Accelerated Digital Transformation
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Accelerated Digital Transformation
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The game has changed

For many enterprises, whatever pre-COVID digitalisation strategy they had, it needs to be reimagined. The key word here is accelerated transformation.

Changes that will last beyond the pandemic

Before the term ‘coronavirus’ took over our conversations, ‘digital’ may have been the hottest topic for enterprises. Executives recognised that when ‘digital’ is applied to its full potential, the result is a data-driven, agile, customer-centric, future-proof enterprise, with people empowered and leaders capable to lead teams through volatile markets.

COVID-19 interrupted that dialogue, storming in with unprecedented threat and lockdown, pushing organisations and their leaders into waters that were unfamiliar, if not totally uncharted. Sudden decisions about digital solutions were forced, to facilitate a fully remote workforce, shift customer engagement from physical to online, and reduce operational costs in response to a decline in revenue.

Deloitte has drawn conclusions about the rapid acceleration that COVID-19 brought to digital transformation plans. On the positive side, organisations are showing incredible adaptability to meet customers’ and employees’ needs in a solely virtual reality, often blowing previous conceptions of feasibility out of the water. On the downside, the pandemic’s redefinition of the entire nature of work has revealed how underutilised digital technologies really are. The weaknesses were there all along, but now they’re washed up on the beach, painfully visible. For many enterprises therefore, whatever pre-COVID digitalisation strategy they had, it needs to be reimagined.

Deloitte predicts that successful companies will permanently shift their mindset and ways of working and avoid returning to normal. Now, they are acknowledging the COVID-19-accelerated changes taking place and looking forward, reacting with interventions that will last well beyond the pandemic. Consider the following observations we’ve been making.

- Many shifts in consumer behaviour that emerged overnight will prove to be permanent, justifying an accelerated shift to digital customer engagement.
- Actionable intelligence, based on real-time visibility into financial and operational data, was key during the crisis and will remain of strategic importance.
- Disruptions in global logistics demanded the ability to quickly reconfigure supply chains; forward-looking enterprises will retain this ability in preparation for future disruptions.
- Business continuity depended on digitalised processes when physical locations were not available.
- Enterprises that took a hit in revenue need to radically cut costs from their operations.
- Working from remote locations will continue, and offices will be used in different ways. This made the ‘future of work’ an imminent reality.
- The mix of high-in-demand skill sets, and jobs shifted overnight, changing what we consider as critical skill sets, and illustrating the impact on people and society in many ways.

Without a doubt COVID-19 has accelerated the need for digital transformation.

The journey of digital transformation

The clear need for an accelerated digital transformation comes with the observation that an effective ‘journey’ to digital transformation is not easy or quick. Many organisations get caught in an endless loop of simply doing digital things and launching new digital projects. But this is only an illusion of being digital – a fact the pandemic has made painfully clear. Critical changes are needed to business models, operating models, and/or business ‘DNA’, and companies should expect to graduate through stages of digital maturity.
In the early stage of maturity, we find those companies ‘doing digital’: launching digital initiatives and leveraging digital technologies to extend capabilities, but still largely focused on their existing business models. At the end of the maturity spectrum we find companies ‘being digital’: with reimagined business, operating and customer models that show profound differences from prior models. The latter stage will bring not only fundamental changes to the ways of working, but, inevitably, a fundamentally different culture and company DNA.

A carefully orchestrated digital transformation will ensure a business to be fit-for-future. A competitive advantage will be created through the ability to innovate quickly and bring new offerings and experiences to the market, rapidly, successively and at scale.

**Bold moves to make towards ‘being' digital**

The journey from ‘doing' digital to ‘being' digital is a mix of relatively ‘easy' changes (low hanging fruit) and bold steps that change fundamental elements of the current business. For example, in a production company, the change from selling products to selling services is a bold step to make. These bold steps are intrinsically hard to make because, in many cases, the success of the old model proofs to be the main inhibitor of making the change. Transformation in such case demands a bold move in rebalancing exploitation and optimization of the current versus exploring and scaling of the future.

The only way to make these bold moves successfully, is to have strong digital leadership with the vision to reimagine the business, a strategy that looks beyond the current year and a culture where talent is cultivated and attracted. If this is not in place, it will be an inhibitor for reaching the ‘being digital’ state.

**Considering ‘digital' in its fullest extent**

Another inhibitor of advancing from ‘doing' digital to ‘being' digital is too narrow an understanding of ‘digital’. Digital transformation, when done right, impacts the entire enterprise, from value propositions, to customer engagement, to core processes and operations, to organisation and talent, to how work is done. Addressing only part of these, neglecting other elements, and hereby not realizing the full potential of digital.

Examples of these often-neglected elements are ‘legacy' in the technology and organizational structure, that cause complexity and inefficiencies. These also make it hard to simplify processes, and policies. They prevent organizations from removing or reducing bureaucratic structures and ways of working effectively. The step from ‘doing' to ‘being' Digital requires though decisions and tackling deeper issues in the (technology and organizational) architecture and ways of working.

*To accelerate digital transformation, companies need to consider digital in its fullest extent. The objective of this paper is to provide frameworks that can help companies with this.*

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**Exploring Digital**
Leverage traditional technologies to automate existing capabilities. No real change to the organization

**Doing Digital**
Leverage digital technologies to extend capabilities, but still largely focused on same business, operating and customer models

**Becoming Digital**
Leverage digital technologies – becoming more synchronized and less siloed – with more advanced changes to current business, operating and customer models

**Being Digital**
Business, operating and customer models are optimized for digital and profoundly different from prior business, operating and customer models
Domains of digital change

The challenge now is for business leaders to retool their digitalisation strategies to match the pace of acceleration, and tailor them to new insights.

Three domains to master

Enterprises that have achieved a mature and fit-for-future state of ‘being digital’ have mastered three domains of change:

• **Digital Customer**: Focusing on this domain means innovating – constantly reinventing customer value propositions and service models by adding new digital offerings, extending the reach to new customer segments, and delighting customers through a seamless customer journey experience. *Optimises: top-line growth, market share and net promoter score (NPS).*

• **Digital Core**: To harness this domain is to enable efficient, predictable, low-cost, effective operations – by digitalising processes, automating work, instilling discipline for business processes and leveraging data to make faster and better decisions. Critical to all these actions is a platform mindset and the dedication to break down organisational silos, driving the move to a flexible, cloud-based infrastructure. *Optimises: operating margin and cost-to-income ratio.*

• **Digital Work**: Underpinning both Digital Customer and Digital Core, this domain illustrates that digital success is all about humans and radical changes to how work is done. Relevant actions include evolving leadership capabilities and appointing new leaders, changing mandates and budgets, evolving ways of working, and redesigning the structure. The digital age facilitates a paradigm shift from ‘work is where you go to’ to ‘work is what you do’. This requires a (new) digital mindset to empower those who lead, organize and do the work to reap the full benefits of a digital transformation. *Optimises: business agility & adaptability.*

Contributing in different ways

Each of these domains of transformation is vitally important and they’re heavily interlinked, but they each contribute to success in different ways. Digital Customer drives top-line growth, Digital Core increases operating margin, and Digital Work is the indispensable link between the first two domains.
A business case for ‘Being Digital’

Only companies that have invested in each domain, and that have reached mastery level in those domains, are future ready: innovative, customer centric, low cost, modular, agile, ecosystem ready, offering great customer experience and treating data as a strategic asset.

There is clear evidence that reaching this future ready ‘Being Digital’ state pays off in terms of superior net margin. MIT CISR research\(^1\) analysed the impact of investments in “Digital Experience” versus investments in “Operational Efficiency” (“two categories equivalent to “Digital Customer” and “Digital Core”). The researchers have found:

- Companies lagging in both dimensions exhibit a net margin of only -5.1%, compared to industry average.
- Companies that invest solely in Digital Experience will increase NPS and possibly achieve top-line growth but improve their net margin only slightly, which means the results will still be below industry average (-3.6%).
- Companies that invest in Operational Efficiency alone will increase their cost-to-income ratio which leads to an above-average bottom-line net margin (+4.6%).
- Superior results by Companies, with a net margin of +16.0% above market average, has only been achieved by investing in both Digital Experience and Operational Efficiency.

A holistic approach is required

Enterprises that earlier have decided to distinguish ‘digital’ from ‘IT’ have benefited from the ability to innovate fast in a separate environment and as such accelerate in the Digital Customer domain. After a few years, however, they often see themselves confronted with limitations to what they can achieve in their customer engagement and delivery models. Increasingly, these companies feel the need to bring ‘digital’ and ‘IT’ closer together. This should not come as a surprise as the three domains of digital transformation are highly dependent on each other, and since future readiness cannot be achieved by focusing on a single domain (e.g. Digital Customer).

Other companies have tried to become digital by org designing their way into the future. Implementing new structures and adopting new ways of working without addressing the digital technologies that are needed to facilitate these new delivery models. These companies also see themselves confronted with the limitations of their approach.

The path to future readiness requires a strategy in which Digital Customer, Digital Core and Digital Work are considered together and not in isolation, aiming at the three objectives: top-line growth, operating margin and business agility and adaptability.

This holistic approach to digital transformation will likely have consequences for organization and leadership\(^2\). Rather than having multiple leaders that each focus on one domain of digital transformation, there is a need for Digital/IT leadership that has a broad view on all domains of digital transformation and can set out and navigate the holistic journey across the domains to future readiness. Likewise, rather than organizing ‘digital’ and ‘IT’ in silo’s, they need to be brought closer together, with dedicated accountabilities for all C-suite members (e.g. Chief People/HR Officer, Chief Data Officer, Security Officer).

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\(^1\) Weil, Peter and Stephanie L. Woerner, Future Ready? Pick your pathways for digital business transformation, MIT CISR Research briefing, September 2017

\(^2\) This topic will be discussed in-depth in a forthcoming publication ‘Organizing Digital Transformation’
Digital Customer

Constantly reinventing customer value propositions by adding new digital offerings and services, extending the reach to new customer segments, and delighting customers through a seamless omni-channel customer journey.

Customer centricity
First and foremost, it’s critical to foster a mindset and way-of-working that start and end with the customers’ needs in every facet. Really understand who your customers are and what matters to them. Get your people, teams and structures geared towards delivering value and making an impact that matters for your customers, rather than looking at the customer through the lens of existing products and services. Embed human centric design in all your operations with mature design thinking capabilities. End where possible, co-create with your customers to imagine, deliver and run your future business.

Leverage customer insights
Secondly understand that, in every aspect of business, data is the new fuel in optimizing your digital business performance. Whether it’s intelligence on customer profiles, behavioral or transactional data, web clickstreams or IoT feeds, having the data is core to being digital. Gather and enrich a 360° customer view and unlock it to your organization for real-time analysis and performance improvement of the business, from minimizing costs to improving your offerings and services experiences.

Deepening customer engagement
Get razor sharp on how you want to engage with your customers and what your future seamless omni-channel customer experience should be. Make digital the new default and deliver exceptional hyper-personalized customer experience across the various channels. Automate processes and touchpoints where possible to facilitate customer self-service. Ultimately, adopt a strategy to elicit emotions that extend beyond the usage of the product; creating an association between the product and the customer’s expression of self; and strengthening the customer’s sense of identity and status.

Go-to-market
In your digital go-to-market strategy its fundamental to rethink your brand ambition and brand values to align them to the digital aspiration. Use the potential of digital technology to identify latent demand and define new and uncontested value spaces to deliver new buying- and service experiences in your go-to-market. Use digital technologies such as the web, mobile apps, wearables, augmented- and virtual reality to open new distribution opportunities. A strong channel strategy can ensure these new distribution experiences will be intuitive, interactive, personalized, and context aware.

New business models
To identify which levers will maximize growth, businesses must be precise in reimagining how they deliver value to customers. It’s critical to target the right drivers for growth to direct your organization’s energy at opportunities that deliver real progress and attainable growth for your business.

As service is becoming the new product, for companies that sell tangible products, an important aspect of digital transformation is rethinking their value propositions and the digitalization of their existing products and services. Defining either completely new digital offerings or infusing digital technology into existing products to make them “smart” and to ensure the products are easy-to-access, adopt, and use. By ‘digitally wrapping’ existing products with APIs, they can be combined to new services and lead to new business models: subscription based, pay-per-use or value-based. Creating a recurring revenue stream is often the goal of these new models.
Dependencies on other domains

Digital Customer is not an isolated phenomenon but dependent on specific parts of Digital Core and Digital Work:

- Critical elements of Digital Core that enable Digital Customer are cloud adoption, API layer on back-end systems, data & AI platforms, cybersecurity.
- Critical elements of Digital Work that enable Digital Customer are digital leadership (dealing with ambiguity), cross-functional teams, agile and DevOps way of working, and a mindset of experimentation and innovation.
Digital Core

Enable efficient, predictable, low-cost, effective operations by digitalising processes, automating work, instilling discipline for business processes and leveraging data to make faster and better decisions. Break down organisational silos and move to a flexible, cloud-based infrastructure

Core systems revival

Modernizing legacy enterprise systems and migrating them to powerful cloud-based platforms helps unleash an organization’s digital potential. Along the way reducing complexity and getting rid of technical debt that accrued over years. The new paradigm is clean (as little customization as possible) cloud-based core systems, exposing a rich set of APIs to innovative custom-made services on top of the standard core systems. This will create a shift from thinking in “infrastructure” and “applications” to “platforms” and “services”.

Algorithms, Machine Learning and Robotic Process Automation are three approaches that can be combined to heavily automate tasks that were previously done manually.

Finally, building a Digital Core requires the company to re-think how the organisation works, end-to-end, across its value chain. It requires breaking the pre-pandemic silos that inhibit optimisation of the operating margin and flexibility (which is needed to constantly adapt to a changing situation).

Digitalized core processes

Modern core systems and modern technology can be applied to digitize an expanding range of core processes, including supply chain, finance, HR and IT itself. It is done by automating manual work, creating real-time insights and enabling data-based decision making. It makes processes more efficient, more value-adding and more responsive.

In supply chain, technology is used to digitalize procurement, production planning, stock management, and transportation planning. It creates real-time visibility in terms of materials and product availability in every part of the supply chain, paving the way for better decisions to optimise the chain.

A next step in digitalizing supply chains is to disseminate data in real-time across an ecosystem of parties, both downstream and upstream. Signals of changing demand can ripple out across a network in real time. Another trend in digitalizing the supply chain is an increased segmentation of customers and differentiating services provided to each customer (balancing costs and service).

In finance, digitalization brings largely automated finance operations, shifting focus to the control role. In addition, finance goes real time, decision making will no longer be depending on periodic reporting. Insights become available through self-service. Finance professionals will add value by discussing actions that can be taken, focusing on the most complex business decisions and on exceptions. New finance capabilities will be used to change budgeting and accounting processes to support agile innovation.

Data Driven Organization

Data will be the lifeblood of the Digital Core and enterprises will create advanced data capture capabilities and adopt next-generation cloud-based data stores that are optimized for use by algorithms and machine learning (ML). Algorithms and ML are used to discover patterns and anomalies in vast amounts of structured and unstructured data, and to make decisions and predictions.

The engineering of ML models needs to shift from personal heroics in an artisanal approach to a standardized and industrialized approach, just as DevOps did for software engineering before. Data scientists need to be accompanied by other professionals to help with data management, model deployment and model monitoring and management.
The operational use of ML will generate new AI ethics issues to deal with. For example, related to accountability of decisions made by AI models, transparency of decisions made by ML models and compliancy to laws and regulations (non-biased, privacy).

### Modern technologies

The Digital Core will take advantage of an array of new technologies. Rather than just shifting workloads to the cloud, companies will strive to adopt cloud-native architectures to foster innovation, increase speed to market, and lower costs. Robotic Process Automation will be used to automate routine tasks. In-memory databases provide new possibilities for real-time analysis. Non-relational databases, among which graph databases, will be used to store heterogeneous data sets. Low-code platforms will be used to recreate legacy IT assets and reduce the complexity of the legacy IT estate. Finally, IoT technology will be used for IT/OT convergence that will bring the digital world and the physical world closer together.

### Zero trust security

Traditional castle-and-moat approaches of securing the ‘perimeter’ become infeasible as the number of digital touch points increases, expanding and dissolving the network perimeter. Rather, the Digital Core requires a zero-trust architecture, assuming that every connection is coming from an unknown user of device. It authenticates every action based on granular policies and the principle of least privilege to protect the smallest possible surfaces. This zero-trust architecture will go hand in hand with micro segmenting of networks, multifactor authentication and a rationalization of the security stack.

### Combining it together

Success in all five of these areas will reveal itself in the operating margin and cost-to-income ratio. To master Digital Core is to lay the foundation for success in Digital Customer as well, completing that long evolutionary journey to digital transformation. We can't go back to the old world and its outmoded processes and paradigms; the only choice is to move forward, opening opportunities to thrive.
Digital Work

Underpinning both Digital Customer and Digital Core, this domain illustrates that digital success is all about humans and radical changes to how work is led, organized and done.

Digital Work consists of five areas, that together shore up Digital Customer and Digital Core; the ecosystem, organization, team, leader and individual. When Digital Work is optimized along these five areas, organizations can accelerate digital transformations, as these interventions empower and support people to make most of their work. This requires a human-centred approach to digital transformations, involving the whole organization, across all levels, aligned around a common purpose for its customers and the society it operates in.

Creating and capturing new value in ecosystems

Harnessing the ‘network effect’ of ecosystem partners, alliances, crowdsourcing, and off-balance sheet pools of talent (e.g., flex, gig workers) dramatically increases opportunities to create and capture new value.

In addition to building more flexibility into their workforce, adaptable organizations are shifting to a stronger outside-in mindset, focussing on outcomes that delight customers, thereby injecting more purpose and meaning into everyday work. In doing so they break these outcomes down into small achievable ‘missions’ that they can mobilize and organize teams around.

Organizational redesign

Most organizations have been designed for effectiveness and efficiency in a predictable business environment. The reality of the digital era is that the commercial environment in which companies operate becomes more dynamic and unpredictable. Rather than being designed for efficiency alone, organizations also need to be designed for adaptability.

This means that an organization design uses ‘missions’ as input to mobilize work and workforce around. Missions are identified in the ecosystem and either anticipate new demand (from optimization to product innovation) or they are formulated around a (rapid) response needed, for example due to market fluctuations.

Missions are mobilized with multidisciplinary teams. These teams operate with short feedback loops, allowing for changes when needed to continuously keep the customer experience optimized. Contrary to these highly flexible teams, the parts of the organization that needs stability, consistency and standardization remain organized in functional teams. These teams, also referred to as the ‘stable core’, aim for maximum efficiency. Organizations that manage to establish ‘multi speed’ by dividing work in adaptable teams and more stable, functional teams are succeeding in simplifying their organization structure and making them fit-for-purpose.

Cross-functional agile teams

When organizations have managed to adopt an organizational structure that performs well at multiple speeds (through a stable core and a flexible network of teams), it is time to change ways of working, and adopted agile practices. Rather than taking a textbook approach, these new ways of working need to be contextualized, and made meaningful to drive outcomes in the environment where teams apply them. Teams need space to experiment with new routines, cadences, accountabilities and ceremonies to fit the work they need to get done.

Digital leadership

High-performing digital teams have leaders that inspire and remove impediments, instead of trying to control the team’s actions. The most valuable leadership trait, also in a digital context, remains the ability to provide vision, direction and purpose. Teams need a transformative vision to subscribe...
to, and leaders who can adjust their priorities if circumstances change. They must also be able to lead multidisciplinary teams and missions. This requires a shift from a ‘command and control’ mindset and positional authority toward empathic orchestration. Leaders bring together leading experts who have much deeper expertise than they may have themselves; it takes vulnerability to acknowledge this and demonstrate it in the way leaders interact with teams. They lead the development of the digital capabilities and support teams to adopt new ways of working needed to thrive in the digital age. They invest in promoting psychological safety in teams and invest in coaching teams to drive continuous learning and enhanced inclusion in day to day practices.

**Empowered individuals**

A solid foundation for Digital Work is established by changing talent management and HR processes such as succession, rewards, (team-based) performance management and continuous learning. These environments encourage moving laterally between “employee experiences” instead of only elevating up a career ladder. This requires a different underlying infrastructure that knows how to effectively, and digitally, connect employees across (global) networks, that also operate seamlessly virtually.

**Contribution to Digital Customer and Core**

Digital Work is an enabler for Digital Customer and Digital Core, but in slightly different ways. Most parts, like digital leadership, cross-functional teams, agile, DevOps and continuous learning are relevant for both. There are, however, also parts that are more relevant for Customer or for Core:

- An outside-in mindset and a culture of experimentation and risk taking is more required by ‘mode 2’ technology than ‘mode 1’ technology. Hence, Digital Customer is likely to need more of it than Digital Core. The same is true for skills like Customer centricity, Design thinking, Hypothesis generation, Storytelling, etc.

- A platform mindset, part of a sound engineering culture, will be required more by large complex systems that have in general a ‘mode 2’ nature. Hence, Digital Core will need more of it than Digital Customer. Platforms will need to be designed and maintained with an outside-in view, ultimately driving customer delight.
Navigating the journey

There is no such thing as a one-size-fits-all journey to future readiness. Multiple pathways are possible, and executives should carefully choose the one that fits their company best.

A spectrum of interventions

Considering the three domains: Customer, Core and Work, we see three major archetypes of interventions that companies can take.

Transforming the Enterprise

In the middle, we see interventions that combine many elements of Customer, Core and Work, especially those elements where the three domains intersect and where the dependencies are.

- The part of Digital Customer related to reimagining the digital engagement model, brand ambition and values, customer journeys, customer experience and leveraging customer data.
- The majority of Digital Work including operating model, organization redesign based on loosely coupled autonomous multi-disciplinary teams, agile way of working and DevOps, digital skills and competences of individuals, optimizing the ‘employee experience’, culture and mindset, rewards, and digital leadership.
- The part of Digital Core that is enabling which includes setting the first steps towards a cloud-based infrastructure, moving to an API architecture with containerization, introducing platform thinking, and setting up a data infrastructure and advanced analytics tooling.

Transforming the Business

A second approach focuses entirely on growth and encompasses all elements of Digital Customer at the far-left side of the diagram. It starts with anticipating what customer needs will look like in the future, and how the company can respond. What are the most attractive opportunities for growth, and gauge their desirability, feasibility and viability to assign priorities and define way forward? Embrace speed to deliver a growth proposition to the market as quickly as possible. Place a deliberate focus on the growth opportunities that will drive a disproportionate amount of ROI in a resource constraint world.
Accelerated Digital Transformation

Practice high-speed interactive decision making, moving quickly as a team. The company that is most likely to thrive is an adaptable digital-first enterprise. It endeavours to break out of historical silos, building the capabilities to rapidly sense, shape and adapt to changing customer behaviours faster than the competition.

Transforming the Backbone

A third set of interventions focuses entirely on the digital core, and on the type of ‘open heart surgery’ that comes with digitalizing core processes. It is about applying digital technology across an expansive range of business processes, including finance, HR, IT and supply chains. For example, by digitalising stock management, procurement and transportation planning processes, companies can reduce manual work and slash full-time equivalent costs. It would also create real-time visibility in terms of materials and product availability in every part of the supply chain, paving the way for better decisions to optimise the chain.

Next to digitalization of the core processes, interventions will also be focused on radical simplification of the application landscape, combined with a full shift to cloud.

The digitalization of core processes will go hand in hand in extending the capabilities for data and analytics to become an Insights Driven Organization. This closes the loop as digitalized processes first generate the data that is needed, and at the same time make it possible to use the insights to act on it fast.

Another lens for navigating the journey

Another lens to consider options for navigating the journey is to choose between multiple pathways that have been identified in MIT research\(^3\), reflecting the reality that an organisation may have only limited resources or ability to change. MIT researchers identified four pathways:

A. **Prioritise Growth** (Customer) above Operating Margin (Core). This route is typically chosen when the top-line growth is below market average and the enterprise needs to secure market share on short term while investing in establishing a digital core (which takes considerably longer time). Note: this does not imply that no work is done on Digital Core. Cloud adoption, API’s and Security will often be done to enable Digital Customer. However, ‘open heart surgery’ like digitalizing core processes by replacing enterprise systems will likely be prioritized later.

B. **Prioritise Operating Margin** (Core) above Growth (Customer). This route is appealing when there is great potential for operational efficiency, or when cost savings are needed, and current customer engagement model is enough to secure market share. Elements of Digital Customer with a ‘low hanging fruit’ nature can also be done, but a major overhaul will be prioritized later.

C. **A hybrid approach**. An enterprise can take small steps in each direction – improving the customer experience and operations alternately, over several iterations, making quick wins in the early stages and more fundamental changes thereafter. This is the most complex option to manage, as management attention and resources need to be divided, and it is hard to articulate a clear focus that makes everyone pulling in the same direction.

D. **A greenfield approach**. An enterprise can also choose to create a whole new business next to the current business with the ambition to scale it either land it in the mothership once matured or keep it separate and let it become the core business over time.

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\(^3\) Weil, Peter and Stephanie L. Woerner, *Future Ready? Pick your pathways for digital business transformation*, MIT CISR Research briefing, September 2017
Planning your Next Steps

More than ever, digital transformation is the key to future-proof your enterprise. Answering these key questions can help executives kick off the dialogue about accelerating digital transformation.

Completeness of vision
- Acknowledging that superior Net performance can only be achieved by combining Digital Customer, Digital Core and Digital Work, which blind spots still exist in your digital roadmap and should be addressed?

Holistic view
- Does your digital strategy address Digital Customer, Digital Core and Digital work in an integral way, or still in a siloed approach?
- Does your digital strategy have a bias towards one of the domains and should focus be more balanced?

Direction of travel
- Considering the pace at which your digital transformation is taking place, where is acceleration required most?
- In terms of making future-ready choices, how do you prioritise top-line growth and operating margin? Which goal will you focus on first?

Short-term steps
- Given that COVID-19 has created a temporary window of opportunity to get more radical changes accepted in your customer model, operating model and business model, which short-term steps can be made now to take advantage?

Leadership
- Which leadership team is best equipped in terms of vision to turn this into clear actionable priorities for teams? Which leaders have enough risk-taking appetite, an ability to cope with ambiguity and ability to bring focus for teams to continue to collaborate effectively through volatile times?
- Are you prepared to invest in leadership development, and make difficult choices to bring new blood into the organisation?

Talent management
- Are you ready to invest time in rethinking traditional practices for performance management, succession planning, compensation and reward and learning?

Organization and governance
- Is your organization and governance to manage Digital Customer, Digital Core and Digital Work fragmented and siloed, or are the three domains managed as one?
Contact

Dione de Jong-Elsinga
Partner
Technology Strategy & Transformation
didejong@deloitte.nl

Abby Godee
Partner
Customer & Marketing
agodee@deloitte.nl

Amir Rahnema
Partner
Human Capital
arahnema@deloitte.nl

Dr. Andries van Dijk
Director
Technology Strategy & Transformation
anvandijk@deloitte.nl

Eeuwe Kamsteeg
Director
Customer & Marketing
ekamsteeg@deloitte.nl

Tessa van den Berg
Senior Manager
Human Capital
tesvandenberg@deloitte.nl
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