

# Managing Digital Transformations: An Overview

Digital Transformation Strategy &  
Leadership, Batch-2

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# Session Overview

- Changing role of IT in Organizations
- Levels of Digital Transformation
- Gartner's Hype Cycle
- What does Digital Transformation Impact?
- Digital Transformation Domains: CCDIV
- Digital Leadership
  - Business Process Reengineering
  - Change Management for Successful Digital Transformation

# Changing role of IT in Organizations

## First Wave (1970s)

- Automation of individual activities – order processing, bill paying, manufacturing, resource planning
- Increase in Productivity, Standardized Processes

## Second Wave (1980s-1990s)

- Rise of the Internet – Coordination & Integration
- Globally integrated supply chains – Productivity gains, Transformed value chain

## Third Wave

- IT an integral part of product itself, Product cloud
- Digital goods; Reshape the value chain; Triggering innovation

# Levels of Digital Transformation

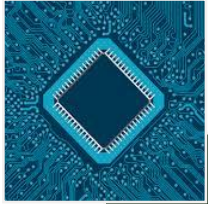


DIGITIZATION

DIGITALIZATION

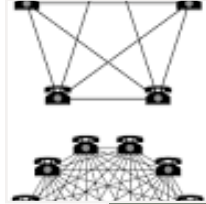
DIGITAL TRANSFORMATION

# Paradigm Change: The Three Laws of Technology



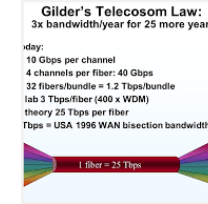
## Moore's Law

- Exponential increase in computing power at lower and lower cost



## Metcalfe's Law

- Effect/Value of network is proportional to the square of the network size



## Gilder's Law

- Bandwidth grows at least 3 times faster than computing power -Data Reliability

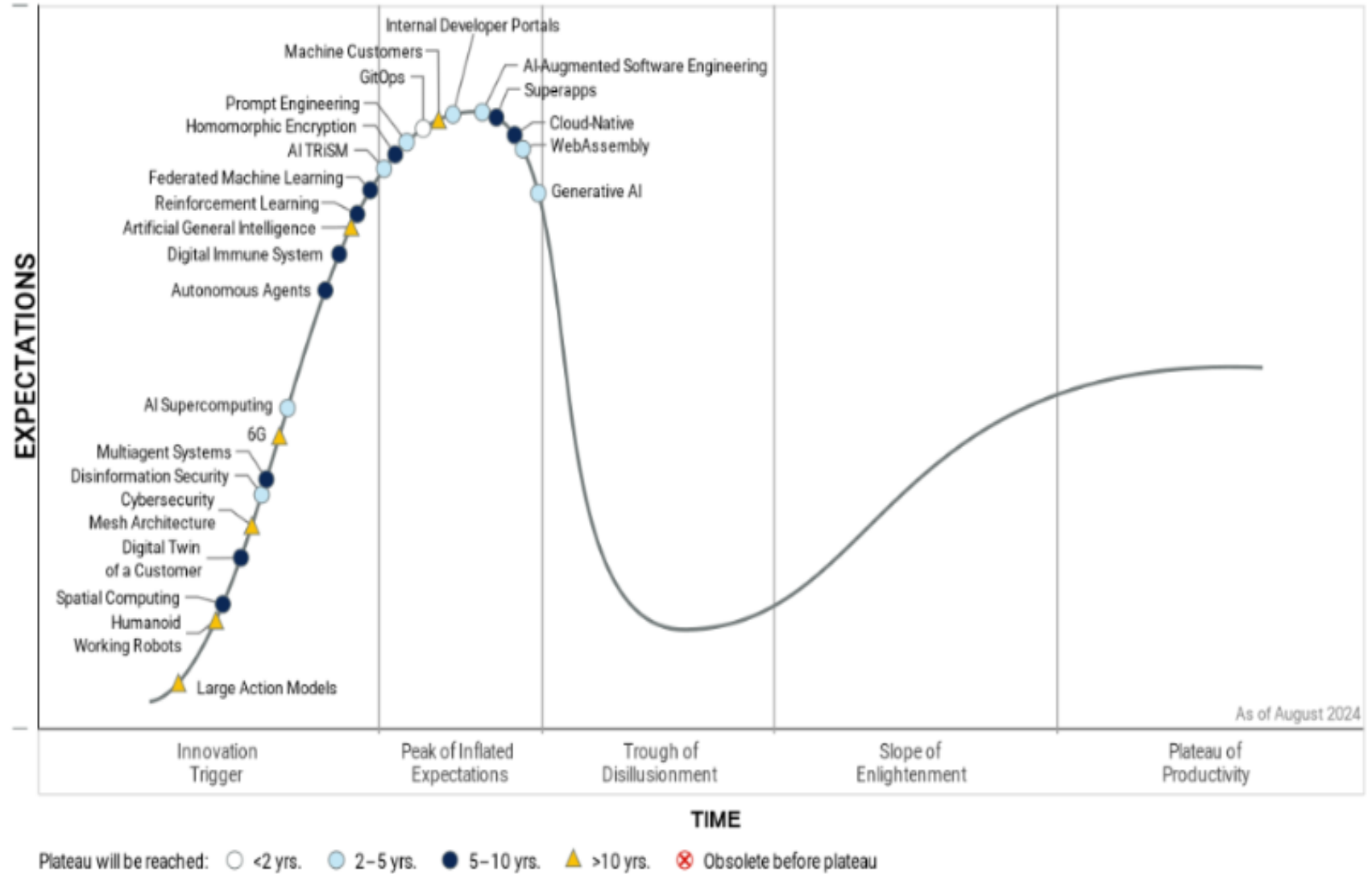
# Today's Digital Context

- Data reliance deepens - 'Real' businesses
- Demand grows more personal
- Internal and external boundaries blur - Crowd sourcing, Digital platform ecosystem
- Products become information-rich services - Product-as-a-service
- Work adapts to a broader role for machines
- Everything accelerates

# Gartner Hype Cycle

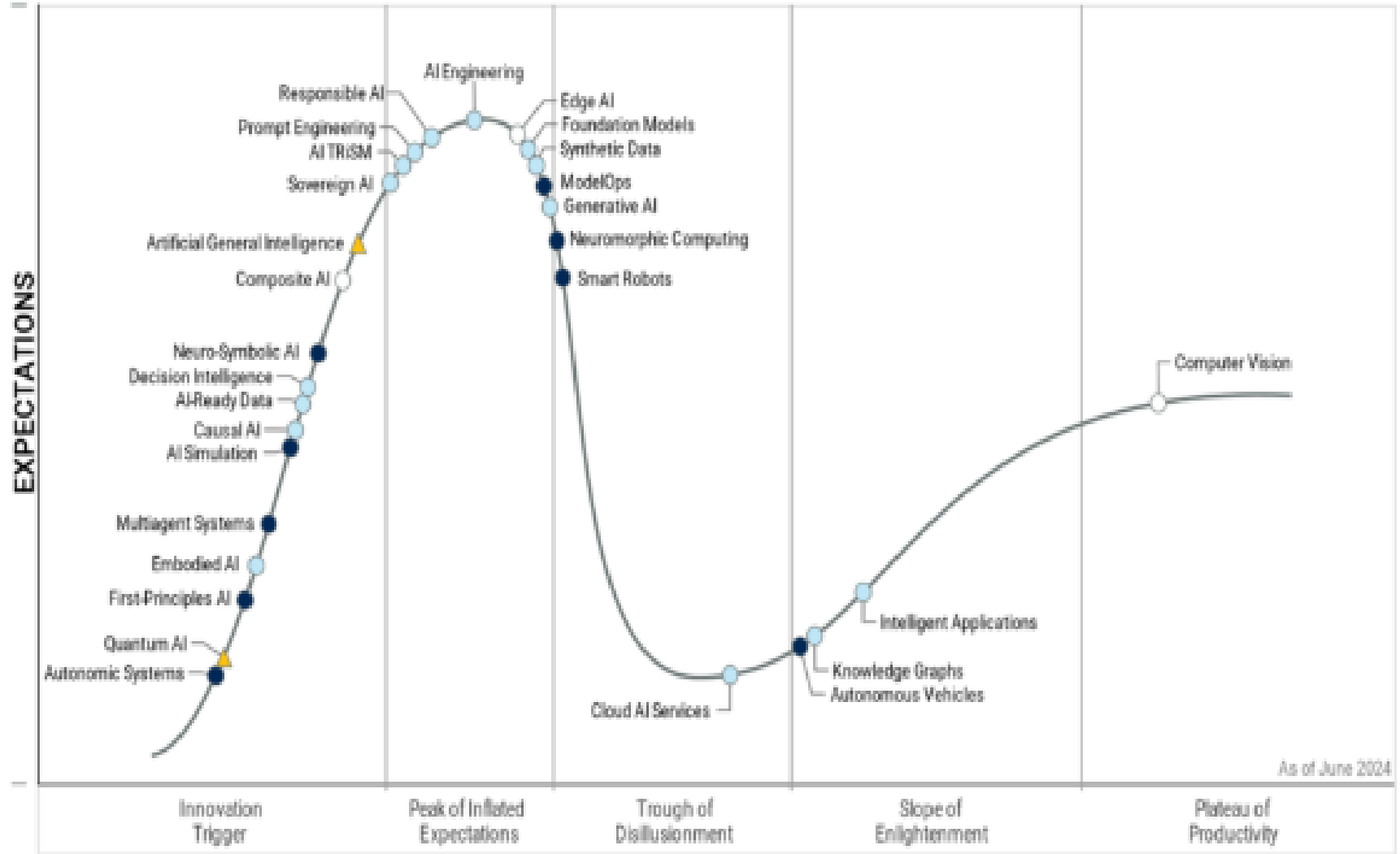
<https://www.gartner.com/en/research/methodologies/gartner-hype-cycle>

# Gartner's Hype Cycle for Emerging Technologies, 2024



# Gartner's Hype Cycle for Artificial Intelligence, 2024

## Hype Cycle for Artificial Intelligence, 2024



Plateau will be reached: ○ <2 yrs. ● 2-5 yrs. ● 5-10 yrs. ▲ >10 yrs. ⊗ Obsolete before plateau

# Digital Transformation



# Latest Technologies & Impact

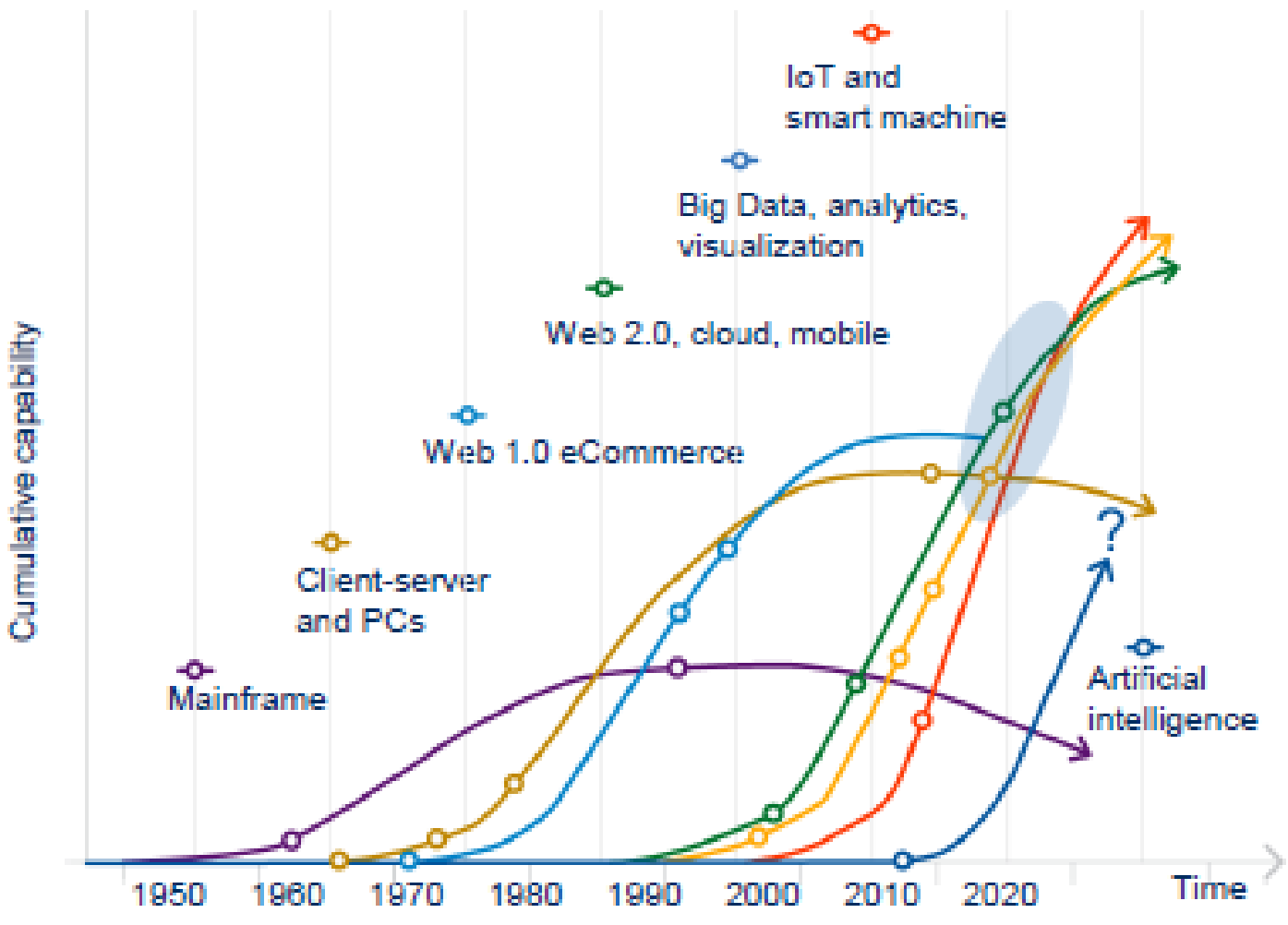
## Technology

- IoT, IIoT, Analytics, Cloud Computing
- AI/ML, Robotics, Additive Manufacturing, AR/VR

## Business Impact

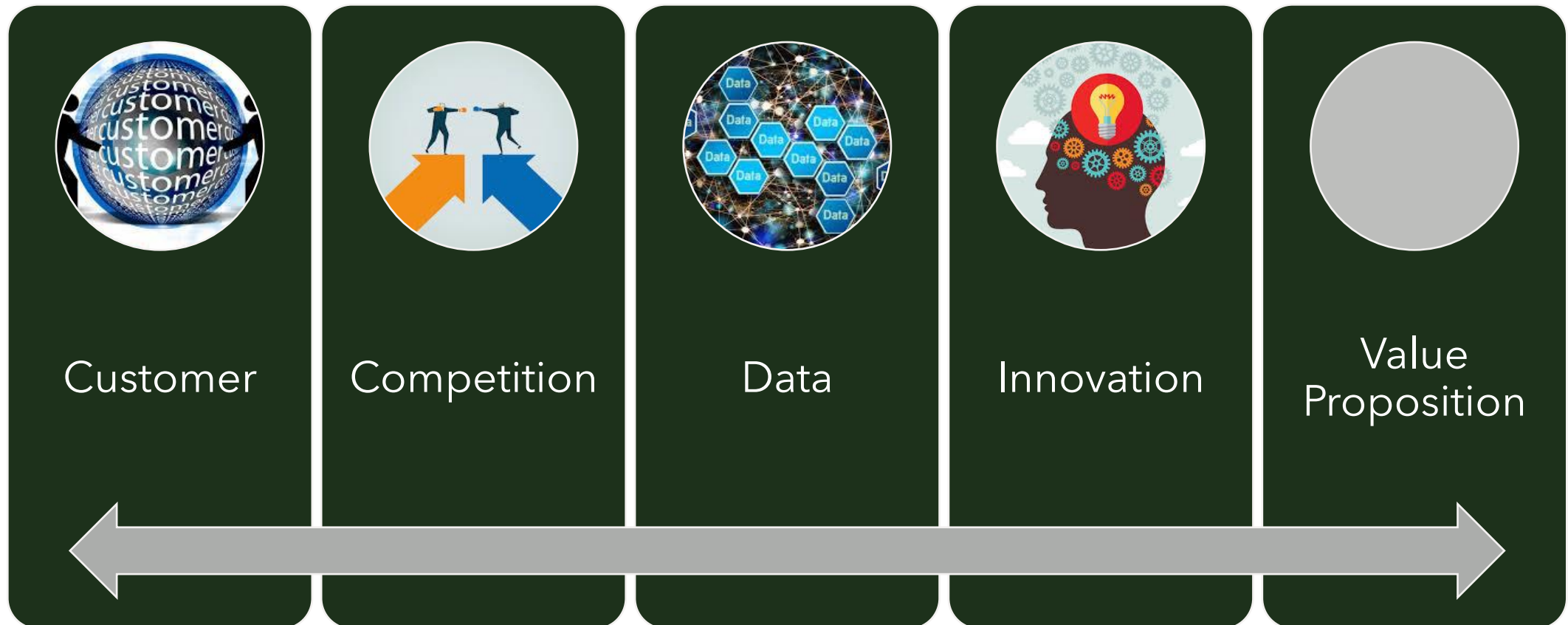
- Process Improvement; Enhanced Customer Experience
- Efficient Operational Processes, Alternative Business Models

# Combinatorial Advantage



Source: World Economic Forum/Accenture analysis

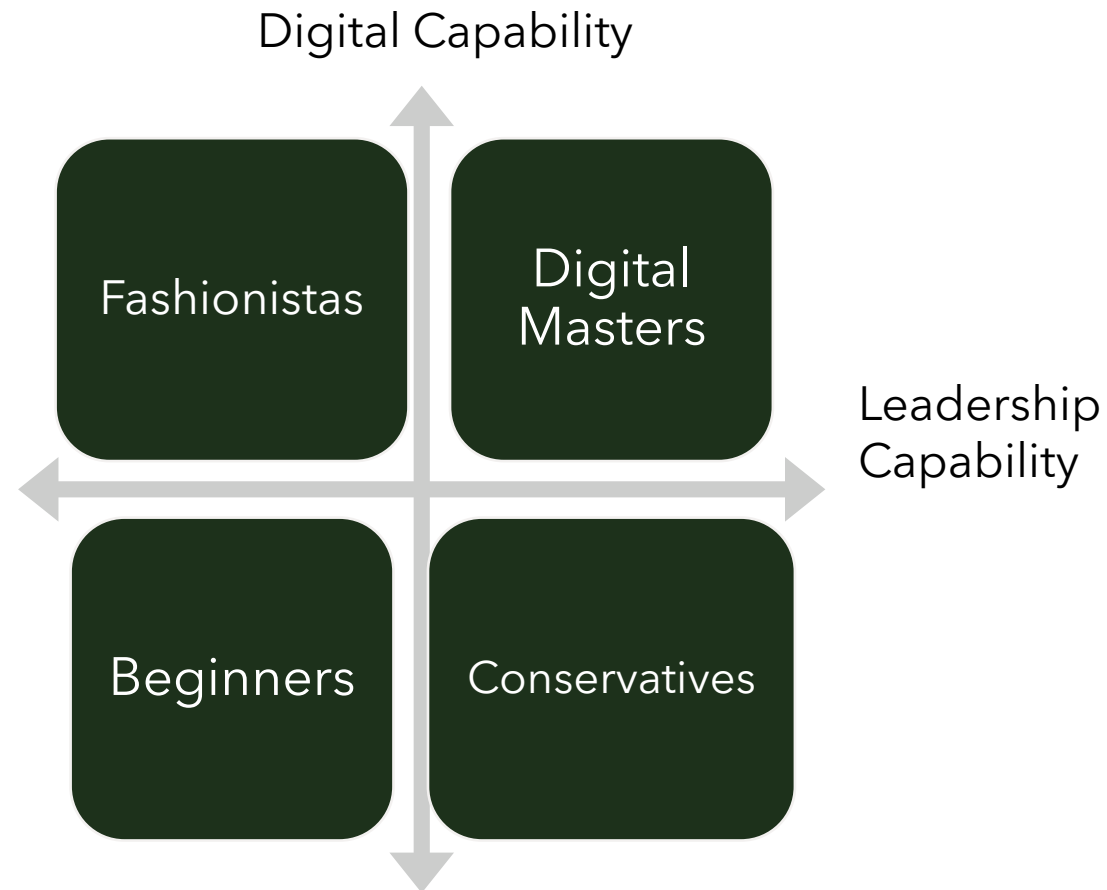
# Digital Transformation Domains: CCDIV



# The DNA of Digital Masters

- Digital Capabilities - the *what* of technology
  - Where and how to invest in the digital opportunity
  - Size of investment is not as important as the reason to invest or the impact of investment
  - See technology as a way to change they do business - customer engagements, internal operations, and business models
- Leadership Capabilities - the *how* of technology
  - Committed leadership is the lever that turns technology into transformation
  - No examples of successful digital transformation happening bottom-up
  - Clear and Transformative vision, start critical initiatives and engage employees to build out the vision

# Four Levels of Digital Mastery



- The hard thing about these transformations is not technology. It's the sociology.

Oracle's CEO, Safra Catz

# References

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- Leading Digital by Westerman, Bonnet, & McAfee
- Machine, Platform & Crowd - Brynjolfsson, McAfee et al.
- Competing in the Age of AI - Iansiti & Lakhani
- The Platform Revolution - Parker, Alstyne, & Pal Chaudhary
- HBR's 10 Must Reads on Digital Transformation
- The Digital Matrix - Venkatraman