COMMVAULT®

▶ Digital Transformation: The Full Monty

MOVING YOUR BUSINESS TO A HOLISTIC DIGITAL DRIVEN ENTERPRISE

Digital transformation strikes fear in the hearts of some business executives who see it as yet another disruption in work processes. Didn't we just start to get a grip on Big Data? Aren't we embracing digital transformation, to some extent already, via social media channels and analytics? While reticence exists, the 'avant garde' is purposefully disrupting their businesses, seeking better customer experiences and a more agile enterprise that can innovate more quickly and stake an earlier, competitive position in new markets.

We need to take a breath, lose the fear, and adopt a method and approach that will bring the desired results of driving a successful business in the 'digital-driven' era. By breaking down digital transformation into manageable elements, organizations can become digitally driven without undue interruption of work flow. The goal is to become more competitive, viewing digital transformation as an asset, not an annoyance.

Digital transformation is the business buzz phrase du jour. Many definitions abound online. One that works well is: "the acceleration of business activities, processes, competencies and models to fully leverage the changes and opportunities of digital technologies and their impact in a strategic and prioritized way."[1]

In a benchmark study, Forrester Research said digital transformation "involves realigning and investing in new technology and business models with a specific focus on the customer experience."[2] Forrester identified key drivers of digital transformation as profitability, customer satisfaction, and increased speed-to-market. Strategic priorities were improving customer experience, followed by growing revenues, improving differentiation, and reducing costs. The takeaway is that if it helps organizations sell faster, more profitably and enhances customer satisfaction, then digital transformation is worth the time and effort.

Given that a better customer experience, more business agility and profitability are the goals, how do we actualize this digital transformation? Forrester looks at three buckets – organizational, operational and technological - as the players in this transformation. We agree with this holistic approach since it makes sense. Customer satisfaction is so intertwined with many moving parts, from product quality to shipping deadlines to service support, digital transformation has to embrace many facets of an organization to succeed.

> ### WHAT IT TAKES TO MAKE THE DIGITAL SWITCH

The reality check in the Forrester study shows digital transformation is subject to classic organizational issues: debate over who should 'own' the initiative, whether CIO, CEO or other; readiness to move from setting the objectives to taking action, whether they have the technology providers in place to make it happen, and if they have universal buy in from stakeholders.

That's a lot to consider if you are a CIO, for example. One optimistic note: about half of the organizations Forrester surveyed say they are working on digital governance and transformation management, and clarifying digital ownership, funding and operations.

So how can we move further ahead? How can we break down transformation into manageable elements? Here are initial things to consider before you drill down into technology concerns:

ONE: DIGITAL TRANSFORMATION IS TECHNOLOGY TRANSFORMATION

Digital technology is not new – the drive to bring digital technology to a higher degree of interrelation and optimized use is what is new. Digital transformation, to succeed, requires the same set of planning processes that any IT technology initiative requires. Deloitte mapped this out succinctly in a brief on IT transformation,[3] essentially recommending organizations think first, and plan first, before executing a companywide technology initiative that will demand intensive IT effort.

Only 5% of organizations feel that they have mastered digital to a point of differentiation from their competitors

FORRESTER RESEARCH
Digital Transformation in the Age of the Customer, October 2015

Big Data Trainwreck Ahead![i]

Read how to get a grip on the big data protection and management challenge.

READ NOW

PDF

bit.ly/2cCfE1y

1 CIO Magazine, Digital transformation: Why it's important to your organization, May 2, 2016
2 Forrester Research, Digital Transformation in the Age of the Customer, October 2015
3 Deloitte, Five Tips to Improve the Success Rate of IT Transformation Projects

TWO: THINK STRATEGICALLY

An MIT Sloan-Deloitte study[4] of companies engaging in digital transformation found that only 15% of respondents from companies at the beginning of digital transformation maturity say their organizations have a clear and coherent digital strategy. The study defines maturity as having transformed processes, talent engagement and business models. Among the digitally maturing, more than 80% have a coherent strategy, according to the study. The takeaway here is you can't get from Point A to Point B without doing the heavy lifting on strategic discussions. This early planning is essential to not only creating a manageable digital transformation, but also getting buy in from all stakeholders.

THREE: THINK INCREMENTALLY

One of Deloitte's 'five tips" is to plan for discrete portions of functionality, that the 'big bang' approach of a 'go live' date a year or two away often fails. This speaks to the manageable elements approach. While 'digital maturity' may mean an eventual complete overhaul of your business model, it is still important to recognize functional areas of operation so your team leaders understand, contribute to strategy, and can execute the digital transformation within their areas of responsibility.

If you are an organization moving along the digital transformation curve, you have to start somewhere and identifying key operational areas of improvement, such as customer service and support, enables IT to have an initial set of identifiable goals to achieve.

▶ TECHNOLOGY: WHERE IS THE LOVE?

When it comes to digital transformation, the analysts, consultants, pundits, et al. hammer on the point that technology is not the driver. They are strategy, the need for a better customer experience, enhanced competitiveness, higher profitability and more agility across the enterprise. Technology is viewed as the enabler of these transformative changes. However, as the Forrester study pointed out, 57% of those surveyed said implementing key digital technologies was critical to enabling their digital business. To be effective, CIOs and IT teams will need to go through a planning and strategy exercise on technology deployment similar to the big picture discussions on companywide digital transformation. In the Forrester study only 29% of those surveyed felt their company was completely ready to execute on the digital strategy; 46% somewhat agreed.

Technology solutions and providers are playing a fundamental role in digital transformation and in readiness to execute on strategy. IT needs to consider:

- What existing resources can be redeployed to implement new digital technologies?
- Do you have third party solution providers who can absorb some of these deployments?
- Is there a clear view into which new digital technologies take priority?

> "Lack of a digital strategy is the biggest barrier to digital maturity for companies in the early stages, according to more than 50% of respondents from early-stage organizations."

MIT SLOAN MANAGEMENT REVIEW
Strategy, Not Technology, Drives Digital Transformation, July 14, 2015

4 MIT Sloan Management Review, Strategy, Not Technology, Drives Digital Transformation, July 14, 2015

- Are team leaders in agreement on which processes are first to be improved once new technologies are deployed? Customer support? Marketing programs? Social channels?
- Has there been an examination of processes to be improved and whether they add business value to the overall organization?
- Is there a plan in place to scale new technologies and programs?
- How are legacy systems to be managed while IT transitions to new technologies?
- What is the plan for risk mitigation and data protection as the organization migrates to a digital-driven enterprise?

▶ MANAGING THE DIGITAL TRANSITION

Digital transformation is doable, and manageable, if CIO and IT team leaders work across the organization to have clear alignment on strategy, objectives, timeline and deployment of internal and third-party resources. The front-end work has to be done and there is widespread consensus among analysts and consultants that there must be a firm leadership hand in this transformation. As Altimeter's Charlene Li says, "Our research also found that the biggest barrier to digital transformation is culture — and leadership drives culture. The percentage of engaged employees in US companies continues to be in the low 30's, despite the introduction of enterprise social networks and collaboration tools like Slack...."[5]

Getting buy-in throughout the organization, and employing digital technology via social media and employee advocacy channels to further communicate the value of digital transformation, is a critical part of ensuring success.

In parallel, making sure you have a thoroughly developed IT strategy for actualizing this digital transition is the 'make it or break it' part of the picture.

5 Altimeter, The Top Digital Transformation Priorities for 2016

▶ Protect and manage your data during digital transformation. Visit **commvault.com/backup**.

COMMVAULT®

COMMVAULT.COM | 888.746.3849 | GET-INFO@COMMVAULT.COM
© 2016 COMMVAULT SYSTEMS, INC. ALL RIGHTS RESERVED.