Agile Practices
Lecture 4-Digitalization & Business Model

Omkarendra Tiwari

Cybernetics, School of Computer Science
University of Petroleum and Energy Studies

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What

Greg Verdino

Digital transformation closes the gap what digital customers already expect and what analog businesses actually deliver.

Agile Elephant

Digital transformation involves a change in leadership, different thinking, the encouragement of innovation and new business models, incorporating digitalization of assets, and an increased use of technology to improve the experience of your organizations employees, customers, suppliers, partners and stakeholders.

Evolution of Digital Transformation

Late 1990s: Digital Products and Infrastructure

- Music, Entertainment
- Software, Telecommunication, IT

Late 2000s: Digital distribution and web strategy

- E-commerce
- Creating efficiency by web

Late 2010s: Digital transformation of Business models

- Mobile revolution
- Social media
- Data analytics

Digital Era

Pre-Digital

- Packaged Software and ERP
- Organization Silos
- Monolithic Architecture

Digital 1.0

- API, Architectures, Microservices
- E-business

Digital 2.0

- Customer Centric
- IT and Business in fast lane
- SMAC (Social, Mobile, Analytics, Cloud)

What is influencing Digital Transformation

- Changing organizational culture
- Global/shared Economy
- Nature of Businesses
- Customer needs and Demands
- Information Intelligence

Principles of DT

- Business driven
- Data insight
- Customer-centric approach
- An agile approach to business
- Process automation

Impact of DT

Challenges and benefits

- Customer experience
- Redefining operational process
- New lines of businesses
- Access to global economy
- Enabling employee engagement

Business Models

- Manufacturer
- Retailer
- Franchise
- Advertise
- Bait and Hook
- Low cost

Challenges in traditional business model

- Outdated organizational process
- Lack of individual authority or autonomy
- Information distortion

3.4 Business Model Canvas

The following diagram describes the business model canvas.