

Adapted from
*How to Break
Through the Digital
Transformation
Deadlock*

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Breaking the Digital Deadlock: A DX Imperative

Introduction

From the beginning, numerous obstacles — including legacy culture, process, and financial pressures — have challenged companies transforming their legacy organizations into digital enterprises. Now, a new set of obstacles is slowing progress for many organizations. Ironically, these obstacles signal real digital progress, while at the same time impeding that progress. These obstacles include:

- Outdated KPIs
- Siloed organizational structures
- Tactical digital plans
- Silos of innovation
- Limited Expertise

Collectively, these areas represent a digital deadlock. But many companies are finding ways to break this deadlock to thrive and lead their industries.

Benefits

In a recent study, IDC found that IT organizations in companies that are just beginning their digital journey still exhibit many of the traditional qualities of IT. They typically employ waterfall practices, are challenged to find partners to work on digital transformation, and still measure the length of projects in terms of months, not weeks. In contrast, IT organizations working in companies that are far along on their digital journey primarily employ agile and design-thinking practices, focus on creating new DX business models, and deliver projects in 90 days or less.

Considerations

According to the IDC MaturityScape Benchmark: Digital Transformation, 58% of worldwide organizations are stuck in Stages 2, or 3 of their digital transformation. Digital products and services are inconsistent and poorly integrated or, in many cases, are not truly innovative. So, while they are running digital projects and making progress, they are not digitally transforming their total organizations. Their activities have limited impact and they are not keeping pace with their competitors or defending themselves in the face of disruptive newcomers. Though business-IT goals are aligned at the enterprise level to near-term strategy and include digital customer product and experience initiatives, these companies are not yet focused on or prepared for the disruptive potential of digital initiatives.

Conclusion

IT organizations must evolve to understand the needs of customers and rapidly develop new innovations. For many organizations, the next few years will be internally focused: a time when they tune internal systems, processes, and culture to “get digital done.” They will have to focus on creating metrics and KPIs that accurately represent IT’s contribution to business outcomes. They will update their siloed organizational structures and create enhanced streams of talent that constantly build new products, services, and ways of doing business. Once organizations move past this difficult work, they will be able to be more competitive and aggressive; then, they can realize the returns on their innovation investments.

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