation of ideas, IT can discover opportunities to industrialize successful approaches and connect them more widely to enterprise systems, driving customer-centric digital change deeply into the organization.

**Example**

A major French broadcaster has enabled non-technical users to build solutions for themselves, allowing simple device-independent applications to be delivered in a fraction of the time. Some of these applications have then been extended by IT teams, enriching them with further integration to deepen their impact.
Start small, learn fast and scale quickly.

Taken together, the four pillars provide a structured foundation for completing an orderly, end-to-end digital transformation of the enterprise.

It becomes possible to achieve large-scale change by working in small increments, rapidly delivering digital innovations as early as possible before quickly evolving them in both breadth and depth. Together the ingredients form part of a long-lasting strategy that will continue to deliver for many years to come.

In our experience the four pillars work best when organizations adopt a fast and experimental set of behaviors, leveraging the speed, cost and scale benefits of cloud to drive a transformation in delivery practices:

- **Achieve quick wins**
  Choose early projects that rapidly deliver very specific outcomes. For example, use digital tools to transform a user experience.

- **Target real-world outcomes**
  Empower business users to set the agenda and direct projects to solve real-world problems, with IT engaged as a change agent.

- **Think lean**
  Do not try to make digital versions of existing applications. Instead, take on problems that have traditionally been seen as too complex, too expensive or not a priority for action.

- **Iterate fast**
  Each project should be discrete and be able to move in relatively small, fast iterations. Be prepared to include makeshift or temporary components as needed to get by.

- **Build out success**
  Realign resources based on successful projects and build on these projects to drive the results more deeply into the heart of the organization. Each incremental step builds out and strengthens the ongoing process of digital transformation.
**Start small, learn fast and scale quickly.**

While a full-scale transformation will ultimately require far-reaching changes spanning issues from talent to infrastructure - and take multiple years to complete - companies adopting the kind of fast, iterative and evolutionary approach outlined in this paper can deliver end-to-end results quickly, while still reshaping IT for the long term.
At RunMyProcess we love to solve digital problems. Small ones, big ones – we honestly don’t mind.

We believe that digital connections between people, software and devices can lead to wonderful new ideas – and open up new ways of looking at previously intractable business and social problems.

That’s why we’re passionate about solving digital problems and helping enterprises evolve using the power of connected technology. We want to help our customers make the world a better place, one rapid solution at a time.

To achieve this we operate a cloud platform for quickly and securely building applications that connect enterprise systems and processes to the people, clouds and devices of the digital world. By making connections our platform helps enterprises safely evolve towards new digital business models that make a real difference to the lives of their customers and employees.

Our unique platform enables organizations to:

• Deliver user experiences that seamlessly follow people across devices.
• Capture end-to-end processes that connect people, software and things.
• Accelerate the delivery and evolution of connected business applications.
• Empower business people to innovate at the edge of the organization.

To learn more please visit:
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Fujitsu RunMyProcess
www.runmyprocess.com
@runmyprocess

RunMyProcess
a Fujitsu company

Paris, France
3 Rue de Gramont
Paris, 75002
Tel: +33 175-775-180

London, UK
22 Baker Street
London, W1U 3BW

Sunnyvale, United States
1250 E. Arques Ave.
Sunnyvale, CA 94085
Tel: +1 408 746-7534

Tokyo, Japan
1-17-25 Shin-kamata
Ota-ku, Tokyo, 144-8588
Tel: +81 363 811-757

Sydney, Australia
118 Talavera Rd
Sydney, NSW 2113
Tel: +61 297 764-555