

DIGITAL NEXT ADVISORY FROM HPE POINTNEXT SERVICES



WHAT IS DIGITAL TRANSFORMATION?

Most would agree that digital transformation (DX) today relates to anything from IT modernization to digital optimization, capability transformation programs, and creation of new digital business model value streams. Many organizations, in fact, 82% of CEOs have a digital transformation or management initiative underway.¹ However, similar to the buzzword “artificial intelligence,” digital transformation is now used extensively, but with various meanings across different industries, enterprises, and lines of business. The truth is there is no consistent and contextualized definition. Hewlett Packard Enterprise, however, does bring a consistent approach to DX in order to have your technology capabilities match to your business goals.

Your organization is running digital projects and programs, though this does not mean you are a digital business, at least, not yet. There is a distinction between digitization of, for example, processes and products and digital business transformation that elevates your business model with technology capabilities for greater value creation. The latter, among other outcomes, will boost customer experience (CX) as it is overtaking price and product as the key differentiator forming the new battleground.²

Digital business initiatives and core system improvements might seem like independent areas, but they belong together. Investing in DX means that organizational silos need to become connected in a digital value chain and, for that to happen, the core systems need to become more agile and interactive.⁵

According to Hewlett Packard Enterprise, enterprises of the future need the capabilities to operate from edge-to-cloud. The edge is where the CX and the explosion of data are happening—an intersection of billions of people and places and trillions of things is generating unimaginable amounts of data. The opportunity to bridge digital and physical worlds to redefine experiences is the task of DX. This is achieved by an ability to redefine the CX through the IT service supply capability basis, making it more likely to lead to market shifts and new value streams. Placing CX at the core of the enterprise operating model requires core system improvements that provide agility and efficiencies along the IT digital value chain.

DX, then, is the basis of addressing the need for an evolved operating model that shapes the implementation of your own flavor of becoming a digital business.

Do you think DX is not for you? Out of the boardroom, a majority of enterprise management does not only believe their industry will change but also believes it will be unrecognizable compared to today's industry.³

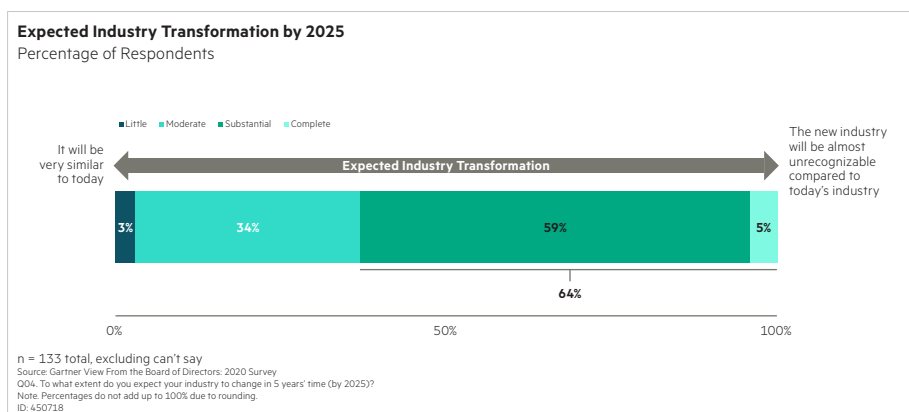


FIGURE 1. Expectation of industry disruption over time⁴

¹, ³, ⁴ 2020 Board of Directors Survey, Gartner

² 2019 Customer Experience Survey, Gartner

⁵ 2019 CIO Agenda Survey, Gartner

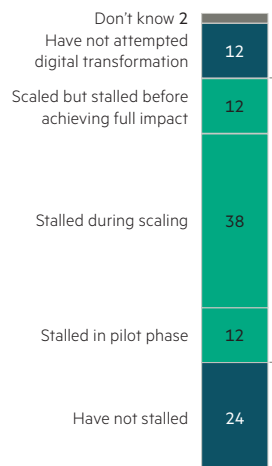
Your clearly defined digital ambition is key to have a clear direction and focus of your DX targets. You spend too much time meeting IT budgets and initiatives in a non-coordinated way. They remain as traditional optimization-based initiatives rather than transformation-based initiatives. Greater value is derived through the effective design and alignment of DX strategy—both in terms of budgetary spend and impact of DX on efficiency and agility. Having a plan is one thing, but successfully delivering DX is another. Statistically, the gap between your aspiration and your achievement is widening in attempting digital business transformation, principally because the internal skills sets are not in place to see the initiatives through (Figure 2).

In contrast, you can both propel and de-risk your progress by orchestrating your digital initiative landscape more effectively, identifying what to fast track from an initial idea into acting as a building block that other ecosystem improvements can leverage. The caveat being, this has to be driven from the top of the organization. Without a shared ambition and an established guiding coalition, your digital progress will continue to stall and targeted outcomes will be missed.

DX is at the center of modern organizational strategies. IDC estimates the economic value of DX to almost \$19 trillion or more than 20% of global GDP.⁷

Most respondents say their organizations' digital progress stalled, with the majority of stalls caused by factors within organizations' control.

Where companies have stalled in their digital progress, % of respondents (n = 1,256)



Primary reason that momentum stalled, % of respondents reporting stalls*



* Figures were calculated after removing respondents who said "don't know" (6% of total responses); n = 731. Figures do not sum to 100%, because of rounding.
 ** That is, factors that are not likely to be overcome within 3 years.

FIGURE 2. Factors causing lost momentum in digital transformation⁶

⁶ 2019 Customer Experience Survey, Gartner

⁷ Worldwide Digital Transformation Strategies, An IDC Special Intelligence Service, August 2019

THE DIGITAL JOURNEY MAP

If digital transformation is the means to redefine customer experience, then the edge-to-cloud connection between that experience and the technology capability to provide it needs to be framed, providing the canvas for your business, operating and infrastructure models to be interlinked.

HPE has a proven approach, unique in the marketplace, to help you with your digital transformation journey. Together with your HPE Digital Next Advisor, you can frame the experience using the **Digital Journey Map**. Organizations across the world and from all industries are taking advantage of this framework and are mapping their DX efforts onto the Digital Journey Map, using the model to navigate through the disruption this era brings.

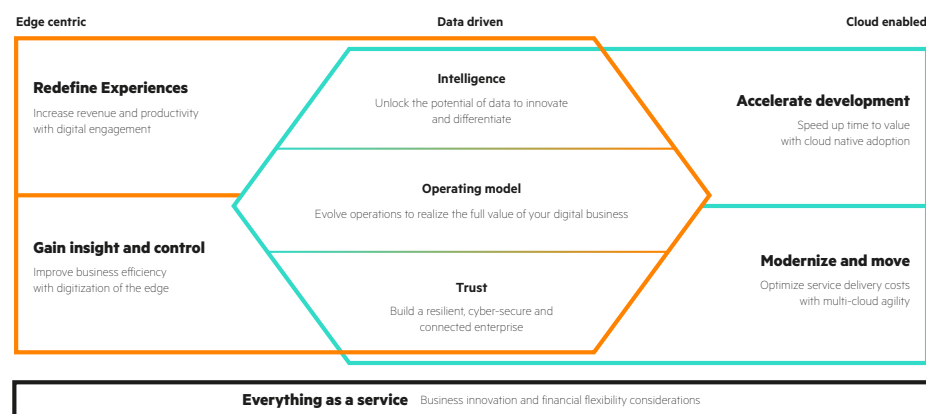


FIGURE 3. Digital Journey Map

DX related business goals

- Redefine experiences
- Gain insight and control
- Accelerate development
- Modernize and move

The Digital Journey Map identifies four DX related business goals toward becoming a digital business and through using the framework, it maps the necessary technology capabilities to deliver those goals. The business goals are:

- **Redefine experiences** to increase revenue and productivity with digital engagement
- **Gain insight and control** to improve business operations with digitization of the edge
- **Accelerate development** by speeding up time to value with cloud-native adoption
- **Modernize and move** to optimize service delivery costs with multi-cloud agility

Through the edge-to-cloud framework, the business goals create solid linkage and by extension so do the technology capabilities. In addition to the business goals, there are certain elements, common enablers to each of them that also need to be addressed. To realize the full value of your digital business, you have to evolve your current **operating model**. By unlocking the full potential of your data, you are gaining **intelligence** to innovate and differentiate yourself from your competitors. You are handling **trust** by building a resilient, cyber-secure, and connected enterprise to enhance your digital ambition. As markets and your customers move to consuming products and services as a service through innovation, you also need to address the service supply chain in an **everything-as-a service** consumption model for scaling, efficiency and agility.

REALIZE YOUR DIGITAL AMBITION WITH DIGITAL NEXT ADVISORY

Digital Next Advisory is a contemporary approach to assist you in directing your DX journey with the help of our edge-to-cloud expertise. The Digital Journey Map provides a highly visual, proven, lightweight, and accelerated execution of your digital ambition. Leading consulting experts from HPE Pointnext Services use this approach to kick-start your organization's goals toward DX.

This framework sets the foundation for your successful DX journey by fully addressing the challenges of each aspect, mitigating the drawbacks why transformation commonly fails. You can discuss your objectives and needs in a strategic conversation with the Digital Advisors to put your targeted outcomes into effect with the right technology in place to progress your value realization.

DIGITAL NEXT ADVISORY “MOMENTS”

To reap these benefits, the Digital Next Advisory engagement can be built of four **Moments**, each relating to where you currently are on your DX agenda:

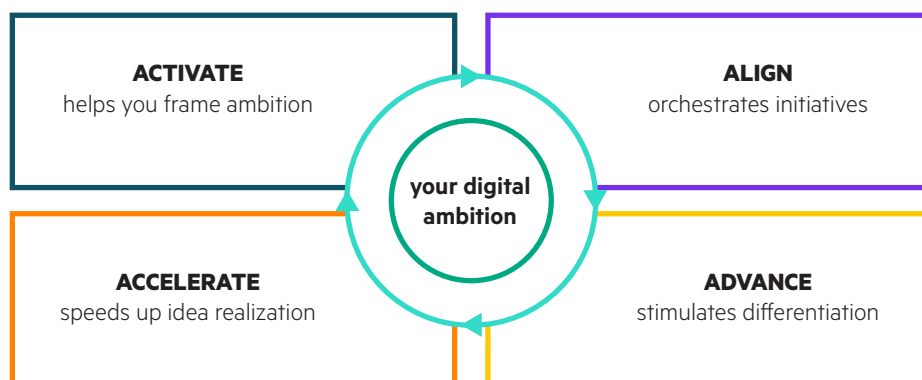


FIGURE 4. Digital Next Advisory Moments

Digital Next Advisory Moments

- Activate
- Align
- Advance
- Accelerate

Activate—helps you understand, articulate, and easily communicate your transformation effort with a unique, readily understandable model, where we familiarize you with the Digital Journey Map framework to capture your ambition that

- Creates a sense of urgency
- Communicates the vision

Align—orchestrates your packed transformation backlog, sequencing the initiatives and projects by aligning a powerful transformation team, where you can:

- Build and maintain a guiding coalition
- Accelerate movement by removing barriers
- Institutionalize strategic changes in the culture

Advance—stimulates your creativity to set the bar for your digital ambition with differentiating, meaningful CX that underpin your vision. Take your what ifs and:

- Formulate a strategic vision
- Communicate the vision
- Celebrate visible, significant short-term wins

Accelerate—identifies and engineers priority building-blocks to systematically plan the motion from digital idea to fast value realization, where you:

- Accelerate movement by removing barriers
- Celebrate visible, significant short-term wins
- Sustain acceleration of the vision, with an outcome that can closely couple with an Align Moment

These Moments can be applied at various stages of your DX journey, in a connected series when you are just kicking off your digital ambition or individually when your digital progress slows down or stops. At all times, HPE puts you and your business into the center of the discussion focusing on your outcomes, while at the same time keeping the customers you are serving, internal and external, in mind.

HPE SUPPORTS YOU TO BRIDGE THE GAP BETWEEN YOUR DIGITAL AMBITION AND REALITY

HPE is your trusted advisor to effectively articulate your comprehensive vision, get your people along with you on your DX journey together with the right tools and the right technology capabilities.

None of this can succeed without partnering. Bring your decision-makers with the responsibility to deliver value together with our Digital Advisors and achieve your organization's digital ambition. With the combination of the Digital Journey Map and the four Digital Next Advisory Moments, HPE Pointnext Services helps engineer your digital transformation, guides you based on HPE's comprehensive edge-to-cloud expertise, and accelerates the execution of your digital ambition with technology. Through the simple visualization of the map, you can spot unbalanced transformation areas more easily, better coordinate your transformation teams, and track your achievements. Let HPE help you identify the next steps to start delivering on your digital transformation promise.

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