Neil Ward-Dutton

What's Your Digital Posture?

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Organisations that are aggressively embracing digital technologies and platforms have a very specific attitude to change: they see change as needing to be continuous; part of 'business as usual'. They see that change needs to be incremental and driven by experimentation, rather than being periodic and planned in isolation from operational reality. Model-driven, 'low-code' business process application development platforms bring three core capabilities to organisations that are a perfect fit to help enable real digital transformation.

MWD Advisors is a specialist advisory firm which provides practical, independent industry insights to business leaders and technology professionals working to drive change with the help of digital technology. Our approach combines flexible, pragmatic mentoring and advisory services, built on a deep industry best practice and technology research foundation.

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The nature of change is changing

Digital transformation is a subject on every executive's lips – no matter what industry they're in. Organisations from sectors as diverse as financial services, retail, utilities and logistics see the threats posed by new digital natives entering their marketplaces. They want to find ways to protect against those threats – while at the same time improving the experiences they deliver to customers, improving their operational efficiency and agility, and driving more innovation into their products and services.

However, even though a great many executives consider digital transformation as a top priority, in our research work we've found very little real agreement between executives – even between executives in the same organisation – about what 'Digital transformation' actually means.

Figure 1   The two faces of digital transformation
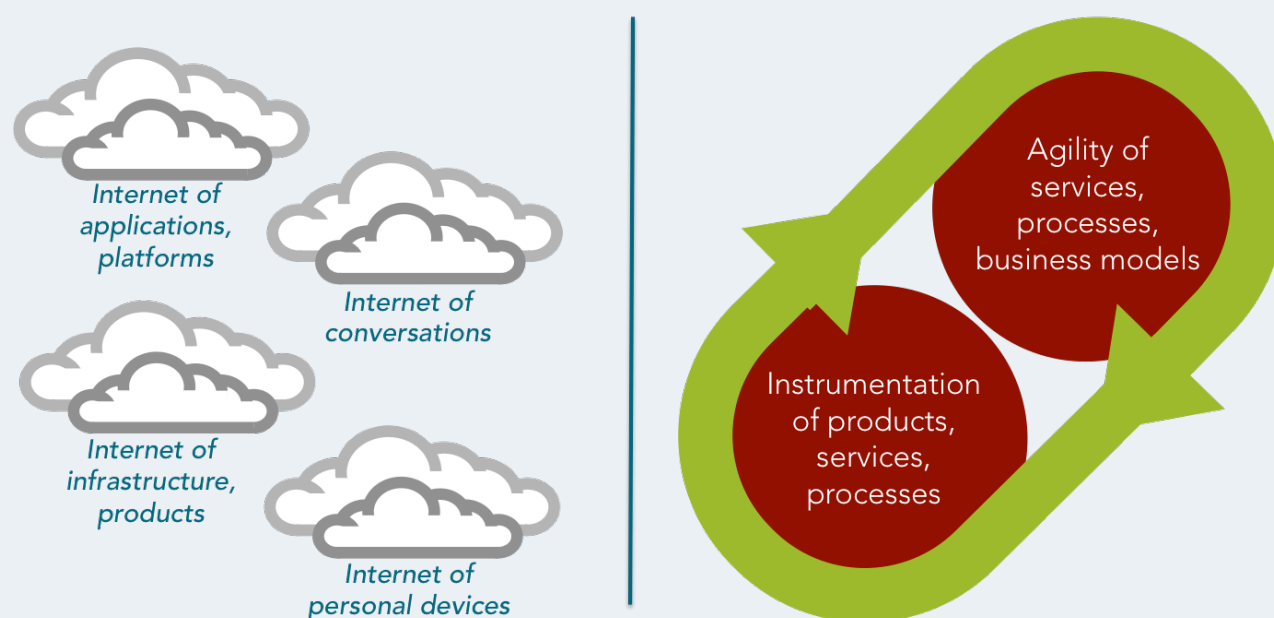
Source: MWD Advisors

Very often, we see that organisations fixate on the technology aspects of digital transformation: looking at how to use cloud, mobile, social, big data and analytics technologies (with more new technologies seemly arriving every week). However, this – the 'what' of digital transformation – is only one side of the story. The more fundamental side of the story is actually the 'how' of digital transformation.

What's really happening, through the exploitation of new technologies, is that the nature of business and technology change is itself changing.

When we look at organisations that are aggressively embracing digital technologies and platforms, we find that they have a very specific attitude to change that's fundamentally different from how most organisations approached change in the past.

They see change as needing to be continuous; part of 'business as usual'. Change is not seen as something that's conducted on a periodic basis, by specialised teams; these organisations see change as being incremental and part of everyone's responsibility. And change is not seen as something to be conducted in isolation from operations; change is driven by experimentation in real-world situations.

A digital strategy is a data strategy

Early embracers of digital business models operate their businesses on platforms that enable a virtuous cycle of instrumentation and optimisation. Digital-enabled products and services are instrumented and measured, revealing patterns of use and opportunities for improvement; customer interactions and operations are integrated, enabling seamless customer experiences; and the whole environment is managed so that changes can be made at scale, and quickly.

In other words: 'digital native' organisations build their business capabilities on digital platforms that enable them to do three core things in parallel, in an integrated way:

- Build new capabilities quickly.

- Measure what works and doesn't work.

- Make changes quickly, based on measurement and feedback.

When you're building new capabilities in this digital world, you need to think right from the very start about how you're going to gather measurements and feedback about what's working and what's not working – and how you're going to use those data flows to improve.

The pace of change you'll need to enable means that you can't look at data gathering, measurement and analysis as activities that can be carried out in an organisational silo that's separate from the teams who build capabilities; you need to consider construction, measurement and change capabilities all as part of one integrated whole. However, just because these skills and capabilities need to be integrated, doesn't mean that one homogeneous set of super-powered individuals will be responsible for doing all the work. In almost all cases different people with different specialisations will need to work together.

This has an important implication for tooling: if you're serious about embracing digital technologies and shifting to the new model of change that goes along with that, you need to use tools that enable you to manage capability delivery in an open, collaborative way – enabling change to be made at scale, with confidence.
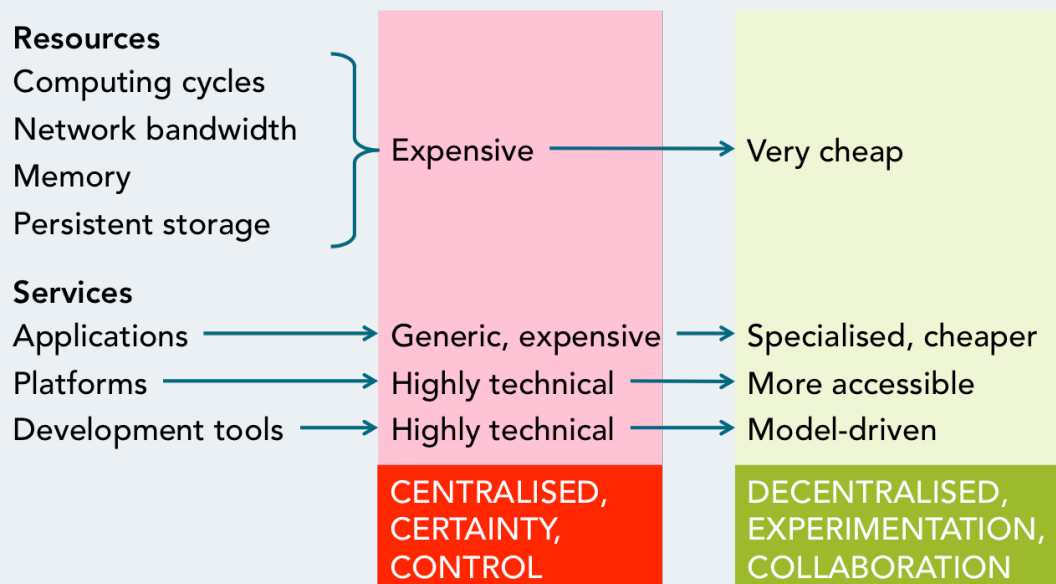
From scarcity to abundance

The experiment-driven, open, collaborative approaches to capability building and change that we see in forward-thinking organisations are made possible primarily by a mega-trend that doesn't get talked about enough: the shift in computing from a world of scarcity, to a world of abundance (see figure 2).

As the figure shows, we've moved over the past two decades from a situation where computing cycles, network bandwidth, memory and persistent storage were expensive; to a world, largely facilitated by global-scale cloud computing platforms, where the cost of accessing these resources is approaching free.

In a world where resource scarcity rules, the most important thing to do is to deliver outcomes with as frugal use of those expensive resources as possible. In a world here abundance rules, though, delivering outcomes through rapid experimentation becomes possible: and this creates new opportunities, but also new challenges.

On the upside, the ability to experiment rapidly and scale rapidly makes it possible to deliver outcomes in situations where requirements are hard to nail down precisely, and indeed may be changing fast. On the downside, ensuring that creativity doesn't lead to chaos means you need tools and techniques that bring all stakeholders together, and keep them together.

Figure 2   Computing resources: from scarcity to abundance

Resources		
Computing cycles		
Network bandwidth	Expensive →	Very cheap
Memory		
Persistent storage		

Services		
Applications →	Generic, expensive →	Specialised, cheaper
Platforms →	Highly technical →	More accessible
Development tools →	Highly technical →	Model-driven

CENTRALISED, CERTAINTY, CONTROL   **DECENTRALISED, EXPERIMENTATION, COLLABORATION**

Source: MWD Advisors

The other key insight, though – as also addressed in figure 2 – is that although core computing resources are becoming dramatically cheaper, access to talent isn't increasing in the same way. Sourcing offshore for development skills can be great in some situations, but in situations where you want to drive agile, collaborative change you need integrated teams working closely together.

The clear implication is that we need to be using tools that enable more people to contribute directly to capability building – concentrating the skills of our most technical people on the most gnarly, specialist tasks and enabling generalists with good analytical and structured-thinking skills to contribute too.
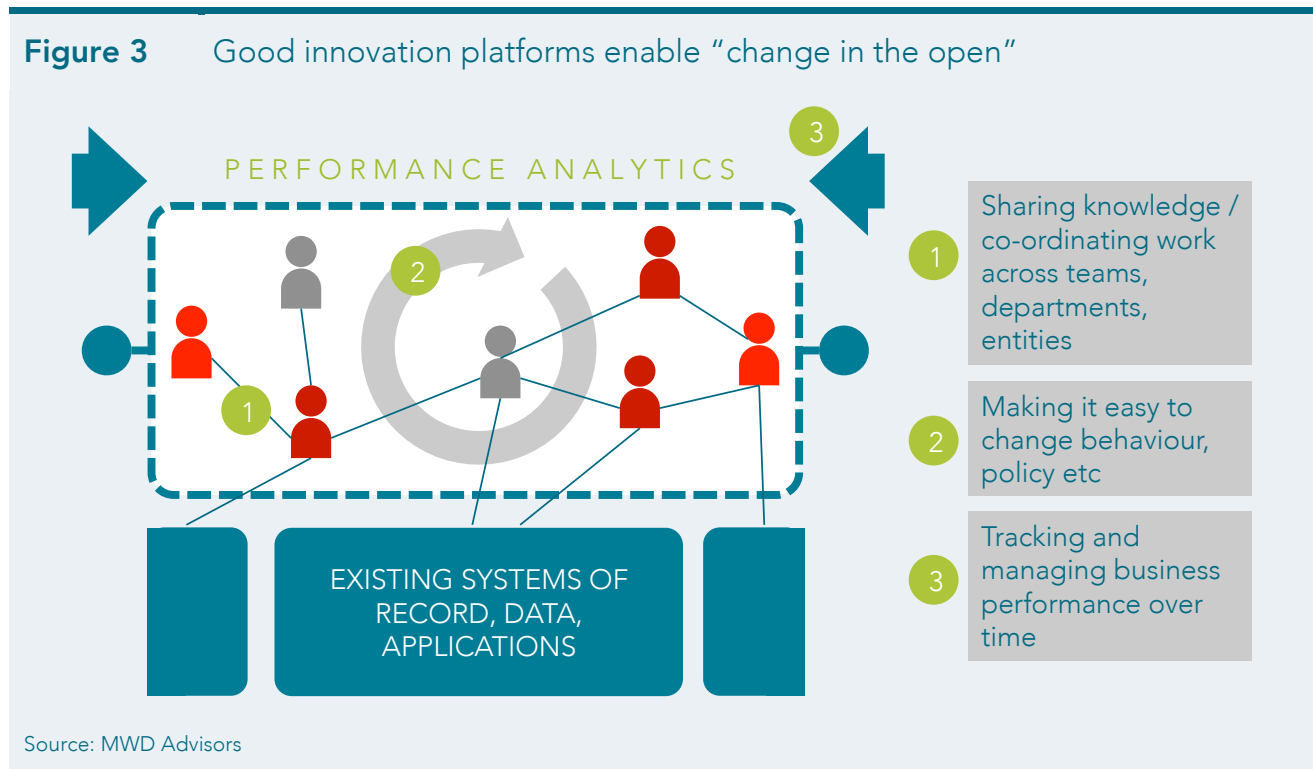
What's your digital posture?

Putting all this together: we've seen how a shift towards broad digital technology adoption – and to the change techniques associated with that – raise a particular set of requirements for tools and platforms that will underpin new capability.

These tools and platforms need to:

- Give you speed, insight and agility when you're delivering new business capabilities.
- Help you bring all stakeholders together, and keep them together, as you build new capabilities.
- Enable as many people as possible to contribute directly to capability building.

Good 'model-driven', low-code development platforms fulfil all these requirements. Because they work from logical, usually visual, models of application behaviour – rather than requiring developers to write thousands of lines of code – the applications they deliver can be developed in the open, and collaboratively.

What's more, making changes to the behaviour of applications – whether at the user experience, workflow, business rules or data management level – is easier to do with confidence, at scale and speed than it is if you rely on extensive custom coding.

Figure 3   Good innovation platforms enable "change in the open"

PERFORMANCE ANALYTICS

EXISTING SYSTEMS OF RECORD, DATA, APPLICATIONS

1 Sharing knowledge / co-ordinating work across teams, departments, entities

2 Making it easy to change behaviour, policy etc

3 Tracking and managing business performance over time

Source: MWD Advisors

As figure 3 shows, these platforms add value in three specific ways: making it easy to share knowledge and co-ordinate work across teams, departments and business entities; making it easy to change behaviour and reflect policy changes; and making it easy to track and manage performance over time (so providing a sound basis for continuous optimisation).

If you're seriously exploring how to enable real digital transformation in your organisation, a platform like this is a major asset. Many technology specialists may prefer to go their own way, using their own favourite collections of personal tools – but in situations like this, the results of their efforts will be difficult to sustain over time.

Model-driven, low-code tools make it easier to sustain productivity over time in the face of change; and what's more, they enable broader sections of your organisation's workforce to participate in design and development work intimately, because they don't require anything like the same level of technical knowledge to understand and use.