



How Digital Transformation Happens

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When talking about digital transformation, it's typically related to four upcoming technology megatrends: cloud computing, mobility, Big Data and social.

Though each of these four technologies can have a tremendous impact independently, it's in the implementation of them together in integrated solutions where the impact is more significant. The most interesting and disruptive things happen when they are combined, at the intersection of the four. The simple collecting of Big Data—without the possibility of cloud computing, of accessing them anywhere and anytime and sharing them through platforms that empower collaboration and discussion on the data itself—would be much less powerful.

And it will not be the amount of IT investment that will make the difference, but the capability to understand the maturity stage of each organization and to develop a clear strategy and an effective roadmap to empower the core differentiators each has using digital technologies. The focus, as always, needs to be on people. This should be crystal clear. The fourth industrial revolution—if we can call it that—is not related to standalone technology, but to adopting the technology needed to empower people and make them more effective in making better

informed and faster decisions. It's not the availability of big amounts of data that will make the difference, but the capability of users to leverage that data, transformed into information, to be fast and accurate in using them to drive their decisions. Technology can simplify, help or even automate communication, but flexibility and efficiency will come from people.

For this reason, none of the transformations related to the adoption of these technologies can happen without accompanying organizational changes, adjusting people's mindset, and tuning the company behavior and culture.

Recent studies show that the most beneficial effects of digital transformation do not happen simply by deploying one or more technologies, but embracing them to tune or transform the business models, developing new revenue streams related to core products or associated services. And the most impacted area is the customer relationship, where companies can use digital technologies to differentiate their go-to-market strategies and outperform competitors that are not taking the same approach or at least not as quickly. Early adopters have a strong competitive advantage on laggards that they can use to dramatically change the market share.

For this reason, in the current scenario it's extremely important to move fast: plan, start small and be ready to scale rapidly. There are still many concerns from many companies when it comes to adopting new technologies. The main one is security. Having data in the cloud, sharing information on mobile or social platforms is still considered a critical issue. The second one is typically the lack of standards that facilitate interoperability between different platforms. Neither of these reasons should stop the initiatives.

In terms of security, without underestimating the problem, we can certainly affirm that today a datacenter-based cloud installation is more secure than an on-premise server. The ability to study hacking attack patterns and develop the necessary countermeasures is much more effective for those that make cloud technology their core business, than those who simply manage IT security as a necessary activity to preserve their core business uptime. Moreover, cloud service providers can make significantly bigger investments in advanced and sophisticated protection systems than others.

Standards are beginning to facilitate data sharing, but connectors are already available to create a seamless user experience.

The most effective results happen when the technological change and the cultural change are part of the same growth strategy, implemented in parallel, all the while being extremely careful to implement them in the right order, taking care of the required priorities and dependencies.