



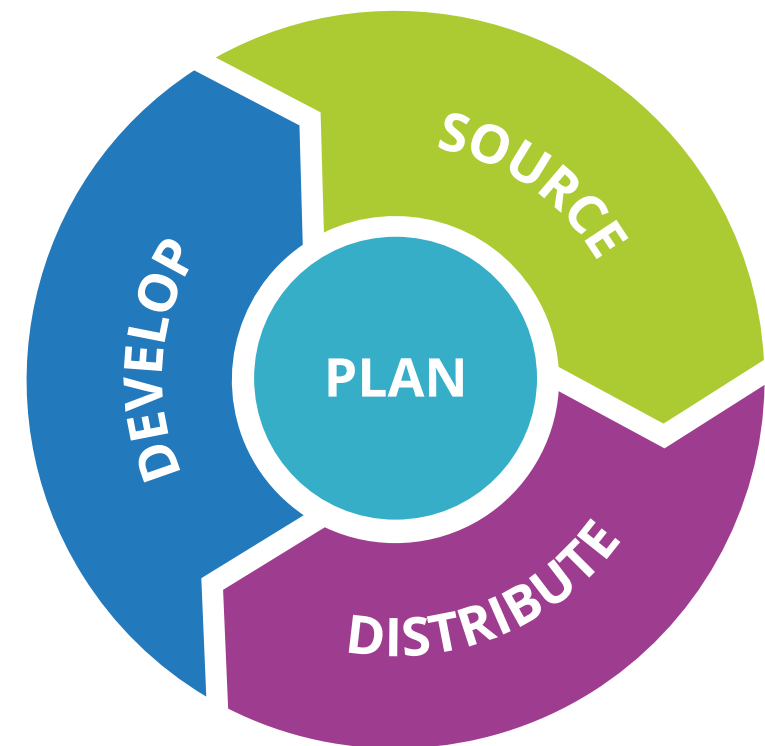
# Becoming a High-Performance Software Producer and the Future of Digital Innovation



**As the digital economy continues to emerge and grow, businesses will need to make a strategic shift from being just software consumers to also becoming software producers. Business leaders will need to meet new customer requirements, build new capabilities and infrastructures, and form new partnerships to fuel future growth and sustainability.**

By 2023, IDC predicts enterprises' ability to rapidly develop their own digital innovations will be a core competitive requirement, as more than half of the worldwide economy will be digitally driven. Within the same timeframe, over 50% of worldwide GDP will be driven by products and services from digitally transformed enterprises.

It won't be enough to be an organization that is primarily *consuming* packaged software - most of that focused on automating their own operations - businesses will need to become *producers* of software-based digital services. Operating as a software-driven “digital innovation factory” will be at the core of the enterprise’s ability to sustainably differentiate and compete in their own industries.

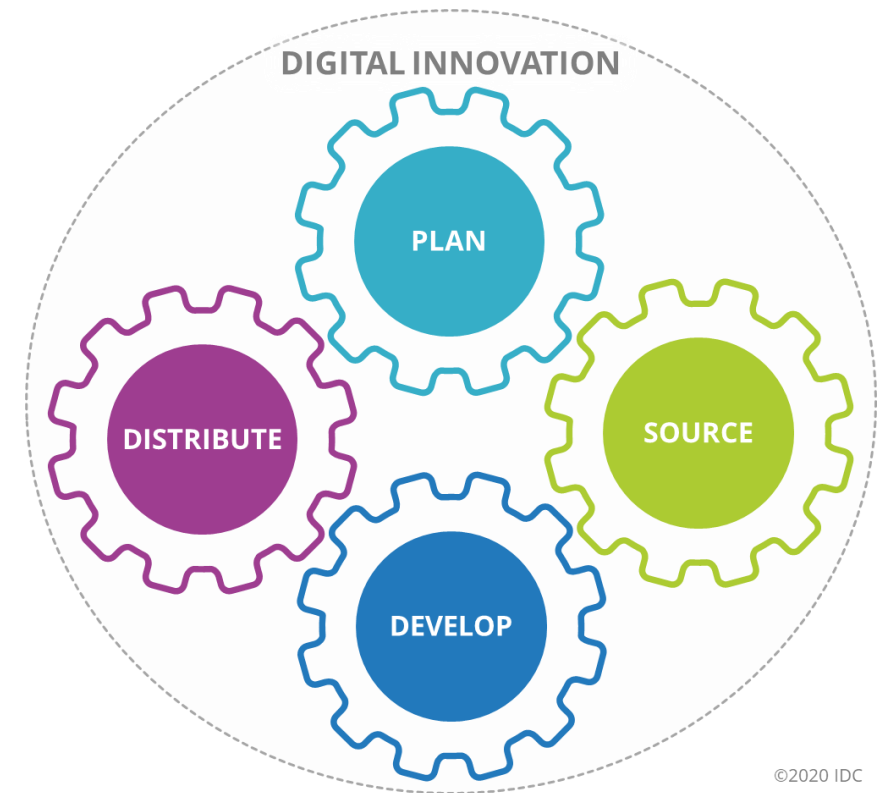


Many enterprises have already committed to fueling their growth and reshaping their industries with digital and digitally enhanced products, services and experiences. This shift in strategic planning is requiring every enterprise to become – in effect – a "digital innovation factory" over the next 3-5 years.

IDC has introduced a digital innovation framework to guide enterprises toward becoming innovative software producers with a Digital Innovation Supply Chain (DISC).

The DISC framework of plan, source, develop and distribute will change the modern developer's role within an enterprise to allow leaders to focus on changing customer needs.

**By 2023, corporate spending on technology products and services that enable software-based digital innovation – developers, tools, platforms and more – will increase by over 50%.**



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Digital Innovation Supply Chain (DISC)

## The Opportunity for Technology Suppliers

- **Become Part of the New Software Supply Chain:** Your customers are developing capabilities around becoming software producers, not becoming your competitor.
- **Integration and Inclusion:** Make products or services available as APIs, so they can more easily be consumed by customers as they are trying to build new things.
- **Create an Ecosystem:** Work on building a platform and a robust developer and innovator ecosystem that enterprises can tap into – for example, SaaS adding PaaS/platform services.
- **Dedicate Resources:** Suppliers must go to the product innovation teams, the product management teams, the product development teams and say, “we want to be part of your digital supply chain.”
- **Embrace the Opportunity:** Accept this huge opportunity to help enterprises envision, build and manage the emergence of the digital innovation supply chain.
- **Help Distribute the New Applications Invented by Your Clients:** Don't be shy. Enable their success.

## Advice for Business Leaders

- **Create Digital Services:** Establish digital services, opening up revenue opportunities so the organization can compete in these new efforts that require digital services and products.
- **Use Digital Innovation Resources:** Work to increase the use of external digital innovation resources: code, algorithms, platform services, microservices, apps and data.
- **Increase Speed and Scale:** Scale up development pace and volume through open and inner sourcing, agile methods, DevOps and democratization and expansion of the developer workforce.
- **Scale Distribution of Digital Innovations:** Scale up distribution with increased direct delivery of services and experiences through the organization's own offerings and indirect delivery into others' digital supply chains with the creation of open API-based 3rd party developer ecosystems.

IDC predicts that by 2025, over two-thirds of the G2000 will have become high-performance, large scale producers of software-based digital innovation.



Enterprise is shifting from a historical role as a pure consumer of application software and has begun to evolve into both a software consumer and a producer of applications, a trend that will accelerate through 2025. As more IT spending is directed toward digital innovation to enhance the enterprise, consumers will see an explosion of new digital apps and services.

Changing an operating model in this way creates customer value and optimizes a business for success. Understanding this operating model change completely shifts an organization's strategy, business plan dynamics and future vision.

To learn more about IDC's Future of Digital Innovation research, contact your Account Representative or read the latest blog: [bit.ly/IDC\\_FoDI\\_Framework](https://bit.ly/IDC_FoDI_Framework)

The IDC report [The Future of Digital Innovation: Every Enterprise Must Become a High-Performance Software Producer](#) (IDC #US45720719) introduces the future of digital innovation and the digital innovation supply chain.

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