

Insight Paper: Winning Deals in Digital Transformation Work packages

This paper outlines key strategies for winning deals in Digital Transformation work packages, drawing insights into the procurement process, the role of emerging skills, and the essential elements of a winning recipe.

Understanding the Procurement Process

Companies typically employ a well-governed procurement system to select technology service vendors for specific needs. The procurement team usually establishes a set of criteria that vendors must meet to be considered for Requests for Proposals (RFPs) for particular work packages. The selection of vendors often depends on the nature of the work. For instance, a company might choose vendors known for competitive pricing and optimized operations for global infrastructure support. Conversely, for infrastructure transformation involving advanced security and resource management, a different group of specialized vendors might be preferred. Similarly, for business service layer maintenance, vendors leveraging cost-effective resources without compromising quality might be selected. However, these vendors might not be invited for projects focused on transforming business services to new technology platforms. Securing a spot in the digital spending of major organizations is a highly competitive endeavor for all technology service companies when RFPs are issued for modernizing business systems or customer journey paths.

The Significance of Emerging Skills

In the realm of digital transformation, the landscape of technology and required skills is constantly evolving. Within the first 12 to 18 months of a new technology platform's emergence, a period of intense competition arises among vendors to secure skilled resources. During this phase, the vendor that can rapidly provide the necessary skills, often through partnerships with platform owners or specialized boutique firms, holds a significant advantage and is more likely to win the deal. However, as the technology and its associated skills mature over the subsequent 12 to 18 months, driven by the platform owners' marketing and adoption, the skill gap among competing vendors tends to narrow. This is when the competitive environment becomes more challenging.

The Winning Recipe: Data-Forwardness and Demonstrated Expertise

In today's competitive digital transformation landscape, a "tough" vendor stands out through its "data-forwardness". As technology service companies undertake projects in new or evolving technology domains, those that diligently collect and analyze execution data gain a crucial edge. Many other companies might only produce standard case studies without deeply understanding the nuances, challenges, benefits, and Return on

Investment (ROI) associated with these new technologies. Consequently, companies increasingly prefer vendors who can demonstrate a strong understanding derived from previous, similar project executions. This ability to digest and leverage past experiences positions the vendor as a valuable partner in the client's digital journey. The leading technology service companies often differentiate themselves through their robust data harvesting and information curation capabilities. While exceptions exist with smaller companies offering excellent services in niche areas, the ability to analyze implementation data, such as time spent on different migration experiences, is paramount. It is no longer sufficient for vendors to simply state the number of skilled personnel or projects completed. Failing to establish a clear sense of "knowingness" about the technologies and their application can lead to companies overlooking even large, previously empaneled vendors. Therefore, demonstrating data-driven insights and a deep understanding of the technologies and their impact is a critical component of a winning strategy in digital transformation work packages.