



Business 4.0

Intelligent, Agile, Automated, and on the Cloud



This is Business 4.0:

Intelligent, Agile, Automated, and on the Cloud

Overview

The era of industrialisation from the late 18th century onwards has been punctuated by revolutions that redefined how the economy functioned – first steam, then electrification and the advent of computing. Today, we are seeing the Fourth Industrial Revolution, or Industry 4.0, which is driving the confluence of the physical, digital and biological worlds.

The next generation of change is going to be even more profound, given the rapid pace of breakthroughs in emerging technologies, their network effect on each other and the embedding of technology into almost all aspects of business and life. This is reshaping entire industries.

While the macro has shifted, the micro also needs to adjust to a new paradigm. In the Industry 4.0 landscape, organisations must follow suit and engage in their own fourth generational evolution. And they are rising to this challenge. Having built their digital spines and moved to the cloud, a new generation of agile organisations are now embracing automation, robotics and artificial intelligence.

By putting experience first, leading enterprises are winning over new customers and growing at a super accelerated pace. We call this Business 4.0, and just like its three predecessors, technological advancements provide the catalyst, while its distinct characteristics help to identify opportunities for business advantage. The businesses that can truly transform themselves into Business 4.0 are those that will prosper in the coming digital age.

What Business 4.0 means to enterprise organisations

To set Business 4.0 in context, we must understand its transformational potential. Just as 18th and 19th century steam-aged mechanisation redefined the way trade was done, intelligent, agile, automated, and cloud-based Business 4.0 has the potential to change the rules of business.

Just as the early 20th century ushered in electricity to globalise and decentralise manufacturing – Business 4.0 brings sophistication to the supply chain and re-imagines how it might work.

And just as the late 20th century applied the power of mass computing to enhance productivity, Business 4.0 promises intelligent automation on an unprecedented scale.

Look closely at what characterises Business 4.0 and it is possible to spot that many of the primary dimensions are the same that have defined business for years. Companies exist to serve target customer segments. They do this by defining a value proposition and creating an operating model that ensures delivery of 'value to the customer', while also making profits for the business entity.

However, while there are some similarities, what Business 4.0 does differently is to reimagine all aspects and create a new paradigm. Adopters of Business 4.0 do this by:

1. Mass personalisation.

Business 4.0 promises greater segmentation, where organisations are able not only to identify a segment of one, but go beyond the individual. Mass personalisation and tailoring now means isolating and responding to individual transactions customised for a single customer in a single instance.

2. Creating exponential value

The possibility of a step-change in value creation reflects customer demand for the best products, world-class service, instantaneous delivery, and incredible price points. Organisations capable of creating that kind of value proposition for customers will simultaneously create exponential value for their shareholders.

3. Leveraging ecosystems

Enterprises should no longer think of themselves as silos. The ability to deliver across a wide customer base and the ability to drive exponential value depends on the ability to deliver across the ecosystem. Businesses must start thinking about their entire supply and value chain as something they must influence. They also must tap into the capabilities and resources of partners and competitors through technology platforms.

4. Embracing risk

Traditional enterprises have always been conditioned by limited resources, characterised by five-year plans at best, or buffeted by quarterly reporting, at worst. Businesses are getting hit by unknown challengers from across industries. The preference for the tried and tested and the risk-mitigation mindset needs to change 180 degrees to that of “embracing risk” and “adapt and transform continuously”, enabling businesses to not only respond to threats, but also deliver new business capabilities faster.

Overall, a change of mindset is required – from “**Optimising Scarce Resources**” to “**Harnessing Abundance**”.

We are used to hand-picking premium talent and investing in well-defined processes and systems, but are saddled with the problem of siloed knowledge. Companies were investing in dedicated infrastructure and assets, but were finding it to be insufficient to meet their rapidly expanding needs. In most cases, businesses were running with the premise of optimising scarce resources. In comparison, the Business 4.0 organisation turns this challenge on its head and advocates an approach based on the premise that there are abundant resources out there that can be leveraged, such as:


Abundance of capital: Unimagined pools of capital exist for those organisations that can paint a vision of what the future looks like and have the strength of character and boldness of leadership to execute on that task.

Abundance of talent: There are enormous skilled talent pools that could be crowd-sourced and utilised on-demand. To take advantage, enterprises have to embrace the idea of blurred organisational boundaries where old definitions of “who is” and “who isn’t” an employee are challenged.


Abundance of capabilities: By re-imagining the wider organisational environment and rethinking the relationships within it, enterprises can unlock the capabilities of their entire ecosystem.

The key factor is the **technological platforms** that give companies the ability to harness these abundant resources in **real-time**. The convergence of intelligence, agility, automation, and cloud has allowed for the creation of technology platforms to effectively harness this abundance.

This move from the limited to the near-limitless is one of the most profound aspects of Business 4.0.

 *To adopt and apply Business 4.0 requires a change in mindset.*

Unimagined pools of capital exist for those organisations that can paint a vision of the future.

Enterprises should no longer think of themselves in silos. 

– **Rajesh Gopinathan,**
CEO and MD, TCS

Business 4.0 in action

Applying the principles of Business 4.0 demands that organisations challenge deep-held operational assumptions and rethink relationships with employees? the wider ecosystem and competitors.

Let's look at a few examples of Business 4.0 in action:

- We partnered with a leading Japanese power systems company to develop a Boiler Digital Twin that helps in monitoring and enabling efficient boiler operations using the power of artificial intelligence and IoT.
- TCS helped a large US retailer forecast customer needs and reinvent its multi-channel capabilities to differentiate customer experience and drive future growth.
- We have 1,900 TCS associates across several global locations focused on the needs of a leading global telecom equipment manufacturer, rapidly developing and releasing products on a weekly basis into the networks.
- TCS worked with a quick service restaurant for implementing a new point-of-sale platform on the cloud across 58 countries.
- TCS Diligenta platform chosen for a third party administration services deal by a large UK bank.

www.tcs.com

About Tata Consultancy Services Ltd (TCS)

Tata Consultancy Services is an IT services, consulting and business solutions organisation 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™, recognised 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.

For more information, visit us at www.tcs.com

IT Services
Business Solutions
Consulting

All content / information present here is the exclusive property of Tata Consultancy Services Limited (TCS). The content / information contained here is correct at the time of publishing. No material from here may be copied, modified, reproduced, republished, uploaded, transmitted, posted or distributed in any form without prior written permission from TCS. Unauthorised use of the content / information appearing here may violate copyright, trademark and other applicable laws, and could result in criminal or civil penalties.

Copyright © 2018 Tata Consultancy Services Limited