

# ENABLING TRANSFORMATION IN THE DIGITAL ECONOMY

## A THREE-PRONGED APPROACH

*The global business environment has evolved since the dawn of the Digital Age. Technology continues to advance at a rapid pace while consumers have become expectants of digital-enabled services – thus forcing traditional companies to transform their business models, customer experience strategies and operational environment. To ensure success in the modern world, business leaders must take the first step in establishing the basis for the transformation and define a futuristic model for the business, while implementing people-oriented strategies to enable continuous innovation. A strong partnership ecosystem is also instrumental to jumpstart and support the journey.*

### INTRODUCTION

The global business environment is experiencing major shifts with the expansion of the Digital Economy. Gone are the days when organizations ruled the market. Consumers are now at the forefront of organizational change as they continue to demand more personalized, digitally-led offerings and experiences throughout their entire customer journeys. They also expect consistent and seamless access to a company and its products and services across all engagement channels, anywhere and at any time.

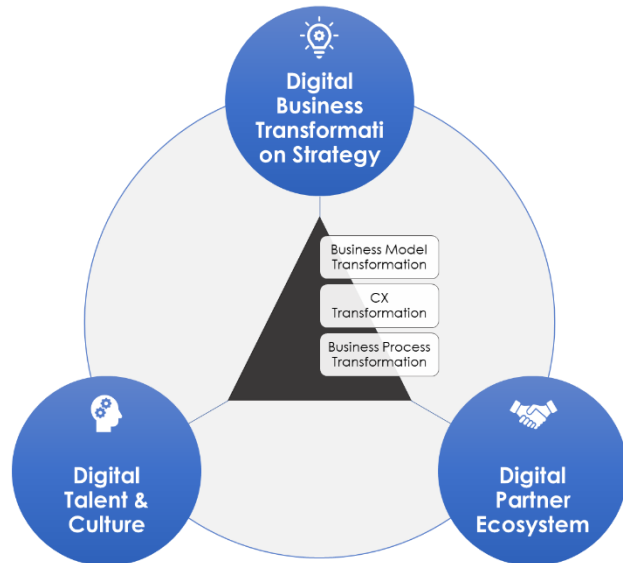
In response, companies are looking to the power of disruptive technologies such as big data, advanced analytics, cloud, robotic process automation (RPA), machine learning (ML) and artificial intelligence (AI) to transform their business model and customer experience (CX) strategy to get closer to its customers, as well as to modernize their operational environment to enable enhanced business outcomes.

At the same time, the pace of technological disruption is accelerating faster than ever. Soon, organizations will have the capacity to harness the true power of the internet of things

(IoT) as quantum and edge computing technologies evolve, while the physical world is being merged with the digital through advancements in augmented reality (AR), virtual reality (VR) and mixed reality (MR) solutions. AI is also getting smarter and will become ubiquitous across products, services, systems and processes.

Recognizing the growing impact of the Digital Economy, companies are ramping up their focus on digital transformation. However, most digital transformation programs are failing due to several issues including no clear vision and strategy for the transformation, a lack of digitally-minded leaders, taking a company-centric approach rather than customer-centric, skills deficit, employee pushback, a siloed business environment, a disconnect between digital and the rest of the business, and limited cash to adequately invest in the transformation.

As a result, companies need to take a three-pronged approach to ensure successful transformations i.e. having the right vision, strategy and roadmap to set a clear path for the journey, coupled with the right people and partners to drive and support digital initiatives.



## DIGITAL BUSINESS TRANSFORMATION STRATEGY

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A future-wise and ready digital strategy should be viewed as the cornerstone of digital transformation, bridging the company from where it currently stands in its analogue world to where it needs to be in the digital. Surprisingly, several companies have started their journey without a proper strategy in place. Some due to a misalignment as to what an effective digital strategy entail.

Essentially, a digital business transformation strategy should be purposed with crafting a new identity and business model rather than simply augmenting the existing with new technologies. This strategy must therefore answer the fundamental why, what and how questions for the business.

Some specific areas when defining the new strategy should include determining the needs and behaviors of new-age customers; creating customer personas to guide development and delivery of end-to-end customer experiences; establishing new KPIs to measure the success of the transforming business; transforming the data environment to enable true business intelligence; transforming the applications environment to seamlessly connect the business; an organizational change management approach; as well as analyzing market trends and understanding how digital is impacting the business, from a global standpoint.

## DIGITAL TALENT & INNOVATIVE CULTURE

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Upskilling and reskilling the workforce is no doubt a top priority for organizations around the world. However, organizational leaders need to focus beyond having resources with the right technical capabilities to instill a start-up culture throughout the business. This will require employees to also have the right mindsets, beliefs and behaviors that supports continuous change and innovation. Consequently, employees can latch on to their traditional ways of doing things and prevent digital from being the true catalyst for creating and sustaining long-term business value.

There are several mechanisms that can be used to foster an innovative culture, such as formalizing internal channels for sharing and rewarding innovative ideas, and creating a digital workplace to enable greater flexibility, mobility and collaboration in the workforce. However, to avoid transformation pitfalls, it is most critical that executives are also digitally-minded and invested in the transformation.

## DIGITAL PARTNER ECOSYSTEM

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With the complexity of digital transformation troubling most organizations, partnering with the right vendors is also key to ensuring transformational success. Subsequently, companies can benefit from access to innovative technology expertise; access to proven industry solutions and transformation best practices; faster deployment of new solutions; less demand on internal resources; as well as potential to significantly reduce or eliminate upfront capital investment by sharing tangible outcomes with specific partners through a Zero Cost Transformation™ investment model.

Digital partners are also essential to co-develop and deliver innovative industry solutions leveraging new and emerging technologies, such as natural language processing (NLP) to power cognitive assistants and blockchain which is realizing greater success through consortium-led blockchain projects.

To develop strong relationships, partners must fully understand the needs of the business and become strategically aligned to its goals and objectives.

## PARTNERING WITH AVASANT FOR DIGITAL TRANSFORMATION

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As a leading digital advisory firm, Avasant supports organizations throughout their digital transformation journey with focus on the following areas:



### TECHNOLOGY MODERNIZATION

Avasant's Technology Modernization Services identify key gaps and risks in current technology environments. Our comprehensive assessment evaluates an environment's ability to scale, integrate, and support long-term technology and business goals.

- Identify alternative technology models and solutions that address key risks
- Assess the impacts on end-to-end process orchestration for each solution
- Create a consolidated business case that highlights the cost impact, savings, and feasibility of each option
- Create a phased road map for migration to the future state technology environment



### ENTERPRISE CLOUD STRATEGY & ENABLEMENT

Avasant's Enterprise Cloud Strategy & Enablement Services analyze current workloads to determine suitability for cloud migration based on technology, architecture/integration, dependencies, market maturity, process maturity and our experience with successful migrations.

- Define suitable migration strategies, taking into account logical application bundles, technologies involved, ease of migration, and the impact on interim operational states
- Identify a potential ecosystem of technology/services to provide the target-state solution
- Develop a detailed business case that incorporates all costs associated with the migration
- Develop an execution road map that outlines the key tasks, dependencies, and client, cloud provider, integrator accountability



### BUSINESS PROCESS TRANSFORMATION

Avasant's business process transformation services shape future business requirements by redefining processes that maximize efficiencies and leverage new technologies.

- Benchmarking current business processes to industry standards
- Identify targeted workflows for efficiency and potential automation improvements
- Define functional and performance requirements and develop process models for potential transformation solutions
- Identify potential technology solutions, assess potential impact on current technologies and cost
- Prioritize initiatives for execution



### IT SPEND OPTIMIZATION

Avasant's IT Spend Optimization Services analyze spend across categories and vendors to create an enterprise-wide baseline of technology spend across IT and the business.

- Identify strategic goals such as improved demand management, standardization and simplification, support model optimization, service level warranty right-sizing, consolidation of vendor spend, and elimination of the tail

- Identify business and technology drivers to discover key areas of savings based on strategic goals
- Develop a road map for cost optimization
- Define procurement and negotiation strategies, target pricing, and contract terms
- Restructure contracts and renegotiate as necessary



### ORGANIZATION TRANSFORMATION

Avasant's Organization Transformation Services evaluates a business using 4 independent tracks supported by a common plan and followed by a launch and optimization phase.

- Business Service Strategy Assessment
- Human Resources Assessment
- Communications and Change Management Strategy
- Governance Strategy Development
- Launch and Optimization



### NETWORK TRANSFORMATION / SD-WAN

Avasant network transformation services help customers reimagine their networks and make them highly configurable through usage of Software-Defined Networking (SDN). This can help to significantly reduce asset-heavy network related capital expenditure.

Through our network advisory services, we enable enterprises achieve their transformation objectives of moving to cloud-ready networks with increasing virtualization and higher security.

- Analysis of current network spend and development of business case for ROI justification
- Enhanced wan optimization and network and applications performance management (NPM/APM)
- Perform a network readiness assessment to support organizational transformational requirements, such as ipv6
- Improved security, managing network access controls and segmentation with existing VRF and VPN
- Create phased implementation roadmap and support sourcing transaction for procuring managed service



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# AVASANT

## ABOUT THE AUTHOR



David Romeo is a Consultant at Avasant with experience in sector development, business strategy, investment promotion and attraction, and organizational transformation. He has worked on several Global Development as well as Digital Transformation engagements with focus in the North American and the Latin America & Caribbean regions.

### About Avasant

Avasant is a leading management consulting firm focused on translating the power of technology into realizable business strategies. Specializing in digital and IT transformation, sourcing advisory, global strategy, and governance services, Avasant prides itself on delivering high -value engagements through industry focused innovation and flexible client based solutions.

Email – [contactus@avasant.com](mailto:contactus@avasant.com) | Phone - +1 310 643 3030 | Visit us at - [www.avasant.com](http://www.avasant.com)