



Enabling Digital Transformation

An Overview of AppCentrica's Digital Transformation Model

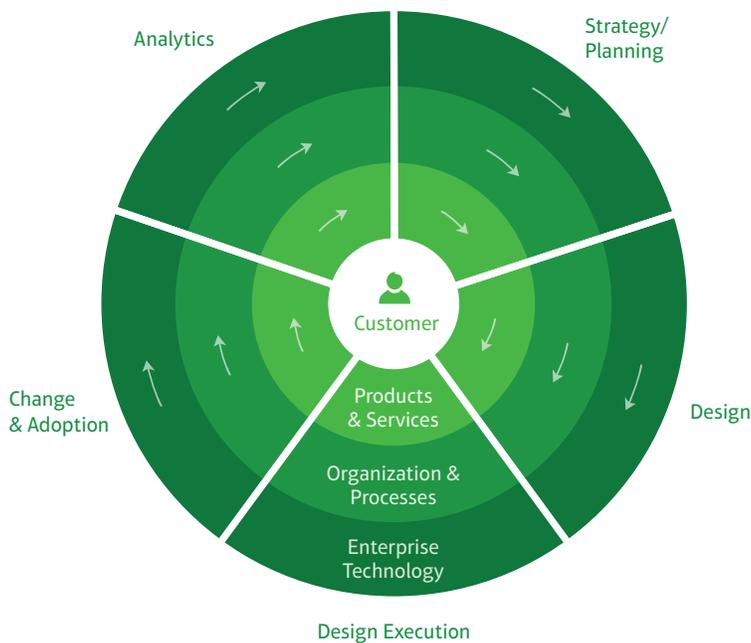
Across industries and markets, leaders in digital maturity and responsiveness are outperforming their competitors, generating more revenue per employee, achieving greater margins, and higher market valuations. We're in the "Age of the Customer". Companies who excel at end-to-end responsiveness by enabling digital technologies have a strategic advantage over businesses that don't.

Digital Transformation: More than a Marketing Function

Digital leaders are great at continually identifying and directing value to customer needs. They're set up for continuous change, and have a few key features:

- ▶ Digital Leaders manage an ecosystem of strategically aligned enterprise technology - providing an end-to-end "backbone" across channels and internal business functions within the organization.
- ▶ They use well-established analytical capabilities to enable the rapid identification, creation, extension, and reconfiguration of resources.
- ▶ They employ responsive decision-making and enablement functions.

AppCentrica's Digital Transformation (DT) Model



Digital Leaders:

+ **26%**
Profitability

+ **9%**
Revenue per Employee

+ **12%**
Market Valuation Ratios

Source: Capgemini Consulting and MITSloan. "The Digital Advantage: How digital leaders outperform their peers in every industry".

About AppCentrica

AppCentrica works with strategic technology and IT groups to enable digital transformation across the enterprise. We conceptualize, design, develop and integrate front and back end systems that typically form the "backbone" of digital transformation initiatives. Our capabilities address the critical needs of transformation, including security, data architecture, analytics, user experience, and the accelerated implementation of enterprise mobile, cloud and web applications.

AppCentrica's Digital Transformation (DT) model acknowledges that the scope of DT goes well beyond technology. Successful Digital Transformation programs impact processes, products, services, and suppliers. To achieve dramatic results, a top-down, bottom-up, end-to-end empowerment framework is needed, where all the resources of an organization are strategically directed around collaborative interactions.

Customer

The customer is positioned at the heart of a responsive organization and is the focal point of Digital Transformation initiatives. Responsive organizations understand that providing a great customer experience across well-defined customer segments can maximize value and engagement. It's important to remember that customer expectations and preferences have drastically evolved; customers expect goods and services however they want it, whenever they want it, wherever they want it. The delivery must be good, it must be fast, and it must be easy.

Products and Services

Evolving customer expectations and preferences has forced organizations to re-think how they define and deliver their products and services to customers. Meeting customer expectations let alone exceeding them is becoming progressively difficult in the digital economy. Organizations are investing in digital initiatives to better attract, engage, and retain customers. More efficient processes, more innovative services, better products, alternative delivery channels, more responsive engagement channels; these are no longer business aspirations, but business necessities.

Organization and Processes

Organizational culture is one of the most, if not the most, critical driver of Digital Transformation. Culture shapes the attitudes, beliefs, and aspirations of individuals, groups of individuals, and entire organizations. It influences the strategies that an organization employs to better deliver goods and services to customers. It influences how an organization structures itself, and the operational processes it employs. It is essential that company leaders are seen leading this transformation - otherwise the underlying culture will not change.

Many organizations struggle with effectively incorporating and adopting Digital Transformation principles, practices, and technologies. The Mobile, Social, Big Data, and Cloud digital movements are more than mere technologies to be implemented, they have to augment and in some cases replace traditional operating models and processes. Digital Transformation requires depth and breadth of experience across a broad spectrum of coordinated skills and subjects. As a result, strategic partnerships with digital suppliers, vendors, and subject matter experts have become more prevalent - and more critical, than ever before.

*"Culture eats strategy
for breakfast"*

- Peter Drucker

Enterprise Technology

Technology is a powerful enabler of change. It can help empower staff and improve collaboration. It can help automate processes and eliminate redundancy. It can help provide information and insight for strategic decision-making. It is rapidly evolving, constantly improving, and the enabler of Digital Transformation.

Ensuring that enterprise technology is empowering, rather than inhibiting, relies on establishing strategic changes; simplifying architectures, automating processes, and enabling collaboration and insight:

- ▶ **Simplifying enterprise technology** involves integrating systems, streamlining user-experience, improving analytics, and eliminating redundant systems to promote ease-of-use and engagement. This is most commonly achieved through strong strategic decision-making, enterprise architecture, and strategic design capabilities.
- ▶ **Automation** provides increased consistency, reduces transactional costs, and prevents enterprise technology from obstructing business strategy. Through automation of low value processes, employees can focus on high value priorities, such as quality of customer interaction and innovation.
- ▶ **Breaking down technology silos** within the organization allows people to collaborate and interact more effectively. When traditional barriers are removed, workforces are better able access to the right information at the right time, share, take action, and provide better customer service.

Responsive Capabilities

Beyond organizational structure, businesses must consider the overarching capabilities that enable responsiveness. These capabilities connect all structural layers of the organization and promote a continuous process of improvement. Being able to consistently adapt to changing customer needs and new opportunity hinges on customer-centric strategy, design, execution and analysis.

Analytics

The ability to develop insight from analytics and translate them into your digital business strategy is a critical capability for enabling responsiveness. Analytics promote continual improvement as they help inform future objectives and strategies.

AppCentrica can provide much needed perspective and insight for IT groups wrestling with technology challenges in strategic transformation.

Strategy and Planning

Strategy sets objectives and establishes an initial approach for an initiative, product, or service. Regardless of how accurate an organization's analysis or assumptions are, digital strategies tend to change following their first engagement with the customer. In the responsive model, strategy and planning are iterative and informed by performance feedback garnered by analytics. In this sense, the customer is a vital part of developing successful digital strategy, as their feedback guides evolving tactics that seek to refine the customer experience.

Design

Service design aligns strategy with customer needs. It involves organizing and mobilizing end-to-end capabilities and enterprise technology to improve products and services, and the overall customer experience.

Execution

In a responsive organization, lean, incremental execution methods are critical to maintaining speed to market and continual delivery.

Change and Adoption

Traditional businesses have difficulty with change, and yet in the world we live today, it's constant. Awareness and engagement of external and internal factors are needed to constantly evaluate and improve as an organization. Traditional businesses must address resistance to change as a cultural imperative to be successful in transformation.

Conclusion

To succeed and thrive in this new world, organizations must transform to become forward thinking and responsive to meet the shifting demands of consumers. Enabling organizational thinking and responsiveness requires a holistic view that recognizes enterprise technology, processes, products and services, should work together for the customer.

Enterprise technology lays the foundation for responsiveness by empowering people. Clarifying an end-to-end vision that focuses on empowering both employees within the organization and customers helps enterprise technology enable new capabilities in your company's value chain. This end-to-end vision improves the organization's ability to serve its customers. In this vision, products and services benefit from incremental and continual improvement, increasing speed-to-market and customer experience. Providing an optimal customer experience, in turn, drives the creation of engaging products and services that maximize value to the organization. Through enabling Digital Transformation, and relentlessly refining a positive experience, companies can build more profitable and productive relationships with their customers.

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