

DIGITAL BUSINESS

# The Time for Digital Reinvention Is Now

Build a platform for innovation





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After decades of effort, nearly every business process — from record keeping to client communications — has been digitized. And from these digitization efforts has sprung a new era of digital transformation. For the first time, companies can connect programs and processes across departments in new and creative ways to identify and serve changing customer needs, thus creating new customer experiences, new lines of revenue and more. In the process, these businesses have been transformed.

While a high tide floats all boats, the social and economic upheaval caused by the global pandemic created a low

tide that illuminated clear disparities between different organizations' digital transformation progress. Companies that once had multi-year digital transformation plans have realized they must expedite change. Seven in 10 executives surveyed in a recent NTT DATA and Longitude report agree, saying their organizations would have been more resilient today if they had invested more in digital technologies prior to the pandemic.<sup>1</sup>

Digital transformation is central to a process of continuous improvement, fueled by data-based insights that unearth evolving customer needs and desires.

More to the point, the same research defined business “Leaders” and “Laggards,” with the Leaders effectively implementing leading-edge technologies like artificial intelligence (AI), automation and the internet of things (IoT) to retire old ways of working and define new. The new ways of working helped these organizations

not only survive the pandemic but profit and grow in the face of it. With the help of their technology portfolios, Leaders built resilience and agility, adapting their products and services to customer needs and creating cost efficiencies — all of which allows them to prepare for and adapt to changing situations faster than the competition.

## The silver lining

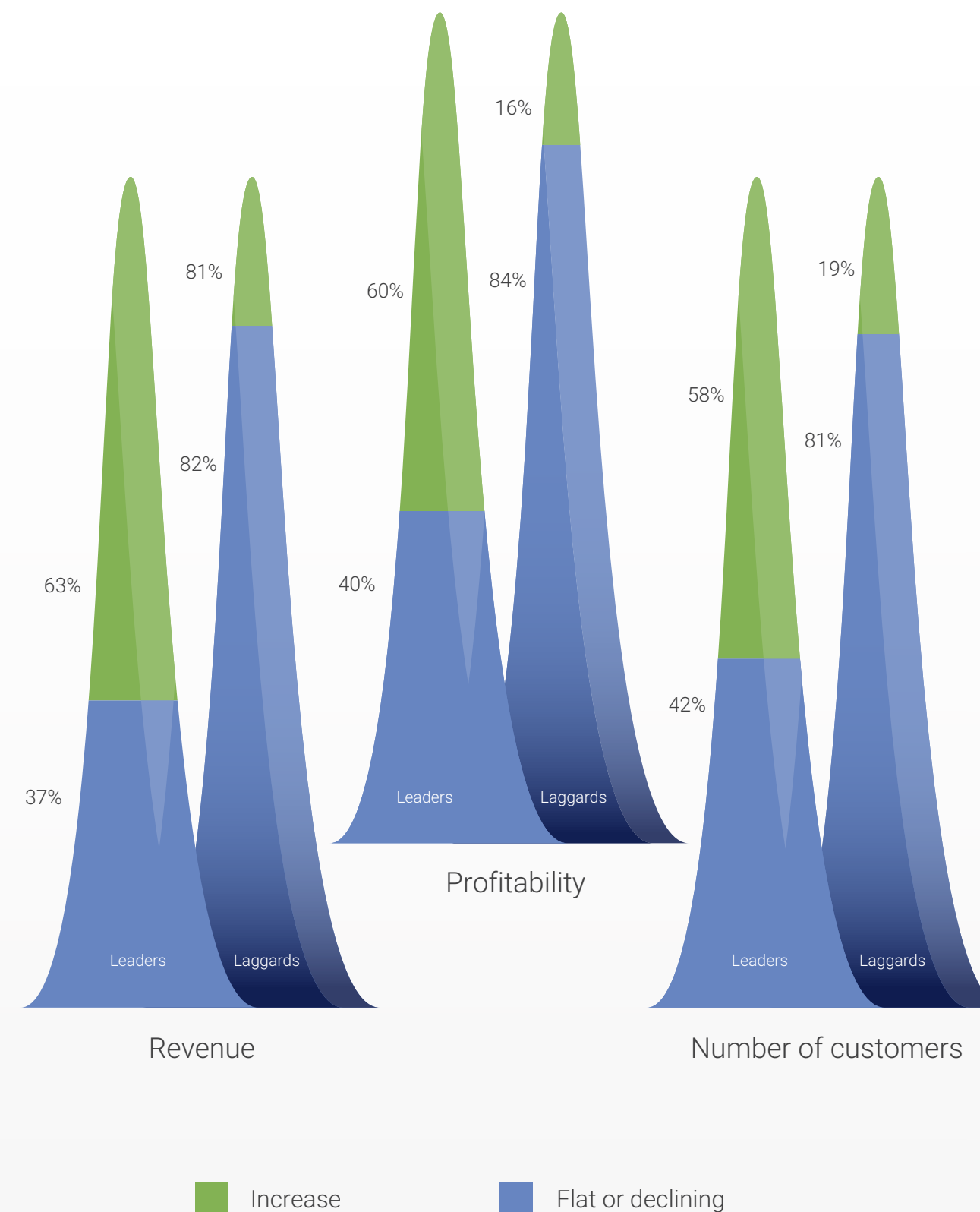
While Leaders use technology to gain agility and create competitive advantage, the good news for those who haven't yet done so is that it's easier than ever to achieve market parity. With the right technology foundation and adoption of agile practices, organizations can leapfrog to a competitive market position. According to a Chinese proverb, “the best time to plant a tree was 20 years ago. The second best time is now.” In this spirit, the best time to start a digital reinvention is now. So, let's get started!

# What is digital reinvention?

Digital reinvention entails re-formulating business models and redefining the way a business operates. From core operational models to customer service and corporate revenue streams, every part of the business should be considered for digital reinvention. Digital transformation tools and processes can both help the company change to reach its reinvention goals and help the business identify areas for future reinvention.

While technology is an important lever, digital reinvention is more than adding technology, automating existing processes or moving workloads to the cloud. It's the unearthing of new value — that can be enabled by automation, cloud and other technologies.

## How has the COVID-19 crisis impacted your business to date?<sup>1</sup>



The Leaders in our survey, for example, don't cite a particular technology that helps them unlock additional market value but rather the mature use of a suite of advanced technologies.<sup>1</sup> Firms with wider technology adoption drive revenue growth and business transformation faster than others in the survey. For example, 92% of Leaders report maturity in data analytics and 94% in both IT support and cybersecurity. Laggards agree with this statement only 19%, 45% and 35% of the time, respectively.

By uncovering new potential and innovative ways of working, backstopped by advanced technologies like cloud and AI, Leaders are better able to adapt as customer and market circumstances change.



# Reinventing the front desk experience

G6 Hospitality launched a digital reinvention program to help the company modernize its infrastructure and overcome competitive industry pressures.<sup>2</sup> Called IT 2.0, the initiative targeted core systems and architecture for cloud migration, including its HotelKey Property Management System and Above Property solution for reservations. Among other benefits, the initiative made the guest check-in experience faster, more consistent and more engaging — growing guest satisfaction. The digital reinvention initiative also created other efficiencies, freeing G6 to reinvent across additional areas of the business, helping it better anticipate and manage future competitive pressures.





# Reinvention requires a solid foundation

While golf clubs don't automatically make someone a golf pro, it's impossible to achieve that status without them. Similarly, technology alone doesn't guarantee success; it is, however, a requisite for digital reinvention, because a solid technology foundation creates a platform for agility that helps IT accelerate business initiatives. For example, automation can remove countless hours of tactical work, giving IT teams more time for strategic, customer-impacting projects.

A digital platform can help aggregate and assess data quickly and efficiently, allowing the business to speed feedback loops — and gain competitive advantage with each iteration. It can support quick velocity,

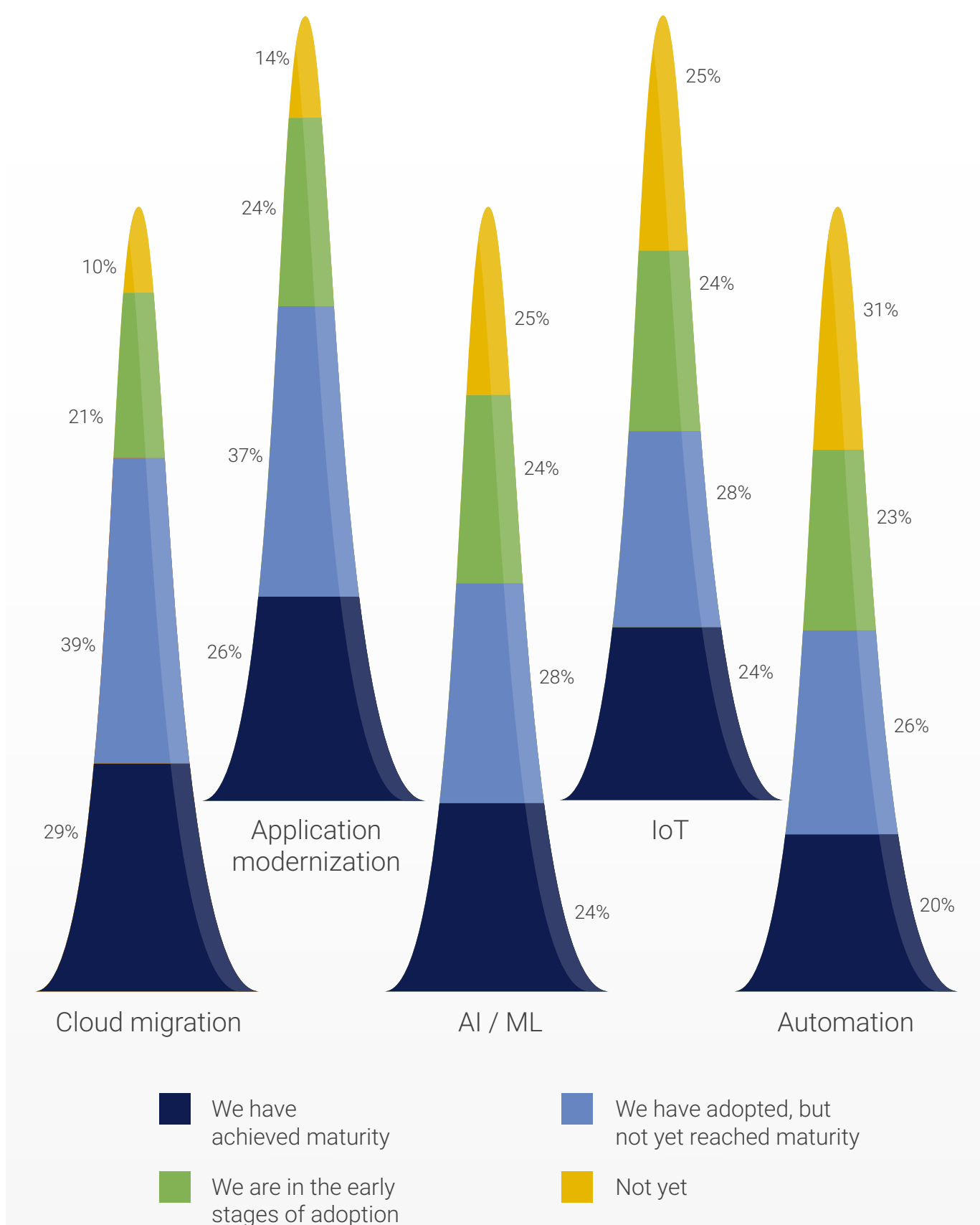
**52%** of Leaders in the NTT DATA survey say they drive revenue from digital transformation and 96% report they plan to further reinvent their organizations digitally in response to COVID-19. Conversely, only 47% of Laggards plan to do so.<sup>1</sup>

enabling the business to act in reasonable timeframes. And it provides the structure for digital initiatives, giving the business the flexibility to enact a wide variety of ideas.

## Leapfrog to reinvention

For organizations looking to leapfrog the competition and create a structure that enables the business to effectively compete today — and well into the future — the good news is that digital innovation isn't like the rungs of a ladder. It isn't necessary, for example, to lift and shift an application to the cloud to then modernize it. Organizations can identify their end goal and work directly toward it. In the NTT DATA survey, organizations identify several areas where they seek to grow maturity. A platform for innovation allows these organizations to directly target, extend and expand to emerging areas like IoT, AI, machine learning (ML) and automation.<sup>1</sup>

**To what extent has the organization implemented each of the following as part of its digital transformation plans?<sup>1</sup>**



**If an employee has a great idea today, how long would it take to start working on that idea? How long would it take a minimally viable product to move through to production?**

For many organizations, it's on the order of months. The competition won't sit around and wait. Nor should you. If you don't have a technology platform agile enough to support the digital reinvention goals of the business, start today.<sup>4</sup>

## Grow the top line

When the business needs to move fast, IT leadership must quickly align technology resources to meet corporate goals. And, when the organization has an idea, it must have a digital platform that allows it to act — swiftly if necessary.<sup>3</sup> A digital platform empowers IT leaders to:

- Help the business bring new ideas to market faster
- Deliver more quickly and in smaller increments
- Grow time for innovation with automated self-service provisioning that frees IT resources and speeds development
- Pursue greenfield opportunities such as IoT, advanced analytics or a new global offering at scale

These capabilities also help the business experiment faster. Experimentation begets innovations

that help the company remain relevant to customers, propelling the business forward. Experiments needn't be big; small tests that facilitate learning and improvement can be just as useful, because any step that takes the business forward in its digital reinvention efforts is valuable. In the book "Good to Great: Why Some Companies Make the Leap...And Others Don't," author Jim Collins explores at length how small iterations create a flywheel effect where momentum derived from small iterations grows to create competitive advantage.<sup>5</sup> The point at which the flywheel's weight starts working to a team's advantage isn't the result of a single turn of the wheel. Similarly, it's the consistent application of learning through experimentation that grows competitive advantage.







# Manage the bottom line

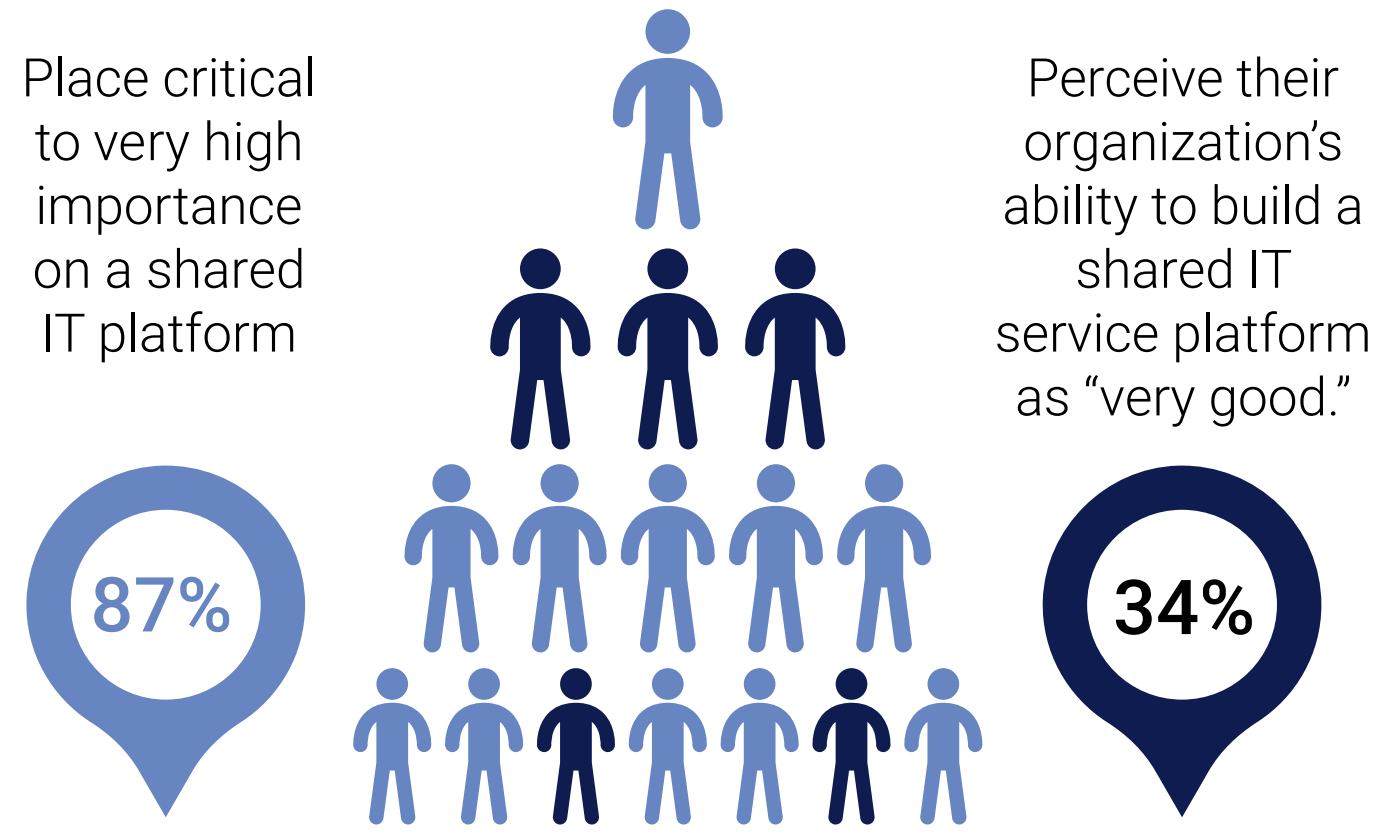
To ensure the business meets its revenue objectives, both cost control and the strategic use of resources are critical; optimizing costs and achieving economies of scale also help the business remain competitive. A digital platform helps achieve these goals by:

- Autoscaling resources, which conserves resources when not in use while still scaling to meet customer demand
- Reducing cycle times, thus growing the availability of human resources for additional projects
- Cutting waste from technology delivery pipelines
- Securing the business from vulnerabilities, data loss and other costly outcomes through automated failover, upgrades and compliance

According to a new IDG MarketPulse survey on behalf of NTT DATA, 87% of respondents place critical to very high importance on leveraging an optimized,

scalable, shared IT service platform.<sup>6</sup> Yet, only one-third (34%) perceive their organization’s ability to build a shared IT service platform as “very good.” Although IT leaders agree that a strong platform is critical to navigate today’s volatile, uncertain and ambiguous environment, not every organization has a clear path to achieving this goal.

## IDG MarketPulse





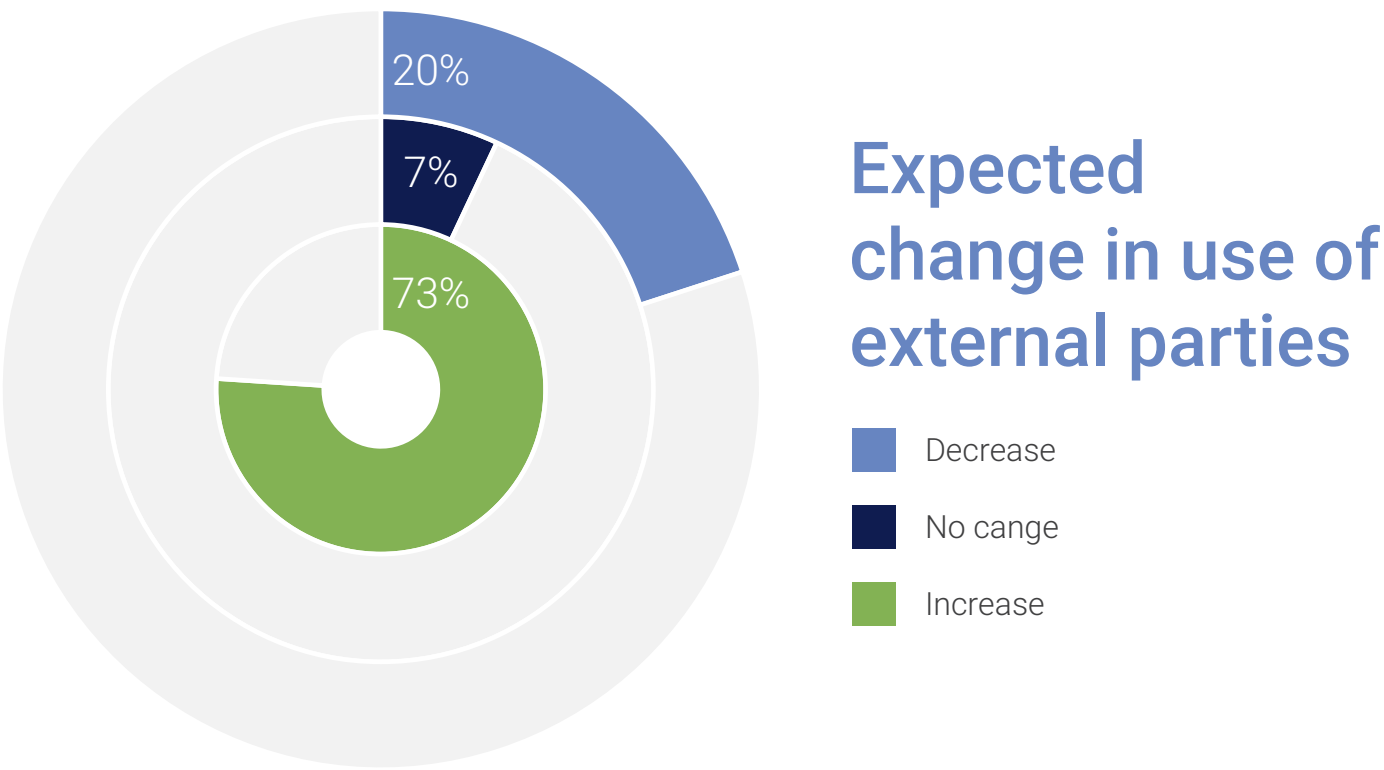
# Keep pace with an experienced partner

Whether they need help catching up, keeping up or getting ahead of evolving customer expectations, more organizations find they can reinvent faster with the help of an experienced partner. Indeed, IDG's survey finds that more than one-third of IT service delivery needs today are handled by an external party, and a majority of respondents expect this to increase due to added pressure to fast-track reinvention.<sup>6</sup>

What once was a year or two away, is now a business imperative that must be addressed immediately. Third-party resources with planning, implementation and management experience are a natural fit to expedite digital transformation plans.

Specifically, cloud managed services benefit organizations by:

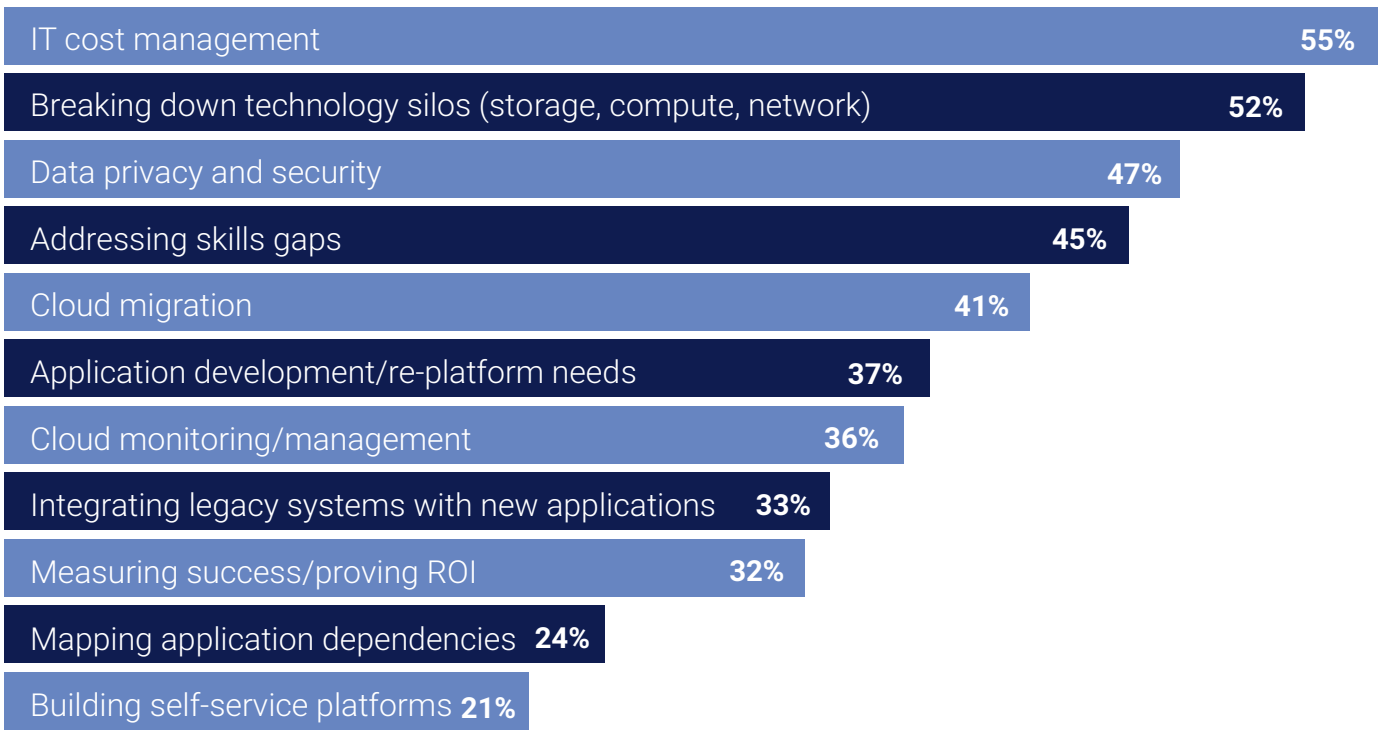
- Addressing internal skills gaps with experienced consultants
- Overcoming toolchain challenges with best practice solutions and IP
- Reducing silos
- Optimizing for specific cost, operational control and security compliance
- Growing customer responsiveness through enhanced scalability
- Recommending and educating around areas for continuous improvement



These areas of focus are in-line with IDG's survey respondents, who identify IT cost management, reducing silos and data security as top areas for which they're likely to seek assistance from an external partner.<sup>6</sup>

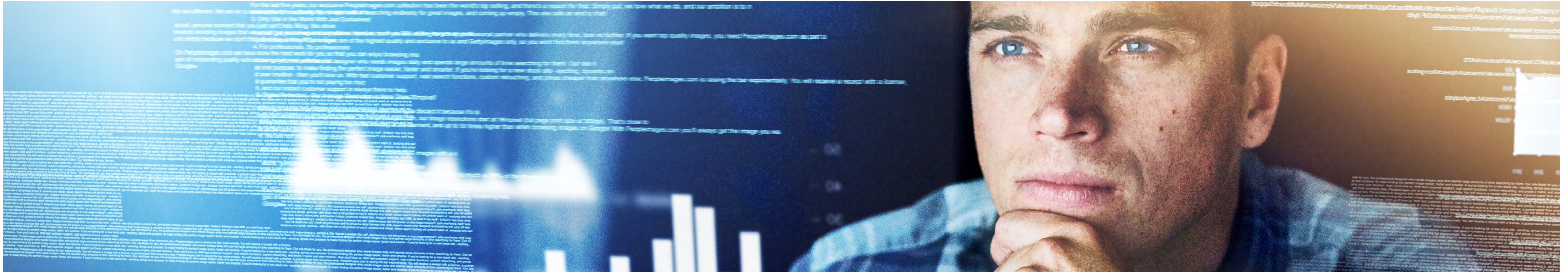
Ultimately, managed services help free up an organization's best resources so they can focus on strategic, business-impacting initiatives.

## IT service delivery challenges likely to require external partners





# Managing complex workloads



To support rapid transformation, firms need skilled talent who understand modern systems. For example, NTT DATA and Oxford Economics recently conducted a survey about the role of AI in the enterprise in which 44% of executives report that failure to implement AI will adversely affect their bottom line in the years to come.<sup>7</sup> When transformational

technologies like AI are coupled with the cloud, they can enable true business transformation that furthers business strategy and grows market advantages.

Yet, these technologies often require even more specialized talent who understands the tools and processes to make them successful.

With NTT DATA's Cloud Transformation consultants, enterprises have a partner that can support transformative technologies with advanced skills, using this detailed knowledge to their benefit.



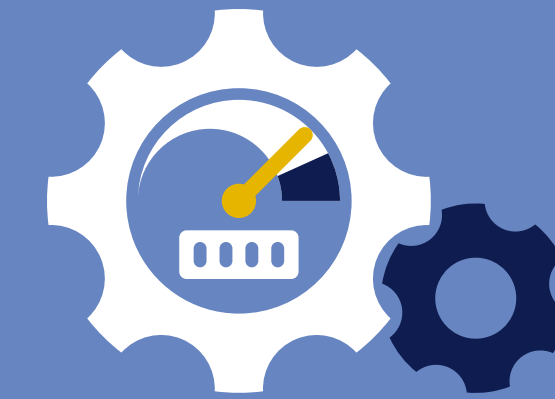


# Supporting a hybrid and multi-cloud future

Multi-cloud computing will soon become a default approach to digital transformation. It balances the need for advanced compute power for transformational technologies, best-of-breed workload support, the need for advanced security and more. Yet, it's critical to support a multi-cloud approach with consistency. A comparable experience across cloud environments that maintains corporate-wide cloud standards and dictates a singular cloud approach will only grow in importance for agility, security and compliance.

For example, NTT DATA worked with a global retailer that deployed a dashboard for its cloud environment to standardize infrastructure creation and grow the retailer's consistency of cloud builds across its hybrid environment. Developers work on the code repository while their code or application is automatically

deployed to the selected environment.<sup>8</sup> This allows them to focus only on editing applications rather than worrying about infrastructure standard compliance.



**The result:** Developers can create higher quality code faster, which means they can quickly experiment and get winning ideas to market faster, too. In addition to increasing development agility, the dashboard grows consistency and standardization of cloud builds, which reduces risk, grows security and creates compliance as code.



# Cloud brokerage as a service

Digital reinvention is synonymous with continuous improvement, and cloud brokerage as a service is a mechanism that allows enterprises to continuously push the envelope on cloud-based digital transformation. It does so by helping organizations keep up with technology changes, providing continuous improvement by leveraging cloud-native and other burgeoning technologies, like AI, across clouds.

NTT DATA provides cloud brokerage services that strengthen an enterprise's cloud position and set it up for long-term success with strategic cloud advice, aggregation, integration and ongoing development and management services.



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# About NTT DATA

NTT DATA offers managed cloud services that help expedite digital transformation across public, private, hybrid and multi-cloud environments. When combined with our strategic advisory services, they help organizations achieve their business goals at the speed of market while also pursuing continuous improvement.

Our managed services combine with professional service offerings to provide:

- A tailored solution designed to help enterprises reach their business goals through innovation
- Infrastructure designed to support mission-critical applications and data intelligence that fuels business reinvention
- Cloud-native tools and best-of-breed technologies that create business dividends that fuel further innovation and digital transformation
- Automation and industry best practices that free up an organization's best resources to focus on innovation

NTT DATA consultants guide enterprises to their best starting place and help them build a platform for digital reinvention.

➤ **GET STARTED ON THE PATH TO DIGITAL REINVENTION TODAY**



# Source

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