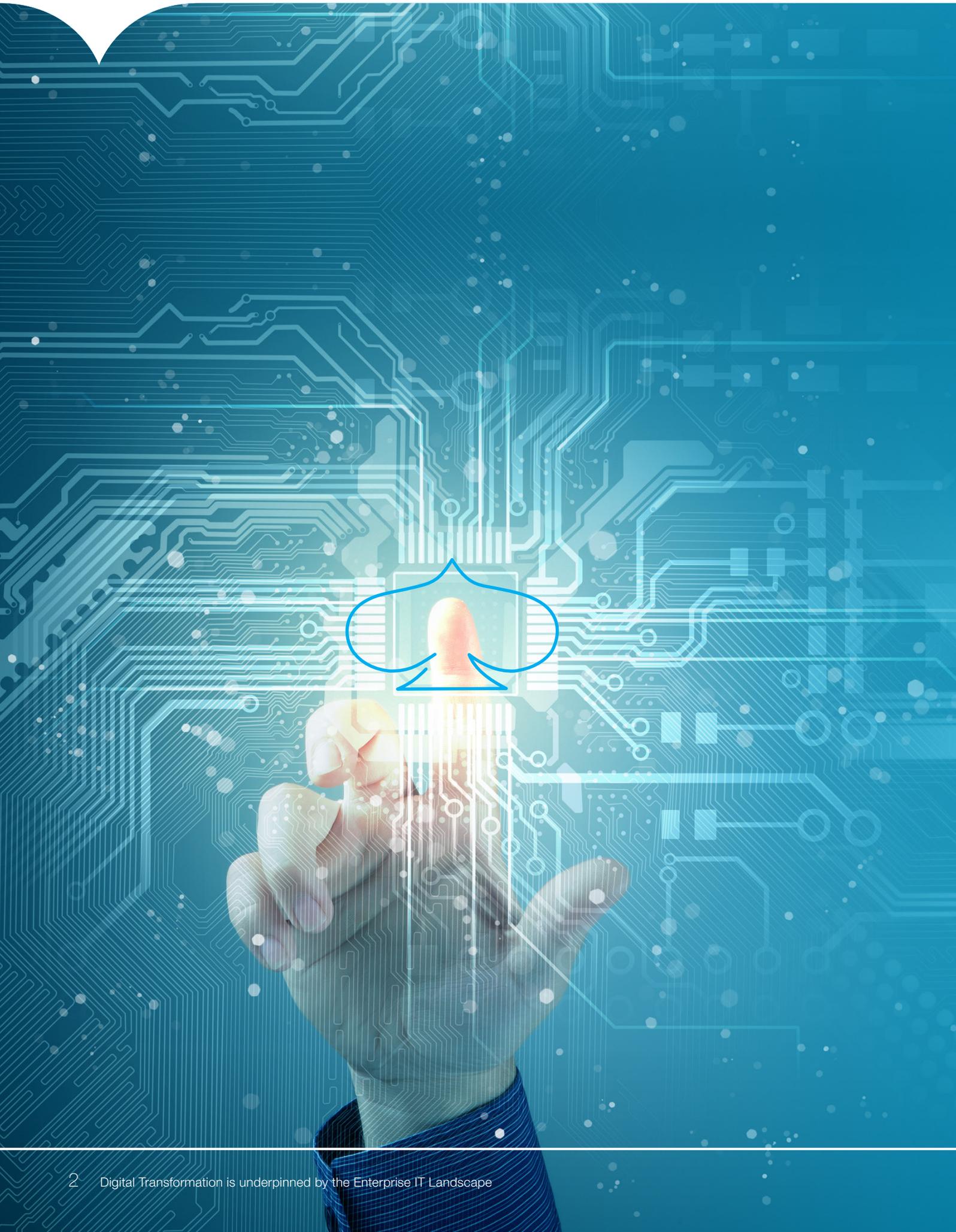


# Digital Transformation is underpinned by the Enterprise IT Landscape





# Summary

1. Digital Transformation is a team sport. IT and the business need to work together and understand each other's vision and goals to achieve the desired effect.
2. The consumerisation of IT now means employees and business partners demand the same quality of user experience at work that they get at home.
3. IT delivery organisations need to recognise that different solutions now need to move at different speeds. Heavy back-office governance is not necessarily appropriate for solutions that touch consumers where experience, speed and agility are paramount.
4. Having a strong existing back-office & supply-chain setup is a vital ingredient to enabling digital technologies. Sweating existing assets is a key part of this transformation.
5. In-memory technology means 'real' real-time business is possible. This is a chance to revisit business processes and change the way the organisation works.
6. Best of Breed solutions can be used to fill gaps, but there is no need to step away from previous investment to do this. Often the mega-vendors will have close partnerships with providers who have offerings that can fulfil these needs.



# Enterprise IT has to enable the Digital Future.\_\_\_\_\_





Our world really has changed. While 'digital' might be perceived as one of the current industry buzzwords as 'cloud' was before it, the change it represents is very real indeed.

Gone are predictable certainties of the organisation dictating how to engage with consumers. The consumers themselves now want to choose how and when they engage and if companies can't satisfy that choice, they simply go elsewhere<sup>1</sup>.

Employees and business partners are consumers too and they want the same quality of technology at work that they have at home. A poor user experience across company systems could potentially hamper an organisation's ability to find and retain the best people as much as a weak talent strategy.

At Capgemini, we see this shift and understand the implications for you and your business. Our market leading work with MIT School of Digital Business shows us the business imperative for getting this right. Those who get it and plan accordingly excel in their industries<sup>2</sup>, but those who can't or won't take this step forward, probably won't make much ground.

We can help you understand this changing landscape and how consumer behaviour is evolving. We can help you understand how to re-engineer your organisation, business process and IT landscape so you can put the consumer at the heart of everything you do.

This sounds a massively complex task and achieving true digital transformation is no mean feat. Many organisations are still trying to work out the correct next steps<sup>3</sup>. We believe there is a massive potential opportunity for those who start the journey

now and do it in the correct way. The early movers have a wonderful opportunity to create the new normal!

Understanding what motivates the business and translating that understanding into real solutions turns the IT team from an obstacle to be overcome into a valued partner. The ability to show how existing technology evolves to underpin the new capabilities at the velocity required while protecting core business operations is the value-add an IT team needs to bring to the organisation. Digital transformation is a team sport and all the different parts of the organisation must work together in order to achieve the desired outcome.

Capgemini have identified a number of capabilities needed to support digital transformation within consumer products and retail organizations. These capabilities focus on areas such as customer experience, insight & analytics, the digital employee, the digital salesforce, eFulfilment and the digital platforms themselves. While these capabilities can be addressed individually, stepping back and seeing them in the wider context of overall transformation and understanding how they link together in a value-chain makes the whole greater than simply the sum of the parts.

For example one may start by looking at the requirements for deploying an effective digital platform focusing on the management of digital content, assets and product information from different sources. Having a rich, single view of product that goes beyond the basic master data in an ERP system and can be shared with customers and partners alike is now a must-have capability. This content, which can include pictures, text, videos and active PDFs, needs to come together to give an accurate and up-to-date view of a company's offerings.

<sup>1</sup>59% of customers are willing to try a new brand to get better customer service – American Express Global Customer Barometer. See - [http://about.americanexpress.com/news/docs/2011x/axp\\_2011\\_csbar\\_us.pdf](http://about.americanexpress.com/news/docs/2011x/axp_2011_csbar_us.pdf) (Slide 10)

<sup>2</sup>See - <http://www.uk.capgemini.com/resources/the-digital-advantage-how-digital-leaders-outperform-their-peers-in-every-industry> (PDF - pp7-8).

<sup>3</sup>According to a recent Forrester report only 34% of executives in companies with more than 250 employees see digital technology as a major driver of business strategy. See – "The State of Digital Business 2014.", Forrester Research Inc, May 2014

The hybrid eCommerce platform for example has Product Information Management (PIM) functionality as standard which can provide this content library. If that still isn't enough, the pre-built integration with other market leading tools from Adobe and OpenText can provide an even richer experience.

Combining this with the pricing, sales & distribution and supply chain functionality within the SAP Business Suite, which many organisations already have; rich product information suddenly becomes the customer visible end of an optimised value chain facilitating the production, selling and delivery of stock in response to actual demand. The ability to course correct as soon as things change is also a vital part of this end-to-end capability. That it is all now available in real-time thanks to the SAP HANA in-memory platform, a meaningful eFulfilment capability is enabled.

CRM tools such as the SAP Cloud for Customer Platform can be quickly implemented to manage the customer interaction through the Service and Social Media Listening functionality available<sup>4</sup>— and if there's a business-to-business (B2B) focus the sales aspect also comes into play. This offering is further strengthened by the pre-delivered integration SAP provides between their front and back office solutions. The fact that it is available on mobile devices as standard only increases its flexibility for an itinerant workforce.

Casting the net even wider; aligning a single view of customer/ consumer, product, inventory and order data from across multiple channels and from different sources with the ability to conduct real-time analysis enables clear decisions to be made. These decisions then lead to tangible actions.

Examples could include working out how to reduce lost sales; how put the right stock in the right place at the right time in response to known demand; how to deliver highly relevant, interactive and personalised responses and offers to customers based not only on what they are saying, but also on automated analytical techniques which could be defined by the business.

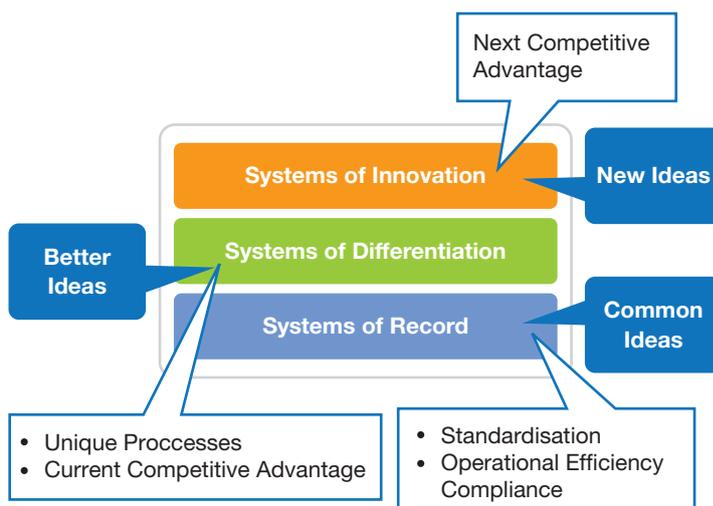
In all cases and for all the components in a landscape a poor user experience is no longer acceptable. Poorly designed and unusable solutions can not only reduce employee productivity but can also prevent adoption and use of systems to fulfil the tasks for which they were deployed. There are examples in the industry of workforces refusing to use systems or even leaving the company as a result of unusable systems being forced upon them<sup>5</sup>. SAP have recognised this and are acting

on it, which is especially encouraging given their previously poor reputation in this space. The Fiori Applications, which provide intuitive windows on the most commonly used process; and the UI5 framework, which allows for more bespoke development on top of an existing SAP system, can give the employee as good a user experience at work as they have at home. It goes without saying that all of this is mobile enabled and can be used on a wide variety of devices. Capgemini is delivering these solutions to our clients across the world and is making a real difference to how they operate.

This evolution of existing technology can underpin re-imagined business processes that drive organisational efficiency and maximise sales; both of which are key contributors to the bottom line. Having a unified business suite of applications drawing on the same data, running on a real-time platform and fully integrated with advanced analytics can make this vision a reality.

There are of course a number of considerations which must be taken into account in this new world. Gartner talks about pace-layering within a landscape<sup>6</sup>, where different types of systems can change at different speeds. The flexibility and governance applied changing focus depending what needs a solution fulfils for example those systems that are closest to the customer tend to be the fastest moving and most flexible while those managing the core business being the least.

### Gartner's Pace-Layered Application Strategy



Source: Gartner, November 2013

<sup>4</sup><http://www.sap.com/pc/tech/cloud/software/cloud-for-social-engagement/index.html>

<sup>5</sup><http://www.forbes.com/sites/benkepess/2013/12/17/avons-failed-sap-implementation-a-perfect-example-of-enterprise-it-revolution/>

<sup>6</sup>See - Gartner Inc. "How to Develop a Pace-Layered Application Strategy", Mangi & Galberaith, November 2013

Being able to describe and manage these tensions across the landscape becomes ever more important as IT organisations seek to give the business what they want and need without jeopardising vital operations. The technology doesn't hold any of this back, but there needs to be a recognition that tried and tested delivery and governance methods are not always appropriate in a digital world. They don't go away, but they need to be seen and used in conjunction with more agile approaches against the backdrop of rapid change.

While the shift is seismic, Capgemini absolutely believes this integrated enterprise landscape is now an attainable reality rather than a far off aspiration. The investment existing IT landscapes represent and the teams who operate them should not be seen as blockers to enabling digital transformation; instead they should be viewed as the stable platform upon which new digital capabilities can be built. Having a common strategic vision which covers both business and IT organisations is vital so everyone can move forward together speaking the same language and sharing the same goals.

## About the **author.**

---

Tim Fisher is a Principal Enterprise Architect and Head of SAP Solution Innovation for Capgemini in the UK. He is also part of Capgemini's Digital Task Force. He has over a decade of enterprise delivery experience across a number of industry sectors and has a deep interest in how clients can evolve their existing estates to meet the challenges of a digital future. He graduated from The University of Bath with a degree in Natural Sciences and holds a Masters degree in IT & Bioinformatics from the University of Glasgow.



## About Capgemini

---

With more than 130,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2013 global revenues of EUR 10.1 billion.

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organisation, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

Learn more about us at

[www.uk.capgemini.com](http://www.uk.capgemini.com)

For more details contact:

**Tim Fisher**

Head of SAP Solution Innovation

[tim.fisher@capgemini.com](mailto:tim.fisher@capgemini.com)

+44 (0)870 904 5635