ARE YOU (FUTURE)-READY FOR THE DIGITAL TRANSFORMATION ERA?
Evolving customer needs, new business and consumption models, and intensifying competition are forcing organizations to transform.

**DX**

DX is impacting **all industries**. Organizations can either disrupt or be disrupted.

One-third of the top 20 market share leaders in most industries will be **disrupted by new competitors** by 2018.

By 2017, 60% of companies with a DX strategy will deem it too critical for any one functional area and create an **independent corporate executive position** to oversee the implementation.

DX IS THE NEW BATTLEFIELD

As we get deeper into the digital economy, IDC predicts that there will be organizations that survive and those that thrive.

Those that thrive will be those that succeed in executing upon their vision for DX, blending both digital and physical experiences. This means turning information into a competitive advantage, creating new digital revenue streams based on new business models.

THE DX TRANSFORMER

CHARACTERISTICS

• Integrated, continuous enterprise-wide DX innovation is in place with operations and customer/service experiences.
• Strives to stay ahead of competitors by emulating the experimental DX efforts of start-ups and “bleeding edge” firms.
• A leader in its markets providing world-class digital products, services, and experiences.

THE DX DISRUPTOR

CHARACTERISTICS

• Use DX to transform markets and customers by creating new business models and product/service experiences.
• Focus on developing internal staffing, structure, and processes that provide stability, scale, and operational continuity.
• Remakes existing and creates new markets to its own advantage and is a fast-moving target for competition.

An IDC Asia/Pacific infoBrief Disrupt or Be Disrupted
Digital transformation is the approach by which enterprises drive changes in their business models and ecosystems by leveraging digital competencies.

Leadership DX
Focuses on developing the vision for DX of products, services, and experiences optimized to deliver value to partners, customers, and employees.

Omni-experience DX
Emphasizes an omnipresent and multidimensional ecosystem approach to continually amplify a unique differentiating experience.

Worksource DX
Covers the evolution of how businesses achieve objectives by effective sourcing, deployment, and integration of internal and external resources.

Operating model DX
Seeks to make business operations more responsive and effective by leveraging digitally connected products/services, assets, people, and trading partners.

Information DX
Focuses on extracting and developing the value of information relative to customers, markets, transactions, services, products, physical assets, and business experiences.
By 2018, 80% of B2C and 60% of B2B organizations will overhaul their “digital front door” to support 1,000 to 10,000 times as many customers/customer touchpoints as they do today.

While B2C organizations have been the early adopters, at least 60% of B2B and government/public sector organizations have embarked on DX.

15% of companies outside the APAC top 1000 will take an independent initiative, while the majority will be driven to embrace DX by the larger companies they serve, sell through, or compete with.

*IDC Predictions*
ARCHITECTURING FOR

The increased focus on DX business strategies and projects will drive significant technology investments - both to transform processes and operating models, requiring transformative changes to existing enterprise architectures, or modernizing core IT structures to accommodate the heightened business requirements. All this will have a profound impact on IT and business leaders in 2016 and beyond.

By 2017, 60% of DX initiatives will not be able to scale due to a lack of strategic architecture.

Organizations need to focus on building the right enterprise architecture. This will help in driving agility and speed, even for short-term solutions. A strategic architecture will help coordinate and integrate key components supporting enterprise DX.

For DX to scale, successful architecture initiatives will help create a flexible, plug-and-play environment that brokers internal and external services with competitive speed and costs, and IT needs to drive this effort.

60% WILL FAIL TO SCALE

By 2017, 60% of DX initiatives will not be able to scale due to a lack of strategic architecture.

Organizations need to focus on building the right enterprise architecture. This will help in driving agility and speed, even for short-term solutions. A strategic architecture will help coordinate and integrate key components supporting enterprise DX.

For DX to scale, successful architecture initiatives will help create a flexible, plug-and-play environment that brokers internal and external services with competitive speed and costs, and IT needs to drive this effort.

IDC recommends

WHAT TECH BUYERS MUST DO

1. IT needs to assist the business in sourcing services by educating on the true costs and acting as a broker for internal and external services.

2. Ensure that IT is competitive in terms of cost, speed, availability, and performance, and have a streamlined process for bringing new services in-house and into the service catalog.

3. LOBs and select key managers must undergo a basic level of architectural framework training, including benefits and limitations, to drive this agenda across the enterprise.

By 2017, over 60% of organizations’ ICT spending will be for 3rd platform technologies, solutions and services, rising to nearly 80% by 2020.
IDC believes that organizations will either become adept at digital transformation and thrive or fail to master the disciplines and struggle to survive. Moreover, business leaders need to master not only the disciplines but also the alchemy of combining and managing their interactions to create digital gold.

**THE 5 STAGES OF DX**

**Ad Hoc**
Business and IT digital initiatives are disconnected and poorly aligned with enterprise strategy, and not focused on customer experiences.

**Opportunistic**

**DIGITAL RESISTER**
Business has identified a need to develop a digitally enhanced, customer-driven business strategy, but execution is on a project basis. Progress is not predictable nor repeatable.

**Repeatable**

**DIGITAL EXPLORER**
Business-IT goals are aligned at enterprise level around creation of digital products and experiences, but not yet focused on the disruptive potential of digital initiatives.

**Managed**

**DIGITAL PLAYER**
Integrated, synergistic business-IT management disciplines deliver digitally enabled product/service experiences on a continuous basis.

**Optimized**

**DIGITAL TRANSFORMER**
Enterprise is aggressively disruptive in the use of new digital technologies and business models to affect markets. Ecosystem awareness and feedback is a constant input to business innovation.

**DIGITAL DISRUPTOR**