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PRESENTA
Innovation Gate Seminars

# ORGANIZZAZIONE SOSTENIBILE:
## IL RUOLO DELLA TECNOLOGIA

**ANDREA CARIGNANO**
CEO Altea Digital

> *"We are no longer in the business of building software. We are increasingly moving into the business of enabling efficient social and business interactions, mediated by software"*

# DIGITAL INNOVATION - **MATURITY**

"Maturing digital businesses are focused on integrating digital technologies, such as **social**, **mobile**, **analytics** and **cloud**, in the service of transforming how their businesses work.

Less mature **digital businesses** are focused on solving discrete business problems with individual **digital technologies**. "

*MIT Sloan Management Review and Deloitte's 2015 global study of digital business.*

DIGITAL TRANSFORMATION ISN'T REALLY ABOUT TECHNOLOGY.

IT IS ABOUT DEFINING A **CLEAR DIGITAL STRATEGY.**

# DIGITAL STRATEGY- **WHAT MATTERS**

**1** The power of a **digital transformation** strategy lies in its scope and objectives.

**2** Maturing **digital organizations** build skills to realize the strategy

**3** Employees want to work for **digital leaders**.

**4** The **digital agenda** is led from the top.

SUCCESS IN THE **DIGITAL AGE** REQUIRES REQUIRES GIVING TO THE CONSUMERS WHAT THEY WANT BUT TO MEET CUSTOMERS EXPECTATIONS **REQUIRES STRONG CAPABILITIES IN 4 AREAS.**

# DIGITAL INNOVATION- **WHAT MATTERS**

**1** Because the digital business model allows the creation- and shorter time to market - of digital products and services, **companies need to become skilled at digital-product innovation** that meets changing customer expectations.

**2** Companies need to provide a **seamless multichannel** (digital *and* physical) experience so consumers can move effortlessly from one channel to another.

**3** Companies should **use big data and advanced analytics** to better understand customer behavior.

**4** Companies **need to improve their capabilities in automating operations** and digitizing business processes.

# DIGITAL NATIVES

# DIGITAL ADOPTERS

# FOUR RULES
# TO EMBRACE DIGITAL INNOVATION

Customer
**Centric**

Bimodal
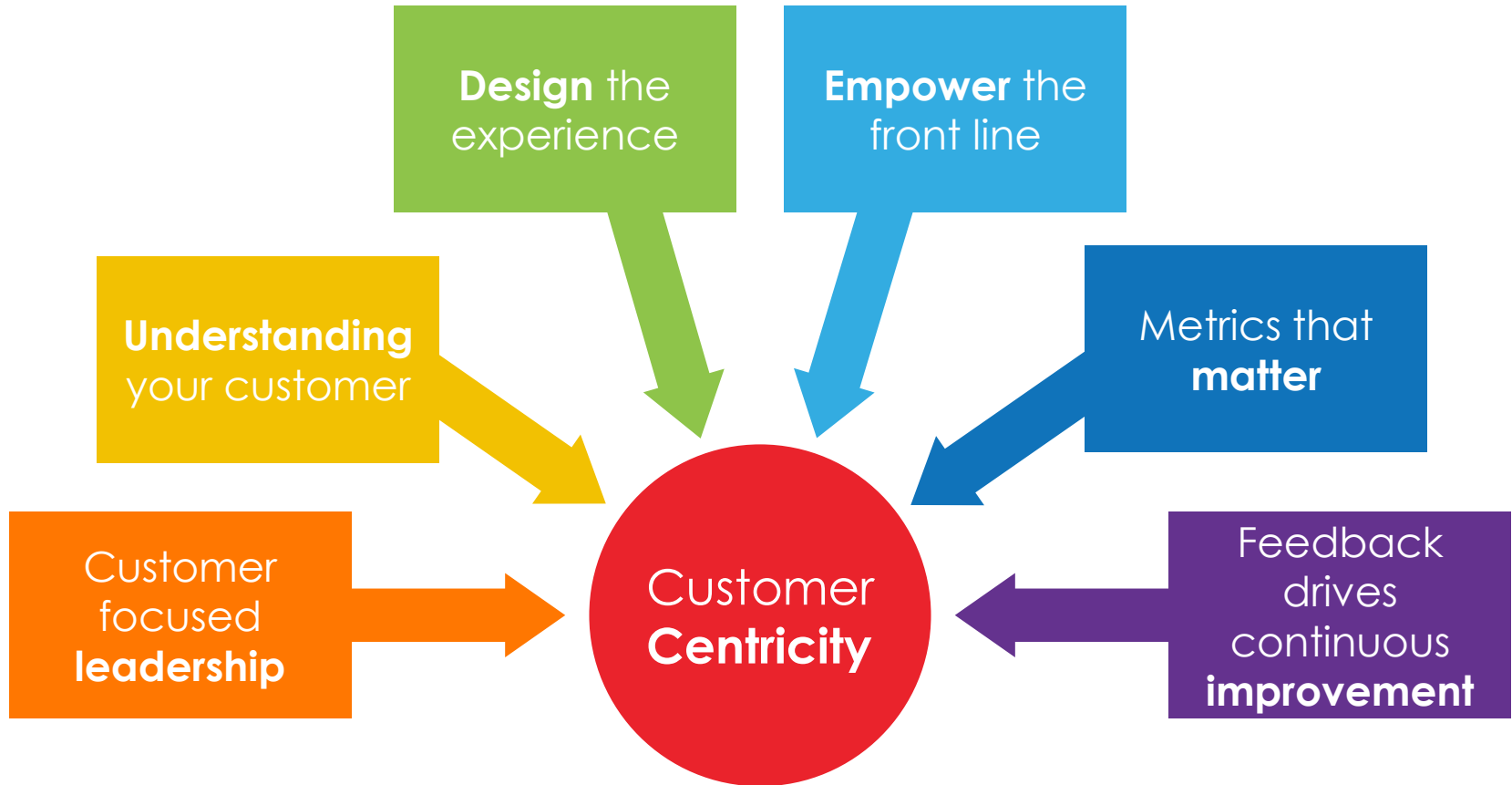**Approach**
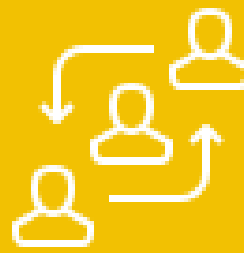
Company
**Cultural
Change**
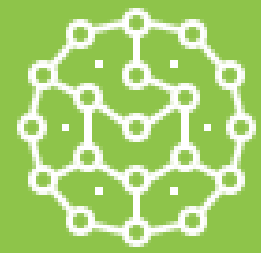
Adapted IT
**Infrastructure**

**CUSTOMER** CENTRIC

# **CUSTOMER** CENTRIC

**Design** the experience

**Empower** the front line

**Understanding** your customer

Metrics that **matter**

Customer focused **leadership**

Customer **Centricity**

Feedback drives continuous **improvement**

# PRODUCT CENTRIC vs CUSTOMER CENTRIC

STRATEGY

Create the **best product**

PEOPLE/CULTURE

New **Product Culture** -
looking for new products to develop

PROCESSES

New **Product Development**

REWARDS/METRICS

Rewards new **product development**

ORGANISATIONAL STRUCTURE

**Product Divisions** with P&L

STRATEGY

Create the **best solution**
for the customer

PEOPLE/CULTURE

**Customer Culture** -
searching for new needs to fill

PROCESSES

New **Solution Development**,
Customer Experience Management

REWARDS/METRICS

Rewards **people** with
deep insight **into customers**

ORGANISATIONAL STRUCTURE

**Customer Segments** with P&L

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# BIMODAL APPROACH

# **BIMODAL** APPROACH

Bimodal is the practice of managing two separate but coherent styles of work - one focused on **predictability** and the other in **exploration**.



**Mode 2** is exploratory, experimenting to solve new problems.

**Mode 1** is predictable, improving and renovating in more well-understood areas.

Mode 2

Bimodal

Mode 1
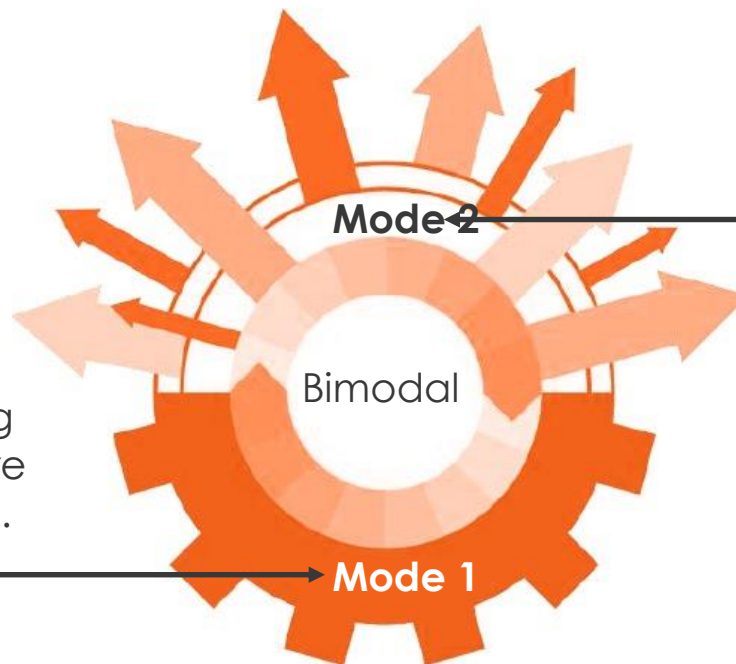
# BIMODAL IS VERY EXPERIENTIAL
## SHOW, DON'T TELL!

# BIMODAL HELPS DEAL WITH
## UNCERTAINTY IN A COMPLEX WORLD

Simply put, bimodal recognises that there are areas of the enterprise that have more certainty, objectives are clear, cause and effect is understood, we can predict and plan -
**Mode 1**

Mode 2

Bimodal

Mode 1
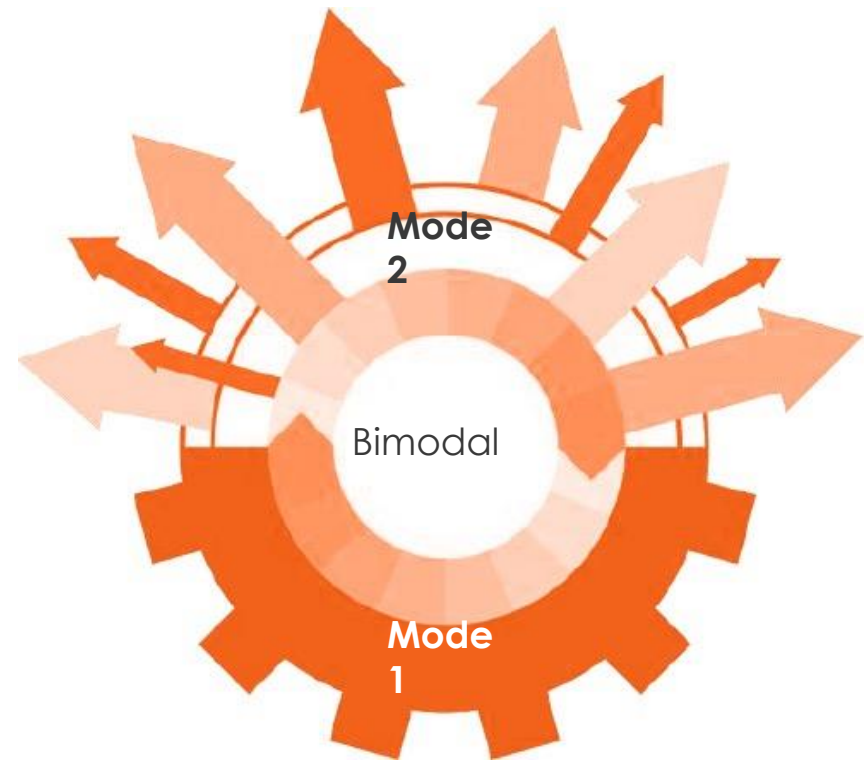
# BIMODAL HELPS DEAL WITH
## UNCERTAINTY IN A COMPLEX WORLD

In other areas, requirements are unclear and changing, the relationship between action and outcome is uncertain, and things are less well-understood at the start -
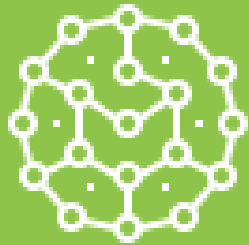**Mode 2**
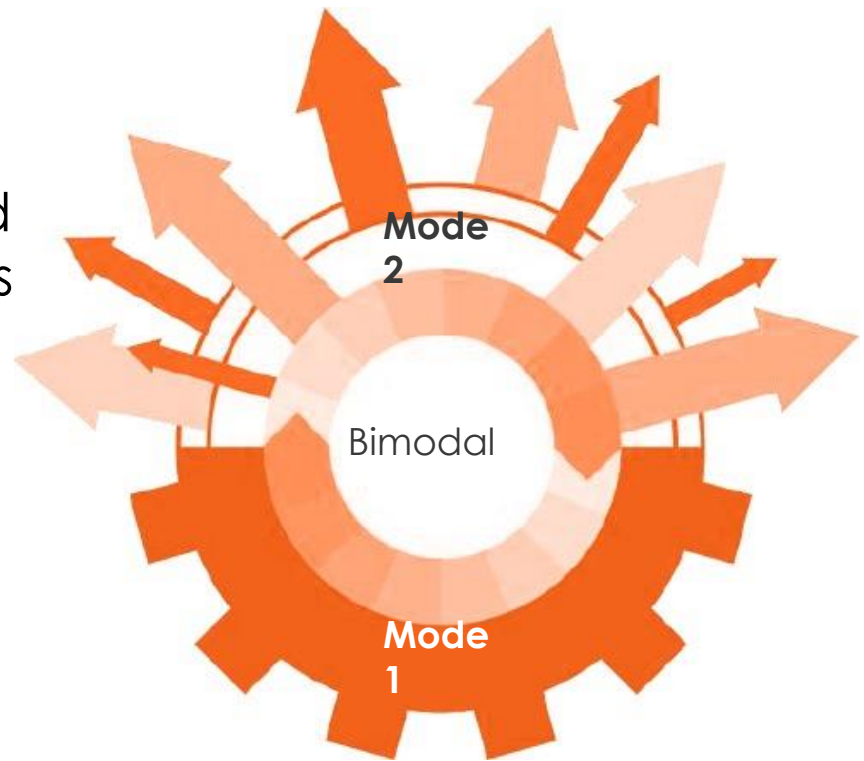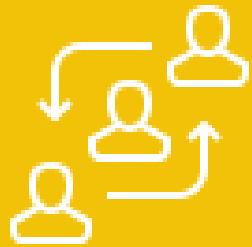
**COMPANY** CULTURAL CHANGE

# ROTATE STAFF FOR
# DEVELOPMENT & ENGAGEMENT

✓ Use Extensive outsourcing

✓ Rotate at least one person each month between operations, development and innovation teams

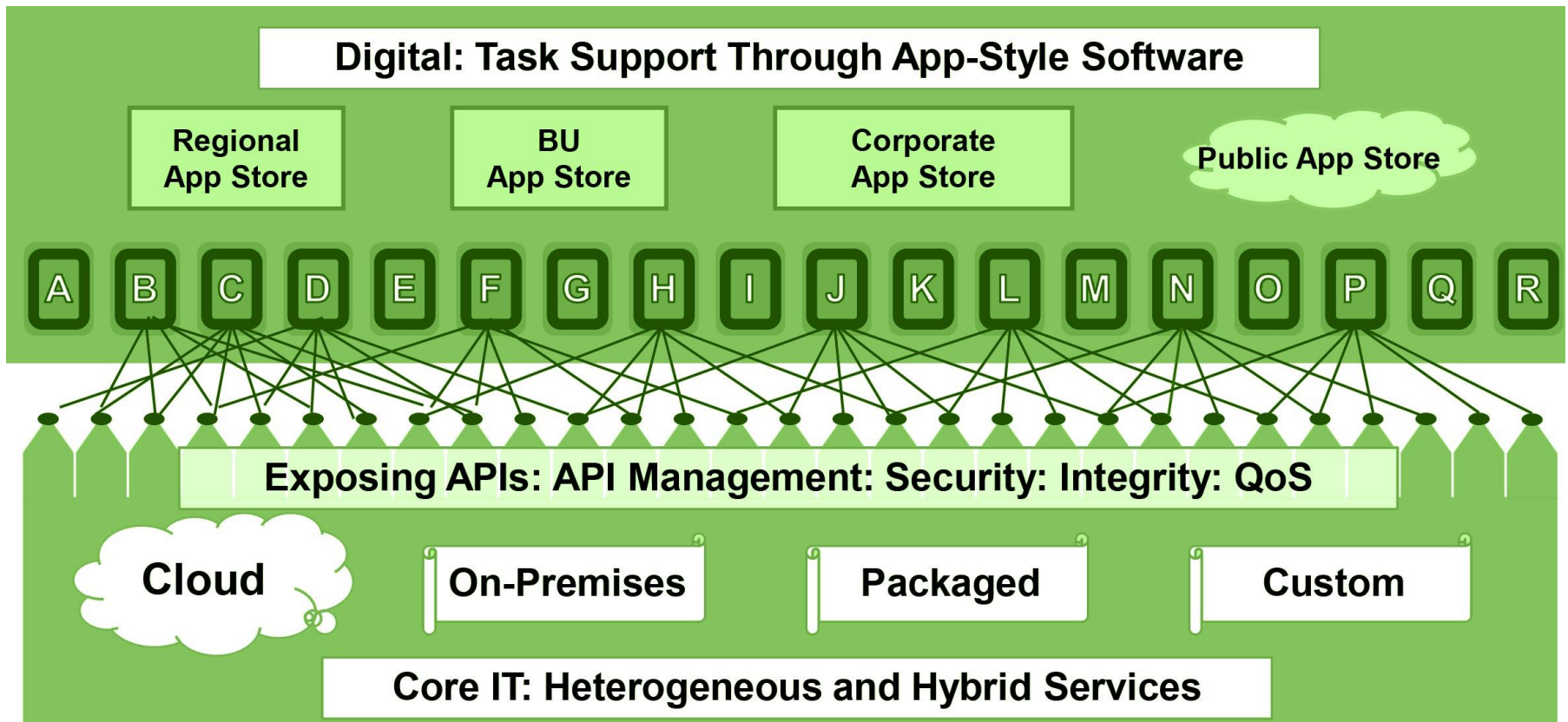# MULTIDISCIPLINARY,
# SELF-ORGANISING (SELF-SUFFICIENT-ISH)

Marketing

Engineering

User Experience

Data Analytics

Dev

Test Automation

Product Owner

DevOps

✓ Many variations on the theme

✓ Some more IT-centric, some more business-centric

✓ Increase levels of self-sufficiency as they mature

✓ Contingent on needs of the product

✓ Compliance, security, engaged early and late

# ADAPTED IT **INFRASTRUCTURE**

# ADAPTED IT **INFRASTRUCTURE**



**Digital: Task Support Through App-Style Software**

Regional App Store

BU App Store

Corporate App Store

Public App Store

A B C D E F G H I J K L M N O P Q R

**Exposing APIs: API Management: Security: Integrity: QoS**

**Cloud** On-Premises Packaged Custom

**Core IT: Heterogeneous and Hybrid Services**

# YOU CANNOT SCALE UNLESS
## YOU RENOVATE THE CORE

✓ SOA and API architecture

✓ Modernising application architectures, reducing software   and architectural complexity

✓ Application rationalisation

✓ Infrastructure agility, hybrid cloud

Bimodal does not offer a way to avoid tackling the thorny issues of renovating the IT core - nor is it an excuse to extend the life of outmoded or inappropriate practices. In fact, to scale bimodal, it's essential to address these troublesome issues.

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# RECOMENDATIONS

**1**

*Two-speed architecture*. This implies a fast-speed, customer-centric front end running alongside a slow-speed, transaction-focused legacy back end. For software-release cycles and deployment mechanisms, the customer-facing part should be modular, to enable quick deployment of new software by avoiding time-consuming integration work. In contrast, the transactional core systems of record must be designed for stability and high-quality data management, which leads to longer release cycles.

**2**

*Instant cross-channel deployment of functionality*. New microservices defining only a small amount of functionality, such as lookup of the next product a consumer would most likely purchase, should be deployable in an hour rather than in several weeks. Such microservices should also be available across all channels. Ideally, it should be possible to develop these services in multiple programming languages rather than being locked into a single development framework.

**3**

*Zero downtime.* In digital global operations, days-long maintenance windows are no longer an option. Upgrades of systems affecting the consumer's experience should be seamless, using a concept that allows the deployment of a new software or service in parallel with the old version. First, only about 1 percent of the user traffic is routed to the new version. Only when the new version fulfills a set of key performance indicators will all traffic be routed to the new version. Moreover, in daily operations, there should be fallback mechanisms in place so that issues arising in one service do not harm overall operations more than necessary. If, for instance, a retailer's personalized recommendation service is unavailable, a random recommendation in a relevant category would be displayed rather than an annoying web error page.

**4**

*Easy process configuration.* Business users themselves should be able to change automated processes. This would allow them, for example, to eliminate unnecessary process steps without requiring time-consuming coding by an IT developer.

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**5**

*Product factory.* Industries that provide digital products, such as banking and telecommunications, need to decouple the products from the processes. A bank, for example, would implement one sales process and reuse it for all products, such as accounts and cards.

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**6**

*Automated scaling of IT platforms.* In a digital business, workloads expand and become harder to predict. Ideally, this load would be balanced across private- and public-cloud environments, with mechanisms in place to ensure that when one provider has an outage, others can take over the workload.

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**7**

*Secure architecture.* In a digital business model, cybersecurity must be an integral part of the overall application. Not only does the company have more valuable data to protect, making it more attractive to hackers, but the digital strategy also opens new interfaces to customers, suppliers, and partners—interfaces that can be exploited by hackers.

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*API Economy -*

**8**

# Don't make buy!!
# …. And choose carefully!

MACHINE INTELLIGENCE 2.0

MACHINE INTELLIGENCE 3.0

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