

TOPIC: HOW TO CONDUCT AN ASSESSMENT OF A DIGITAL TRANSFORMATION JOURNEY

A thorough evaluation of five clearly defined areas can help companies assess digital business readiness based on a Digital Business Innovation framework developed by Digital Bridge Partners. This assessment of the key elements we have observed in successful digital innovation stories serves to identify strengths, weaknesses, gaps, and opportunities on the road to digital transformation.

32% of company revenues will be under threat of digital disruption by 2020 according to board members - [2015 MIT CISR survey](#)

A Framework for Success

The Digital Business Innovation (DBI) framework, developed by Digital Bridge Partners with SAP, is a system of assessing the CIO’s and IT’s readiness for, and progress along, a digital transformation journey.

The framework consists of four pillars supported by DBI leadership:



1. Define a **Digital Strategy** to raise awareness, set direction, and drive decision making
2. Apply a best practice organizational **Innovation Model** and culture, including agile solution development processes to drive digital business value
3. Establish a collaborative and agile **IT Operating Model** that allows for incubation of new approaches
4. Deliver the right **Platforms** – technical and commercial – to support enterprise-wide transformation and innovation required by digital business model changes

Where Should Your Digital Transformation Start?

Preparing for transformation requires clarity in two areas: a **strategy** that outlines the scope, depth and size of the change needed to realize your goals, and an **assessment** of what is required in terms of culture, capacity, leadership, models, and tools.

Many digital maturity assessments exist, but most are quite complex and time consuming, or lead toward a specific vendor's solution. Alternatively, this assessment was designed to bring quick, clear focus to proven key success factors. The sample assessment questions below are a starting point for the conversations we have with technology leaders across a range of industries, so are necessarily high-level. This approach focuses efforts on the degree to which maturity has been achieved, and strategic next steps rather than simplistic, tactical snapshots of the status quo.

The Assessment

1. Leadership

- a. To what degree do the CIO and IT recognize the importance of leading/driving a Digital Business Innovation agenda?
- b. To what degree is the CIO a key leader of Digital Business Innovation?
- c. How mature is IT's drive of the Digital Business Innovation function and culture?

2. Digital Strategy

- a. How well defined is the company-wide, CEO/Board-driven business transformation agenda?
- b. To what degree has the company committed to a comprehensive digital strategy that is aligned with your business transformation agenda?
- c. To what degree does your leadership have a clear portfolio management approach to evaluate the risks and rewards of digital transformation?

3. Innovation Model

- a. To what degree do business peers look to IT as their co-innovation partner?
- b. To what degree does your innovation model work enterprise-wide through agile, cross-functional teams working a well-managed portfolio of innovations?
- c. To what degree is your organization ahead of competitors in its ability to leverage technology to drive innovation and financial results in both business processes and business models?

4. IT Operations

- a. To what degree has IT built a roadmap to close its tools and skills gaps between what is required and what is in place today to deliver on your digital strategy?
- b. To what degree do Business teams leverage IT's tools and skills to drive Digital Business Innovation?
- c. To what degree does IT blend security, reliability, openness, and agility to support both ongoing operations and innovation work?

5. Platform

- a. To what degree does IT have the end-to-end technical and commercial platforms required to facilitate effective digital transformation?
- b. To what degree does IT have a clear plan for developing the technology platforms (owning or joining industry platforms, big data analytics and APIs) required to facilitate value creation across your entire ecosystem?
- c. To what degree is your organization clear about its relationship to the platform business models emerging in your value ecosystem (own, co-develop, join, counter)?

To ensure long-term success, re-assess the factors at the appropriate levels (departmental, enterprise-wide) and cadences (monthly, quarterly, bi-annually).

There are two reasons for keeping this assessment at a very high level at this stage. Firstly, the key to success in Digital Business Innovation is quickly cycling through the build, measure, and learn loop. Assessment is key to the measuring and learning steps. By making the assessment simple we hope to dramatically increase the frequency of assessment and the speed of your build-measure-learn loop. Secondly, a high-level assessment will help CIOs to focus their thinking and activity on strategic change rather than on business as usual (often as a tactical service provider to the enterprise). This regular zooming out to gain perspective and clarity is key to the long-term success of digital business leadership.

Summary of Benefits

In summary, by working through these questions, the assessment can:

1. Help CIOs begin and manage their transformation journey based on industry best practices and Digital Bridge Partners/SAP field research
2. Establish a common, benchmarked framework to clarify the requirements for successful digital transformation
3. Identify investment opportunities for CIOs to explore in establishing digital business leadership
4. Define a roadmap and order of operations
5. Help identify go-forward activities, starting with those that directly drive the final results and those that will require partnership and collaboration

If a far more granular view would be helpful, use SAP's [Digital Innovation and Transformation Assessment](#).

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