

# Turn Trends into Opportunities

The Top 10 that Matter Now

Market  
**teCTOnics**

People matter, results count.

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**THE PACE, SCALE,  
AND IMPACT  
OF EMERGING  
TECHNOLOGIES  
CONTINUE TO  
ACCELERATE**

HARNESS THESE TOP  
10 MARKET TRENDS TO  
DRIVE EXCEPTIONAL AND  
SUSTAINABLE BUSINESS  
PERFORMANCE

Undoubtedly, 2015 has been a year marked by the continuation of an ever-increasing volume of enterprise-grade, business technology introductions to the market. What has been noteworthy is the compression of the adoption curve by enterprises across the globe. Also, in every industry, maturity is accelerating from a cost reduction and tactical solution focus to one of gaining the transformative, innovation, and new business model strategic benefits from these business technology introductions.

Looking forward, the rapidly evolving nature of the marketplace will only pick up steam. It will enable new market entrants to emerge in every industry and challenge every enterprise to act with new found speed, agility, security, effectiveness, and a digital ambition. In a market increasingly characterized by permanence of uncertainty, enterprises could find themselves fighting more and more for competitive positioning if not for survival.

We are pleased to offer 10 of the most important dynamics in the market today that will impact global and regional enterprises. Unlike many other like-minded attempts, this is not intended to be a glimpse into the next set of whiz-bang technologies, often lacking context. Nor is it yet another inventory of topics we've heard about for years and already "get it". Rather, through continued dialog with stakeholders across the globe, we've interpreted the most relevant and important dynamics from the perspective of the opportunities for exceptional and sustainable business performance they provide. They are relevant from the vantage points of Boards, C-Level executives, line of business leaders, and functional leaders for digital, technology and risk management.

Our intent is to facilitate a focus on those topics that are most pressing for your enterprise, stimulate a strategic dialog, and create a mandate for near-term action. Each topic is worthy of an extensive examination and presentation. However, in a world of 140 characters, we've presented only a brief synopsis. Capgemini executives from across the globe stand ready to engage further in dialog and explore with you the extensive business challenges and market opportunities these trends raise and offer. In addition, we strongly encourage you to reference Capgemini TechnoVision 2015 and its Building Blocks for Digital Transformation, a leading edge framework for exploring business technology futures and an innovative collaboration platform for business and technology engagement and alignment ([www.capgemini.com/thought-leadership/technovision-2015](http://www.capgemini.com/thought-leadership/technovision-2015)).

Personally, I look forward to engaging directly with many of you as you consider your digital futures.



**Lanny S. Cohen**  
Global Chief Technology Officer



# 1

## Digital Response

Digital disruption is not going to stop; it affects all industries in different ways.

Digital disruptions emanating from emerging technologies continue to impact infrastructure, processes, business models, entire enterprises, and entire industries. Social, mobile, analytics and cloud are irrefutable. The focus now moves to your “digital response”. The race is on to help organizations generate new business models as well as create new revenue streams, competencies and proficiencies. One thing is for sure, Digital disruption is not going to stop; it affects all industries in different ways. We need to acknowledge these facts. Digital disruption is:

**Continuous** – it is not a single event with a beginning, a middle and an end. This is not a fad and it is not going to go away

**Concurrent** – it is not sequential. There are many disruptions taking place all at the same time e.g. with the customer, back office, talent and people

**Contextual** – disruptions are often industry relevant; what is extremely profound for one may not be the same for another e.g. IOT needs to be placed in context, such as Retail or Utilities

The challenge for today’s enterprise is the ability, agility, and speed to respond – not once, but continually and routinely. Understanding what this means is perhaps the highest priority strategic topic in the market today. Is today’s enterprise ready to ensure the viability, sustainability and dominance of their business?

## Customer Engagement and Operations Transformation

While the focus on customer intimacy, experience, and retention remain paramount to the enterprise agenda in the world of digital, new business models, and emerging technologies; a second dynamic is moving on to the main stage. First, enterprises need to remain both aggressive and vigilant in addressing the customer challenges and opportunities they face. Opportunities with new technologies abound in the market to facilitate this and should be pursued and exploited aggressively.

At the same time, the impact of digital and innovation on the core operational processes of the enterprise is profound. Trends in supply chain, R&D, logistics and distribution, and digital manufacturing, to name a few, offer substantive opportunities for efficiency and cycle time compression. Perhaps more importantly, however, is the realization of the implications of the innovation and disruptions in the front-end customer-facing processes on the performance demands of the operational and back office processes. Absent this focus, the enterprise’s ability to further advance its customer engagement strategic agenda is constrained.

# 2



Enterprises need to remain both aggressive and vigilant in addressing the customer challenges

## Applied Innovation

Today, the pace of innovation is in hours and days, not months and years. The impact of innovation is profound: Long-standing industries and business models are being reshaped.

The sources of innovation are expanding exponentially as the barriers to entry continue to be reduced. The focus is no longer about the availability or access to innovation; the importance is on how to scale, apply, adopt, sustain and ultimately become proficient at innovation on a global enterprise level.

Yet few enterprises have the competence, process, discipline, culture or risk profile for a world where innovation adoption is no longer a choice, but a reality of doing business, i.e. a core competency. In light of the compressed innovation cycle times, it requires a new way of thinking and working; organizations need to leverage multi-disciplinary teams, in both virtual and physical environments, and tap into a diverse global ecosystem. The ability to apply that innovation quickly, at scale, safely and sustainably, while deriving commercial value from it, will separate the leaders from the rest of the pack.

In light of the compressed innovation cycle times, it requires a new way of thinking and working

## 4

### Smart and Pervasive Technologies

2015 has been a critical year for the Internet of Things (IoT). Connected devices and IoT create an interconnected, interdependent ecosystem of devices and data, with powerful implications for organizations everywhere. Yet, the story has only just begun.

First, smart and connected devices are moving from consumer to commercial and industrial applications (e.g., sensors on cars, transportation, oil rigs etc.). Second, the leverage and exploitation of the data generated is fueling exceptional opportunities for analytics and insights. Third, transitioning from insights to real-time business process management response in driving operational process and closing the loop for process automation is next.

With this phenomenon, new realities emerge related to the exponential expansion of the threat landscape and attack surface for enterprises resulting from a proliferation of devices. It now becomes a fundamental element of a smart and pervasive business technology estate for the enterprise.

New realities emerge related to the exponential expansion of the threat landscape



# 5

## Platforms as a Business Asset



Platforms will represent the future business technology estate or landscape of an enterprise

Platforms provide the foundation for business agility and speed; enable the enterprise to respond to change, or to drive change within a market. Understanding the relevance and application of both technology and business platforms to provide competitive advantage, plus superior and sustainable business performance has emerged as a strategic priority for the enterprise. Platforms will represent the future business technology estate or landscape of an enterprise. Further, they will become actual commercial products and services as enterprises explore new business models and new revenue streams.

Platforms provide new ways of managing the core business and as such will be considered as strategic assets of the business, akin to other balance sheet assets. It is not a matter of new terminology for the technology stack. It is a legitimate business asset, a new business operating and commercial model, and for many, could define new market positions. The challenge lies in defining both the technology platform strategy and architecture for the enterprise and the strategic business platform opportunities that may be relevant. The reality however is to explore this topic swiftly in light of the risk of being relegated to a commodity or utility player in your industry segment.

## Security, Trust and Risk Management

Any enterprise strategic agenda which lacks a primary focus on the topic of trust, risk management and IP protection is flawed from the start. From the Board to field operations and the back office, the “safety” of the enterprise is under threat every day. We see a market threat landscape the likes of which we’ve never before witnessed. Not only are the sources of threats countless and diverse but at the same time, the attack surfaces being created by the enterprise are expanding exponentially.

The subject remains far from a technology-only one. Culture, behavior, third party relationships, risk tolerance are just a few of the additional considerations. Further risk itself is being redefined with categories such as reputation, IP protection, business continuity, etc. now among the most prominent. From a business technology perspective, we move from a “built in” vs. a “built on” mindset. Of greatest importance is the enterprise-wide dialog on the parameters of the enterprise risk-profile and the stakeholder interests of the Board, CEO, CFO, CIO, auditors, risk managers, and line of business leader.

# 6



The attack surfaces being created by the enterprise are expanding exponentially

## The Way We Work

Technology is reshaping and redefining how employees work, interact, collaborate and co-create. Topics including workforce productivity, mobility and engagement; workforce acquisition, development and retention; robotic process automation, autonomies and cognitive computing; and return on compensation have taken a new place in the discourse on workforce of the future.

At the same time, as enterprises pursue new business models, become digital, and embed software and analytics into their core products and services, they face the reality of attracting young and capable talent who aspire, albeit for fleeting periods of time, to enterprises with a very specific corporate culture and profile. This includes the 'way we work'; the way we get things done, where work gets done, how talent is managed and how workforces are engaged. Collaboration, technology access, crowdsourcing - particularly innovation, and the enterprise "persona" and mission remain key to impacting workforce productivity and engagement. Clearly, the subject moves from an HR mandate to a strategic priority for the enterprise with the acknowledgement that the business technology landscape will have a profound impact on the topic.

7



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8



There is as much innovation in how things get delivered as there is in what is being delivered

## Vanguard IT

To gain the advantages that agility, speed and experimentation afford today's enterprise, it is new business models, technologies and competencies for designing, delivering and evolving business technology capabilities and solutions which must be addressed. There is as much innovation in how things get delivered as there is in what is being delivered.

Vanguard IT is the how, what, where, and who of today's business technology design and delivery. What gives IT, and in turn, the business, speed and agility is to leverage a variety of new techniques and to gain proficiency with these. Included here are robotic process automation (RPA), API management, application platform engineering, Cloud Foundry development, native cloud build/PaaS, DevOps, container-based design, etc. Further, Vanguard IT includes an intensity around productivity and new models for distributed design and delivery. In addition, new methods and tools emerge for governance, process management, and agile design, development and deployment – fundamental changes in how and by whom IT services and solutions are delivered in and to the enterprise.

New work environments are also essential as venues to aggregate the right skills. To foster new ways of working to control variables which promote and accelerate massive productivity and quality gains, and to attract talent to work locations and conditions which have sustainable appeal is another focus of Vanguard IT. Finally, this subject addresses access, acquisition, development and retention of IT talent for the enterprise, as well as, the increasingly necessary global ecosystem of partners and startups – without which the ability to deliver business technology solutions for the enterprise with the speed, agility, quality, and sustainability required remains at significant risk.

# 9

## Corporate Currencies



Insights and data, talent, “business” networks, and differentiated execution become true core competencies

Enterprise value and sustainable business performance will become more and more a function of the strength and proficiency with which insights and data, talent, “business” networks, and differentiated execution become true core competencies. Yet, where do these topics stack up on the strategic agenda of most enterprises?

- The cycle of data... to insights... to action... to outcomes, becomes a mega-process domain of the future which will drive decision-making and hence performance. Is the awareness of this market dynamic and opportunity being considered in this light?
- Much research claims that talent will be the #1 issue for business in the next 3-5 years. Is it being considered with the ramifications and risks this implies?
- Enterprises will increasingly rely on a global network of partners, suppliers, competency pools, startups, etc. as part of an ever-increasing business ecosystem. Do enterprises have the governance, infrastructure and networking competencies to enable this?
- And, the ability to execute all core processes with compressed cycle times, to re-engineer business processes on the fly to respond real-time to market triggers, and to adopt experimentation as a process competency will become a legitimate differentiator. Are the process and operating disciplines in place to respond?

Arguably, these four proficiency domains will become as fundamental to assessing and valuing the ongoing viability and forecasted performance of the enterprise as many of today’s standard financial metrics and ratios.

## Basics Matter

Lest we succumb to yet another generation of business technology introductions as fashionable, with little to no material business impact; the basics of business transformation, leadership, and behavioral change management are the necessary prerequisites for legitimate and significant value realization for any organization. The massive underperformance, disappointments, and outright failure to realize much of the intended and expected value for the extraordinary investments in business technology over the past 2-3 decades had less to do with technology failures, poor process design or inadequate training. More of the cause can be directly attributed to the fundamentals of change management, transformation management, project execution, and leadership.

Enterprises continue to underestimate the significance of the basics. While certainly lacking the flair and excitement of the other market dynamics offered earlier, the case, supported by a mountain of evidence, can be made that a failure to address the basics and to get them right will sub-optimize, if not eliminate, any of the upside from investing in any of the other opportunities. Therefore, whatever market dynamics are addressed and opportunities considered, build the basics in from the start.

# 10



Enterprises continue to underestimate the significance of the basics

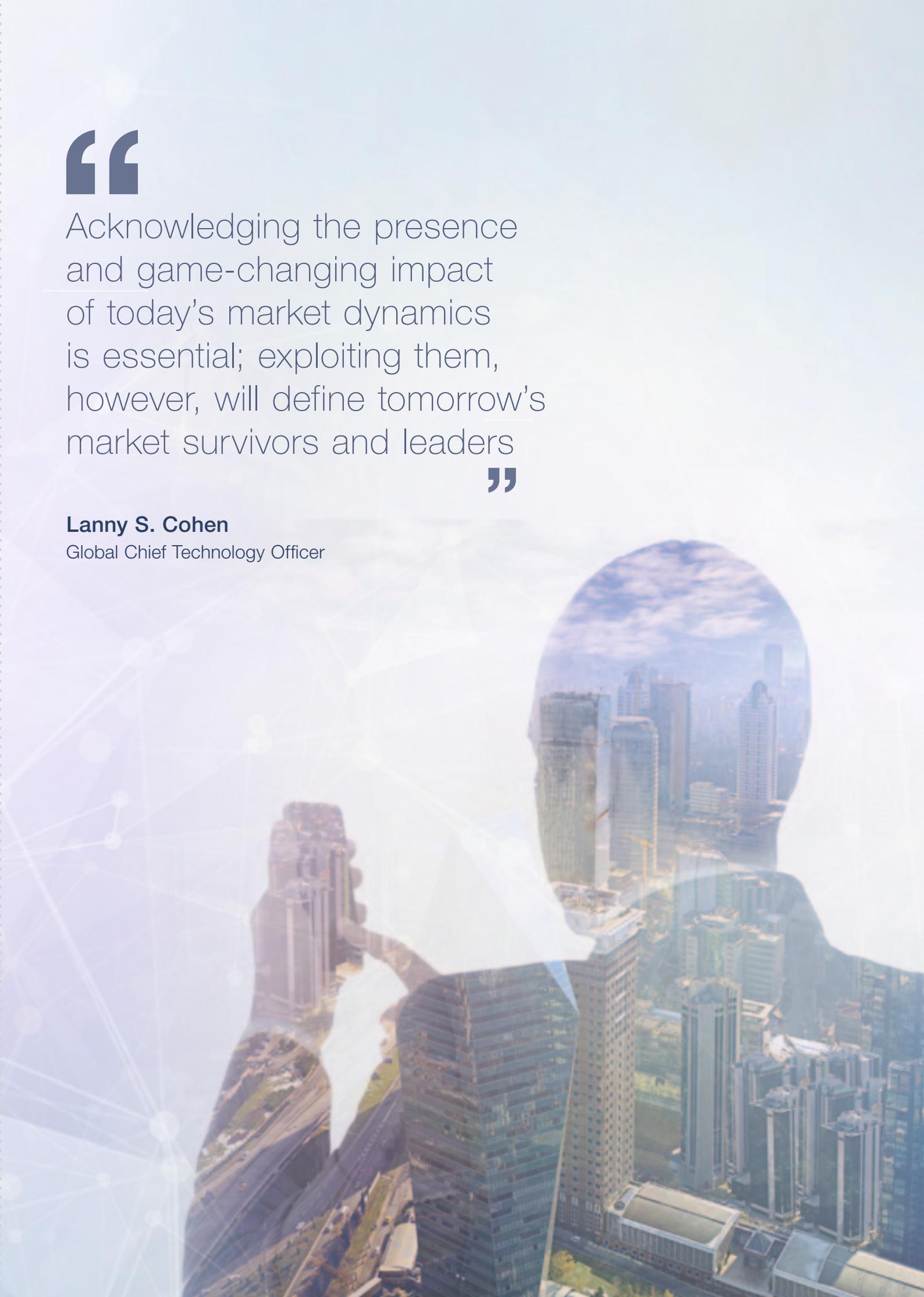
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Acknowledging the presence and game-changing impact of today's market dynamics is essential; exploiting them, however, will define tomorrow's market survivors and leaders

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**Lanny S. Cohen**

Global Chief Technology Officer



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## About Capgemini

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Now with 180,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2014 global revenues of EUR 10.573 billion.

Together with its clients, Capgemini creates and delivers business, technology and digital solutions that fit their needs, enabling them to achieve innovation and competitiveness. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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