

Adapted from
*Digital
 Transformation
 Technology
 Capabilities: A New
 Model for Enterprise
 Technical Mastery*

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IDC survey data demonstrates that one in five CIOs will lead their organization's digital transformation efforts.



Driving the Competitive Agenda with DX Technology Capabilities

Introduction

IT must support innovation across the business: this is the charter, the mission, the mandate, and the imperative for IT and for IT strategy. Now, CIOs and LOB executives must deliver products and services at the speed of the digital age. But organizations are smothering under a forest of silos, and history has shown that silos are major barriers to great user experience, collaboration, speed and efficiency. A new approach to digital transformation is needed before businesses stagnate under the burden of redundancy and inconsistency. To succeed, companies must industrialize their approach to create robust technology capabilities. In IDC's view, adaptable capabilities — DX technology capabilities — are the engine for a flexible, transformational business strategy.

Benefits

What is a DX technology capability? A DX technology capability is a reusable, plug-and-play, modular unit that is designed to be industrialized and scalable. Each capability is implemented by a combination of elements needed throughout its life cycle: ideation, implementation, operations, enhancement, and retirement. A technology capability is realized by combining five key elements:

- Technology – New or existing IT systems, databases, applications, and emerging technologies
- Processes – Activities, procedures, services, and resources that produce a business outcome
- Governance – Responsibilities, accountability, organizational design, and KPIs to guide the life cycle of the capability
- Talent – Skills, knowledge, workstyles, and sourcing methods of the new digital workforce
- Data – The business concepts, data, and context combined across, and beyond, the enterprise that supports new digital products and services

These elements are combined in the context of the enterprise's culture to produce a measurable business outcome. Furthermore, groups of elements can be used repeatedly as the organization scales up.

Considerations

Historically, IT professionals have recognized that "we need technology, people, and process." Now, IT still needs processes, and IT still needs people in the form of talent; however, when IT builds technology, things don't get built from scratch most of the time. We buy technology platforms and recombine and customize those platforms. And to achieve efficiencies of scale, these platforms require governance and architecture to manage their overlap and minimize redundancy and duplication. A nonintegrated environment prevents the organization from introducing or improving products and services efficiently; it also impedes the enhancement or creation of new business models at the speed of digital business. Furthermore, information inconsistency and the lack of synchronization become insurmountable obstacles to the creation of an experiential engagement. A more holistic approach is needed — that is, a technology capability approach.

Conclusion

- Once IT executives accept their active and integral role in their companies' digital success, they must recognize and accept that hitting the LOB's tight timelines will likely require some technology trade-offs. The LOB doesn't want to hear "IT didn't get this done" or "IT couldn't produce that." The business has a market window that must be hit — a strategic imperative.
- Instead of building a “one-and-done” standalone stack, the DX technology capabilities approach creates a catalog of capabilities that an IT organization provides to satisfy its parent organization's digital strategy. This portfolio of capabilities allows a company to snap elements together and deliver innovation in a reasonable timeline while avoiding standalone technology silos. DX technology capabilities empower the organization and its leadership to pursue their competitive agenda in an optimized way.

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