

TOPIC: CIO DIGITAL BUSINESS MATURITY MODEL AND TRANSFORMATION ROADMAP

Over time, if properly nurtured and driven by the CIO, Digital Business Innovation and transformation will evolve across the organization. It is important for CIOs to develop a roadmap for Digital Business Innovation as certain stages are important precursors for others. A number of key success factors accelerate the maturity curve, while many common pitfalls stall progress. CIOs need to understand their organization’s unique maturity model and take an active role in managing it.

Transformation is a journey

Successful, efficient journeys, including digital transformation journeys, require clear, sequential roadmaps. In fact, strategic roadmaps can deliver measurable improvements in digital transformation results.

Company worked from an enterprise-wide strategy/roadmap	Company reported effective digital transformation efforts
Yes	93%
No	63%

Source: The Economist Intelligence Unit/SAP study, April 2016

CIOs needing to (re)create their roadmap can use the Digital Business Innovation framework developed by SAP and Digital Bridge Partners, and based in part on research by the Economist Intelligence Unit, as a starting place for their own journey.



Order of operations

As with any project or journey, order of operations can make the difference between success and failure. Our experience with clients suggests that the following sequence is optimal:

1. **Commit** to taking on the mantle of **Digital Business Innovation leadership**. CIOs positioned at the nexus of the digital enterprise are uniquely able to bring the clarity and drive to digital business initiatives. But to assume this role, CIOs must transition into acting as Digital Business Innovation leaders.
2. **Assess** the state of the company's digital business readiness and **digital strategy**. Is the organization ready and is the plan viable? If the strategy is not end-to-end, business model transformation focused, and actionable, then the Digital Business Innovation leader must begin refining the plan.
3. **Refine and energize** the company's **innovation model**. CIOs already lead technology and business process innovation efforts, so leading enterprise-wide innovation efforts is a logical, and critical, next step. If the CIO is not leading agile innovation in the digital realm, who else in the C-suite should be?
4. **Innovate** on the **IT operating model** and tools. When the IT department shifts from being perceived as an impediment to innovation or as merely a service provider to being seen as a critical source of digital business leadership and expertise, the CIO gains both the experience and credibility required to lead enterprise-wide business innovation.
5. **Define** the technical and commercial **platform** models required to deliver on the enterprise-wide digital strategy. Only the CIO is qualified to understand all the variables and ramifications of a technology platform that enables Digital Business Innovation.

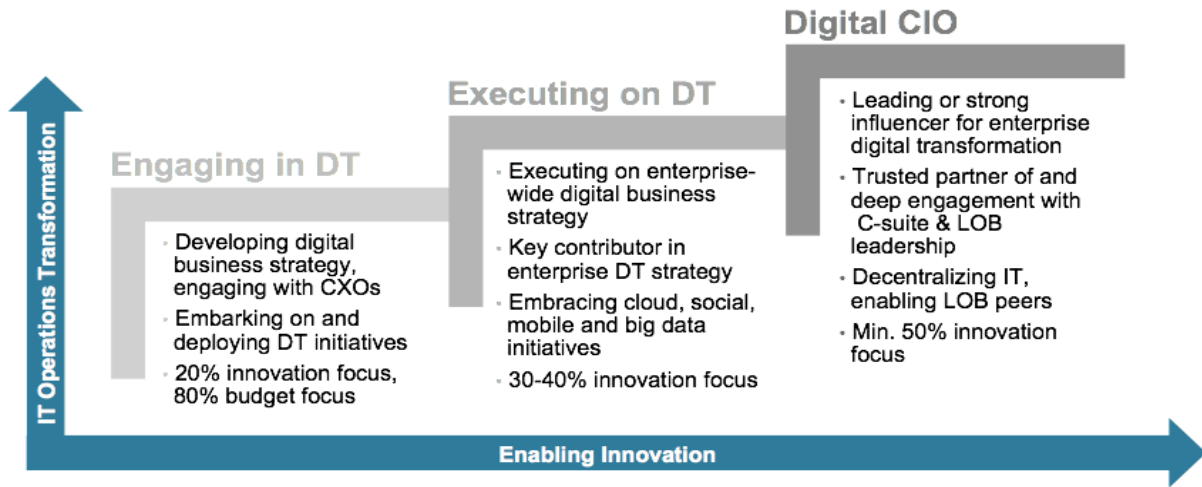
The sequence of these steps is critical because each step assumes some clarity and progress (but not necessarily completion) of the preceding step. For instance, without CIO Digital Business Innovation leadership, the digital strategy is doomed to failure because it will lack technical coherence, long-term supportability, and agility. Without a clear digital strategy, great innovation and IT operating models will fail to produce optimal results. Of course, the technical and commercial platform models must support the long-term needs of the digital strategy. As we've seen in the marketplace, the elements in the Digital Business Innovation framework build upon each other to yield transformative results.

What Digital Business Innovation success looks like

Progress through these developmental steps also moves an organization along the path toward digital business maturity.

Three maturity stages for a digitally-mature CIO/Digital Business Innovation leader evolve from *Engaging in Digital Transformation* through *Executing Digital Transformation*.

EXAMPLE CIO DIGITAL TRANSFORMATION AND INNOVATION MATURITY MODEL



As digital business leadership starts delivering the IT operational and innovation model transformations enterprise-wide, the organization’s ability to deliver on the digital strategy matures. As the IT team engages in the multi-pillared work of digital transformation, they learn to execute on the transformations themselves, eventually allowing the CIO to shift toward a much more strategic role in developing and collaboratively delivering on digital transformation initiatives enterprise-wide.

Given the critical and urgent need for Digital Business Innovation leadership, it is imperative that the CIO understand exactly where they are on the Digital Business Innovation maturity ladder. Understanding current state and next steps will give the CIO the context and the confidence to deliver on the organization’s digital business strategy.

DBI Element	You know you have reached maturity when the...
DBI Leadership	CIO is clearly a leader of Digital Business Innovation within the organization
Digital Strategy	CIO helped clarify, guide, and deliver on the digital strategy
Innovation Model	CIO and its team develop and acculturate the innovation model throughout the organization enabling business unit innovation
IT Operating Model	IT department has an agile, DevOps-oriented operating model and tool set to deliver projects in support of the digital strategy and business users are empowered to create digital value within a clear security and compliance framework.
Platform	Enterprise runs on an end-to-end technical platform that supports the long-term transformation toward a platform business model

Next steps

1. Assess maturity across the five Digital Business Innovation elements to identify your starting points.
2. Build a deliverable roadmap of next steps toward Digital Business Innovation success using a consistent framework across all of the relevant business units.
3. Establish the terms, definitions, and governance of your digital strategy and your business and technical requirements.
4. Clarify all of the business implications caused by technological and/or environmental changes.
5. Reduce risk by clearly mapping connections between strategy and operations as well as between business entities that might otherwise be siloed.

For more information on Digital Business Innovation and assessing your organization's digital readiness across its five elements, visit [Digital Bridge Partners](#).