

Digital Reimagination TM - The Art of Reimagining Business

The Digital Consumer Economy is mainstream and is having a profound impact on most businesses and traditional business models. Once thriving enterprises such as Blockbuster, Kodak, and Borders that didn't react when faced with digital alternatives, no longer exist. The impact of today's digital forces will be even more profound.

For the last decade, since the dot com-related market crash, companies have been under significant cost pressures. Most of the known cost levers in various industries have been discovered and applied. The options for dramatic cost reductions are limited. On the revenue side, intense competition has reduced the ability of organizations to increase prices. The net result of this pressure on both costs and revenues, is that companies are caught in what can be termed a 'value barrier'. Since investors' growth expectations will not allow firms to maintain this status quo for long they need to find ways to break through this value barrier. They are looking for tools to help them do so.

There's also an influx of the so-called 'digital natives' into the customer base. In Europe and other developed regions where population growth is slow, new customers must come from younger segments of the population. These younger generations have grown up with digital devices and they expect the same experience from the companies whose products and services they buy. A retail bank may continue to keep its branches active to serve these digital natives since many of them still need advice from a banking professional. But these branches need to be reimaged with digital technologies such as tablets and smart kiosks to meet this segment's demands for responsiveness, knowledge, engagement and individualized attention.

In many industries, companies are overcoming the value barrier and gaining large numbers of digital natives as customers by leveraging a potent combination of the Digital Five Forces – Mobility, Big Data, Social Media, Cloud, and AI-Robotics.

Three categories of digital initiatives:

In our engagements across numerous industries, we see clients pursuing one of three distinct types of digital initiatives.

The first category can be termed 'Digitization'. In these initiatives, companies introduce digital devices to their existing business processes or workflows that are typically manual and have physical artifacts such as paper and pencil. In other instances, they introduce digital technologies such as mobile devices or social media in an existing business process undertaken on personal computers. As we saw earlier, anytime a connected digital device such as a tablet computer is introduced into what is primarily a physical artifact-based business process, it adds tremendous velocity to that business process. Digitization can bring about significant benefits. However digitization by and large preserves the structure, actors, and flows of existing business processes and hence is rarely transformational.

The next and higher step in the spectrum of digital initiatives can be termed 'Digital Transformation'. In Digital Transformation, companies typically transform their channels to customers by introducing digital technologies. A company may restructure its web channels to move from product-centered design to user-centered design. It may redesign the web channel using adaptive and responsive web design so customers can view its websites from multiple types of digital displays. That makes it far easier for companies to use their websites and mobile apps as selling devices.

Digital transformation may involve adding a mobile capability that enables customers to connect to them from their mobile devices – or creates a seamless customer experience across channels including mobile, desktop computer, stores and so on. Digital transformation can have a significant positive impact on a company's revenue and the brand experience it presents to its customers. It can also improve key sales metrics – for example, reducing the average deal approval cycle, time to bookings and deal cycle time. Digital transformation initiatives mostly impact one key aspect of a company, namely its channels, but leave many other areas of the company untouched.

While Digitization and Digital Transformation initiatives deliver key business benefits, they still do not tap into the full and collective potential of the Digital Five Forces. In our client work and in the digital strategy sessions we conduct with our customers, we are discovering a new trend emerging where companies can leverage all five Digital Forces and fundamentally reimagine their businesses and the industry in which they operate. Here, we use the term 'reimagine' to denote creating things that are fundamentally new, not simply incremental improvements.

We define Digital Reimagination™ as leveraging a combination of the Digital Five Forces to reimagine six areas of an enterprise:

1. Business Models
2. Products and Services
3. Customer Segments
4. Channels
5. Business Processes
6. Workplaces

Two aspects of this definition are critical. The first is about leveraging a combination of the Digital Five Forces and not each of them individually. The second is about creating something fundamentally new in these six areas of a company. While doing so, Digital Reimagination™ fundamentally changes many aspects of traditional managerial wisdom.

To learn more about how Digital Reimagination™ works and what TCS customers are doing, download a copy of the recently published TCS Digital Enterprise point of view paper, 'Winning in the Digital Consumer Economy Requires Digital Reimagination'.

About the author

Dr. Satya Ramaswamy

Dr. Satya Ramaswamy is a Vice President and the global head of the Digital Enterprise Services and Solutions Unit in Tata Consultancy Services. He leads the worldwide organization within Tata Consultancy Services that helps customers with Digital Reimagination™-reimagining business models, products and services, customer segments, channels, business processes and workplaces by leveraging the Digital Five Forces: Mobility, Big Data, Social Media, Cloud, as well as Artificial Intelligence and Robotics.

Dr. Ramaswamy's over 20 years of experience in digital technologies spans engineering, product management, strategy consulting and global organizational leadership. He has launched two successful startup companies in the mobile application and Big Data spaces and has six granted US patents to his credit with another 14 patent applications pending.

Based out of the TCS Silicon Valley Customer Collaboration Center in Santa Clara, California, Dr. Ramaswamy has a Ph.D in Distributed Computing from the Indian Institute of Technology, Chennai and an MBA in Marketing and Analytical Consulting from the Kellogg School of Management, Chicago.

About Digital Enterprise Unit

The TCS Digital Enterprise unit applies the Digital Five Forces – Mobility and Pervasive Computing, Big Data and Analytics, Social Media, Cloud, and Artificial Intelligence & Robotics – to meet the unique needs and opportunities of each industry. We help clients reimagine their business models, products and services, customer segments, channels, business processes, and workplaces by leveraging a combination of the Digital Five Forces to gain sustained competitive advantage.

Our experienced global team includes business strategy consultants, business analysts, digital marketers, user experience designers, data scientists, and engineers who are passionate about today's digital technologies and their impact on businesses. Backed by our technology vendor partnerships, pre-built customizable products and reusable assets, and deep industry expertise, we offer everything an enterprise needs for complete Digital Reimagination™.

Contact

For more information about TCS' mobile security products and services, email digital.enterprise@tcs.com

About Tata Consultancy Services Ltd (TCS)

Tata Consultancy Services is an IT services, consulting and business solutions organization that delivers real results to global business, ensuring a level of certainty no other firm can match. TCS offers a consulting-led, integrated portfolio of IT and IT-enabled infrastructure, engineering and assurance services. This is delivered through its unique Global Network Delivery Model™, recognized as the benchmark of excellence in software development. A part of the Tata Group, India's largest industrial conglomerate, TCS has a global footprint and is listed on the National Stock Exchange and Bombay Stock Exchange in India.

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