Adapted from
IDC MaturityScape: Digital Transformation (DX)

Document #254721

March 2015

Digital Transformation (DX): An Opportunity and an Imperative

Introduction

Business leaders today are challenged to move their enterprises to the next level, that of **digital business transformation**: coupling digital technologies with organizational, operational, and business model innovation to create new ways of operating and growing businesses. Digital transformation (DX) enables enterprises to drive changes in their business models and ecosystems by leveraging digital competencies. IDC has developed the Digital Transformation IDC MaturityScape to help business and IT leaders understand and cope with the challenges and opportunities that digital transformation can bring to their enterprises.

Digital transformation is a foregone conclusion for most, if not all, businesses.

The only choice for businesses is whether to hunker down and try to weather those disruptions; develop digital transformation competencies and become a disruptor, or split the difference and become a fast follower of disruptors.

Benefits

Aside from rapid technological change, businesses will have to cope with geopolitical, economic, and environmental disruptions — some predictable, but many not. Digital transformation is one means of creating "antifragile" businesses that can not only weather such disruptions but also leverage and thrive on them.

Despite the "digital" moniker, there is much more to digital transformation than just technology. IDC defines **digital transformation** as the continuous process by which enterprises adapt to or drive disruptive changes in their customers and markets (external ecosystem) by leveraging digital competencies to create new business models, products, and services. Digital transformation enables enterprises to seamlessly blend digital and physical business and customer experiences while improving operational efficiencies and organizational performance.

Considerations

In just a few short decades, information technology (IT) has moved from the back office and embedded itself into nearly every aspect of people's business and personal lives, fueled by 3rd Platform technologies including mobile, social business, cloud, and big data and analytics (BDA). We're entering an era in which the technologies and processes that businesses deploy are so tightly linked to their customers and markets that the boundary between the internal operations of the enterprise and its external *ecosystem* (customers, markets, competitors, partners, regulators) is rapidly disappearing.

IDC believes that businesses must rethink every aspect of their strategic direction on a continuous basis. The Digital Transformation MaturityScape focuses on identifying the business-critical competencies that are emerging across a wide spectrum of industries and capabilities. IDC believes that it will help business leaders find new answers for important questions:

» How will digital transformation affect the way we do business?

» What is the role of DX in supporting business change?

» Where are we on a maturity scale for DX competencies in terms of what the business needs?

» Where are our competitors?

» What's the path to improve and achieve the level of maturity that the business needs?

Conclusion

Digital technology has, and will continue to, alter the landscapes of business, education, entertainment, and government. The past couple of decades have seen breathtaking change, and the pace is accelerating, as is the scale of change and disruption taking place at the individual, societal, and organizational levels.

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