

Digital Execution Scorecard for Midsize Enterprise Results and recommendations

Prepared for: John Doe, ManufactCo

Date created: 13 April 2022



Introducing DES Dimensions

Strategic Digital Priorities



Achieving digital business goals requires successful execution of these Strategic Digital Priorities:

- **Generate New Digital Revenue** – Grow revenue by offering new digital products and services and by driving commerce through digital channels
- **Excel in Customer Experience** – Drive customer adoption of digital channels and increase customer engagement to improve customer retention and satisfaction
- **Achieve Operational Excellence** – Improve productivity, efficiency and quality of internal processes and tasks through automation and by digitally enabling the workforce
- **Optimize Asset Utilization** – Use digital capabilities to improve asset reliability and control
- **Minimize Risks** – Reduce enterprise continuity and digital security risks

Digital business requires scaling the digital operating model, growing talent, establishing the right mindset, and acquiring the necessary technology capabilities, tightly linked to CIO and IT Leader responsibilities

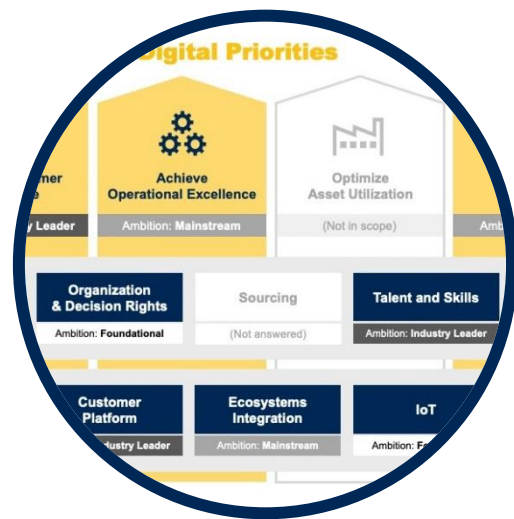
- **Adopt a Digital Operating Model** – Improving the ability to deliver digital capabilities – at scale - predictably and repeatedly by embracing new ways of working, fostering a digital-ready culture, aligning organization structure and implementing appropriate financial management practices
- **Build a Digital Technology Platform** - creating an enabling technology platform that is fit for digital business, encompassing AI/Data Analytics, Customer platforms, Ecosystem integration, IoT, enabled by a secure, elastic, and flexible infrastructure.

For each dimension, the model provides KPIs that track the adoption of best practices for digital enablement.

Guide to Results

The **Digital Execution Scorecard™** provides a comprehensive assessment of your digital strategy to accelerate decision-making and drive execution.

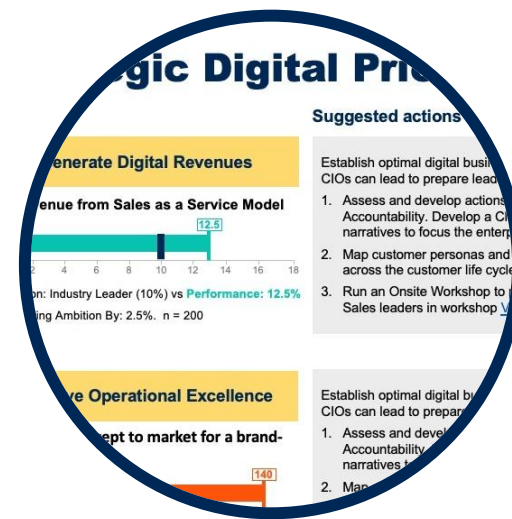
This self-assessment tool connects strategic digital priorities to underlying digital enablers. The results inform critical plans and budget needs, foster internal alignment and help you focus on the most critical aspects of digital execution. Use the results to compare your organization against industry peers and get practical advice that is right-sized for midsize enterprises.



Your Selected Ambitions



Performance Overview



Results & Recommendations

Assessment Details

Date: **13 April 2022**

Selected peer group: **Manufacturing**

Organization: **ManufactCo**

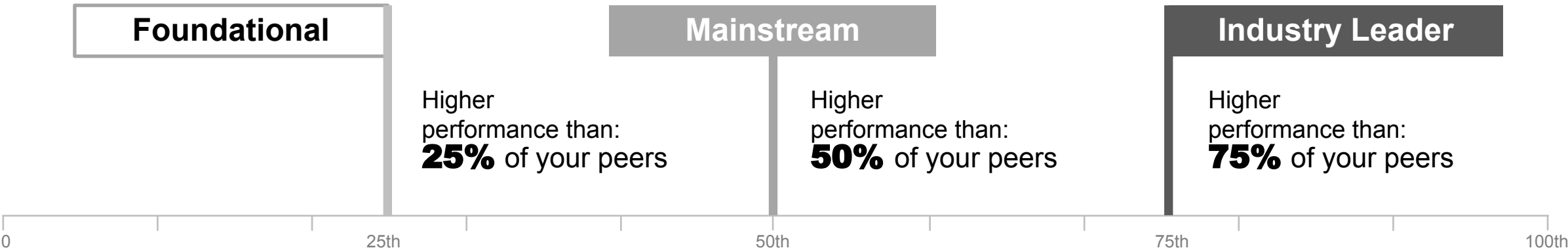
Digital Execution Scorecard Methodology

The Scorecard compares your actual performance to your ambition.

Performance is measured by individual Key Performance Indicators (KPIs). Individual KPIs are grouped into dimensions (Achieve Operational Excellence, Culture, Security Platform etc.)

Ambition is defined as your target compared to your peers and is expressed in terms of percentile. There are three levels of ambition to choose from: foundational, mainstream or industry leader. See below. Once you set ambition for each dimension it becomes the target for all KPIs in the dimension.

Ambition names & Percentile Rank



Guide to Results: Executive Summary

Report flow:

The **Ambitions** slide shows the ambition you set for each dimension of the DES framework

The **Performance vs Ambitions** slide then overlays your performance against those ambitions.



Informational Icon Keys:



A check mark indicates every KPI in the dimension is meeting or exceeding your ambition.



A cross indicates every KPI in the dimension is falling short of your ambition.



A mixed icon indicates you are meeting or exceeding on some KPIs for the dimension and missing on others.



A question mark icon indicates you selected an ambition but have not given any KPI data for that dimension.

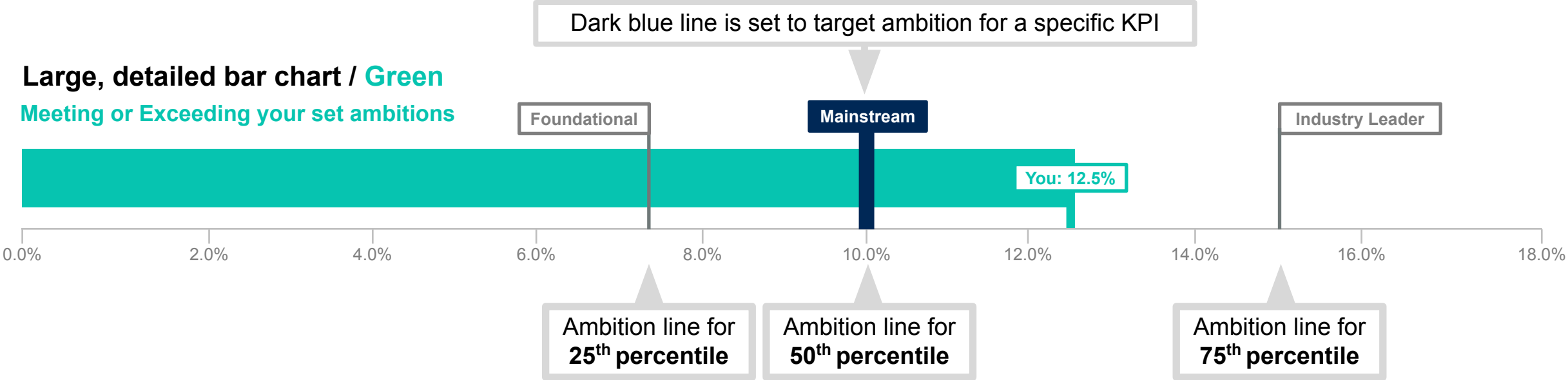


A timer icon indicates there is no benchmark available yet for the KPIs in the dimension. Benchmarks are released as more organizations in your industry take DES

Most organizations will likely have one or more “mixed” icons. Information on which KPI missed or exceeded your ambition is outlined in more detail in the **Results and Recommendations** section.

Guide to Results: KPI Performance Details

The main horizontal bar is set to your performance.
Most KPIs are measured as higher is better, sometimes you will see KPIs where lower is better.



Bar chart / **Orange**
Missing your set ambitions



Bar chart / **Grey**
No Benchmark Available yet





Digital Execution Scorecard Executive Summary Results



ManufactCo Ambitions

Strategic Digital Priorities



Performance vs Ambitions

Strategic Digital Priorities



All KPIs miss ambition All KPIs meet or exceed ambition Mixed Not Answered No Benchmark Available Yet

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Strategic Digital Priorities Summary (1/3)

Relative performance to Ambition by KPI

Missing  Exceeding

Generate New Digital Revenue

Ambition: Industry Leader

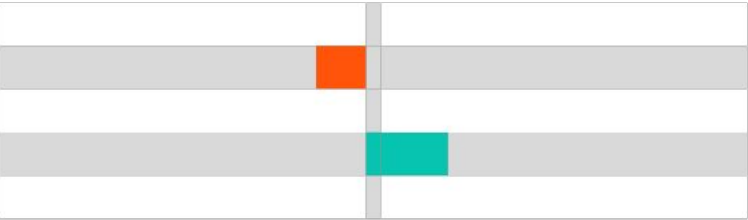
Direct Sales From Digital Channels (%)
Revenue From Platform Business (%)
Revenue From Digital Product and Services (%)
Revenue From "as a Service" Model (%)



Customer Experience

Ambition: Industry Leader

Churn Rate B2B (%)
Customer Service Requests Completed Through Digital...



Strategic Digital Priorities Summary (2/3)

Relative performance to Ambition by KPI

Missing ← → Exceeding

Achieve Operational Excellence

Ambition: Mainstream

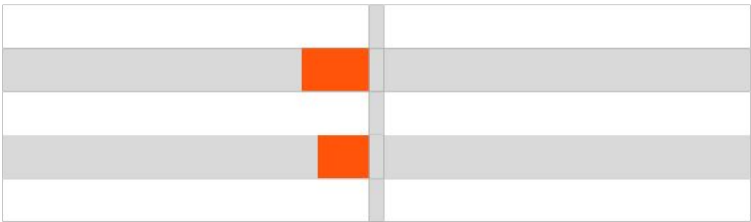
- Analytics-Enabled Workforce (%)
- Work-From-Home Adoption (%)
- Remote IT Workforce Adoption (%)
- Digitally Enabled Field/Factory Workers (%)
- Factory Defect Rate (%)
- Business Technologist Workforce (%)
- Demand Forecast Error (%)
- Time to Market for a Brand-New Product (months)



Optimize Asset Utilization

Ambition: Mainstream

- Predictive Maintenance Adoption (%)
- Unplanned Downtime (%)



Strategic Digital Priorities Summary (3/3)

Relative performance to Ambition by KPI

Missing  Exceeding

Minimize Risks	Critical IT Services Resilience (%)
Ambition: Foundational	Critical OT Services Uptime (%)



Strategic Digital Priorities: Top 2 Priority Actions

Strategic Digital Priorities

ILLUSTRATIVE DATA

Achieve Operational Excellence

Work-From-Home Adoption (%)



Ambition: Mainstream 20%

Your Performance: 3%

Missing Ambition By: 17% n=14

Suggested actions

- Ensure remote workers remain productive and engaged by establishing principles and processes for equipping a home office.
- Help workers set up a home office by surveying, coaching and establishing clear guidelines and expectations.
- Provide a versatile kit of equipment that helps ensure users are both productive and able to adjust to changes in their personal situation.

Recommended Research:

- [How Best to Equip Home Workers](#)
- [Video: Get Productive: The Human Side of Remote Work in Midsize Enterprises](#)
- [Future of Work Reinvented Resource Center](#)

Achieve Operational Excellence

Analytics-Enabled Workforce (%)



Ambition: Mainstream 5%

Your Performance: 1%

Missing Ambition By: 4% n=14

- Follow Gartner's Data Literacy Playbook to foster and develop a more data literate organization.
- Assess your organization's overall data literacy with Gartner's Toolkit: Data Literacy Organizational Assessment.

Recommended Research:

- [Tool: Data Literacy Playbook](#)
- [Toolkit: Data Literacy Organizational Assessment](#)
- [A Practical Data and Analytics Strategy and Operating Model for Midsize Enterprises](#)

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Comparison Group = Industry: Industrial Manufacturing
Source: Gartner Digital Execution Scorecard. As of 12 January 2022.

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Digital Operating Model Summary (1/2)

Relative performance to Ambition by KPI

Missing



Exceeding

Funding

Ambition: **Industry Leader**

Tech. Innovation/Experimentation Spending (%)

Agile Financial Practices Adoption (%)

IT Run Spending Ratio



Culture

Ambition: **Mainstream**

IT Leaders Demonstrating Digital Leadership Culture...

IT Workforce Demonstrating Digital Culture (%)



Talent and Skills

Ambition: **Foundational**

In-House Digital Factory (%)

IT Workforce With Digital Skills (%)

Business-/IT-Aligned Metrics in IT Dashboard (%)

IT Leaders Owning Specific Business Outcomes (%)



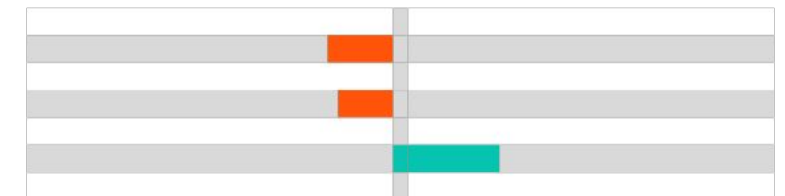
Sourcing

Ambition: **Industry Leader**

Business-Outcome-Based Outsourcing (%)

Agile-/DevOps-Ready Application Dev and Maintenance...

Average Time to Engage Vendors (days)



Digital Operating Model Summary (2/2)

Relative performance to Ambition by KPI

Missing  Exceeding

Ways of Working

Ambition: **Foundational**

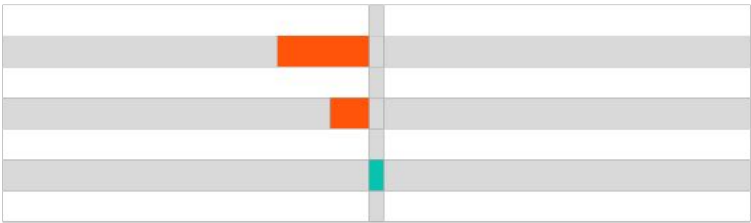
Agile Delivery Execution (%)
Agile Methods and Technical Practices Adoption (%)
Successful Software Releases (%)
Design Thinking Adoption (%)
High-Frequency Release Applications (%)



Organization and Decision Rights

Ambition: **Foundational**

CIO's Digital/Business Performance Objectives (%)
Cross-Functional Business/IT Teams (%)
Product-Centric Organization Adoption (%)



Digital Operating Model: Top 2 Priority Actions

Digital Operating Model

Suggested actions

ILLUSTRATIVE DATA

Funding

Tech. Innovation/Experimentation Spending (%)



Ambition: Industry Leader 5%

Your Performance: 1%

Missing Ambition By: 4% n=105

- Assess your organization’s budget and spend areas against those of leaders in your industry. Identify areas of overspend and opportunities to adjust budget allocation toward innovation.
- Explore the Gartner strategic cost optimization framework to help align cost decisions to strategic priorities and reinvest savings to fund technology innovation projects.
- Identify the needed contributions of digital technologies to enable business model innovation and work with your executive partners to build a business case for investments in innovation.

Recommended Research:

- [Executive Programs Report: Accelerating Innovation in Times of Disruption](#)
- [Strategic Cost Optimization: Link Cost Decisions to Strategic Priorities](#)
- [6 Warning Signs for MSE CIOs That Incumbent Relationships Are Hurting Your Business](#)

Funding

Agile Financial Practices Adoption (%)



Ambition: Industry Leader 10%

Your Performance: 1%

Missing Ambition By: 9% n=98

- Reset mindsets to make the case for agile financial practices by identifying key stakeholders’ priorities — such as cost control, time to market and visibility into spend — and use data to highlight how project funding fails to meet these priorities.
- Refocus project funding for iterative value delivery by working with CFOs and other business stakeholders to identify and simplify legacy processes, such as lengthy business cases or long project time frames, that hinder product teams.
- Fit funding pilots to enterprise value expectations by piloting agile financial practices in areas that promise returns business partners value the most.

Recommended Research:

- [Ready Your Organization for Agility’s Impacts on IT Spending](#)
- [How Midsize Enterprise CIOs Fund Legacy Modernization](#)
- [Managing IT Spend Using IT Product Lines](#)

Digital Technology Platform Summary (1/2)

Relative performance to Ambition by KPI

Missing ← → Exceeding

Cloud and DevOps Toolchain

Ambition: Mainstream

Cloud-Based Applications (%)

Continuous Integration/Continuous Delivery Adoption...

Cloud-Native Architecture Adoption (%)

Unsupported Infrastructure (%)

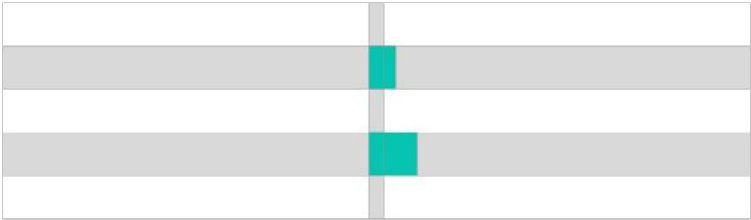


AI and Data Analytics Platform

Ambition: Foundational

AI/ML Adoption (%)

Data Lake(s) Adoption (%)

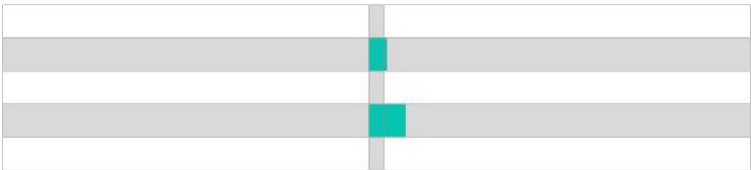


Customer Platform

Ambition: Foundational

Cross-Channel Customer Data Access (%)

Modern Customer UI Adoption (%)



Digital Technology Platform Summary (2/2)

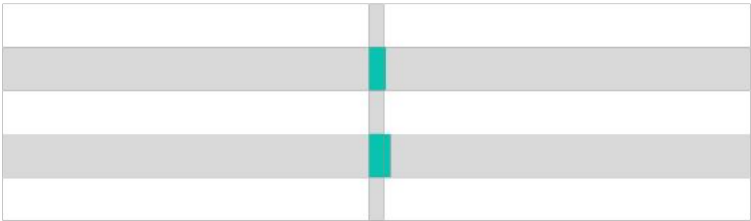
Relative performance to Ambition by KPI

Missing ← → Exceeding

Ecosystems and API Platform

Ambition: Foundational

API-Based Partners/Suppliers Integration (%)
Modern Integration Adoption (%)



IoT Platform

Ambition: Foundational

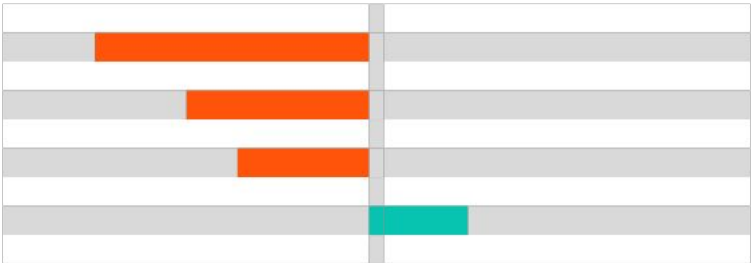
Remotely Monitored Assets (%)



Security Platform

Ambition: Industry Leader

Application Security and Risk Compliance (%)
Endpoint Security Compliance (%)
Average Days to Patch Critical Servers
Average Phishing Click-Through Rate (%)



Digital Technology Platform: Top 2 Priority Actions

Digital Technology Platform

ILLUSTRATIVE DATA

Security Platform

Application Security and Risk Compliance (%)



Ambition: Industry Leader 90%

Your Performance: 1%

Missing Ambition By: 89% n=104

Suggested actions

- Include security experts in the architectural review at the start of the development process to assist with threat modeling and to create test cases.
- Use Gartner's Hype Cycle for Application Security to become familiar with the range of relevant technologies.

Recommended Research:

- [Toolkit: Security Capabilities Framework for Midsize Enterprises](#)
- [7 Tips to Set Up an Application Security Program Without Breaking the Bank](#)
- [Hype Cycle for Application Security, 2020](#)
- [Essential Skills for Security in Modern Application Development](#)

Cloud and DevOps Toolchain

Cloud-Based Applications (%)



Ambition: Mainstream 30%

Your Performance: 5% (Rough Estimate)

Missing Ambition By: 25% n=106

- Determine which workloads to migrate to cloud by identifying and prioritizing IT capabilities that are critical to business differentiation and deliver maximum benefits with minimal efforts and migration costs.
- Justify private cloud by combining it with other initiatives that reduce infrastructure complexity and increase agility, while fulfilling compliance requirements.
- Build a cloud migration cost estimate to establish a realistic budget.

Recommended Research:

- [Build the Right Justification for Moving to the Cloud](#)
- [Modernizing Private Cloud Workloads in Midsize Enterprises](#)
- [Answers to the Impact of Cloud on Capex/Opex for Midsize Enterprise CIOs](#)
- [How to Build a Business Case for Migrating to Public Cloud IaaS](#)



Digital Execution Scorecard Peer Ambition Benchmark





Are Midsize Enterprises Aiming Higher?


Gartner's Digital Execution Scorecard™ methodology includes additional insight specially designed for midsize enterprises. These added benchmarks detail how your organization's ambitions compare to other midsize enterprises and large enterprises

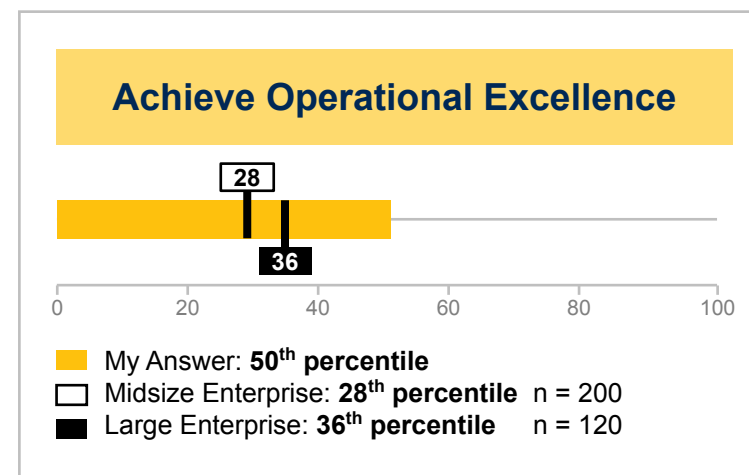
The following 3 pages contain ambition benchmarks for the three Digital Execution Scorecard™ categories, **strategic digital priorities**, **operating model** and **technology platform**.

Each panel shows the ambition for an individual dimension, for example "Achieve Operational Excellence".

 The yellow (or light blue) bar represents your organization's ambition, this will be either Foundational (25th percentile), Mainstream (50th percentile) or Industry Leader (75th percentile).

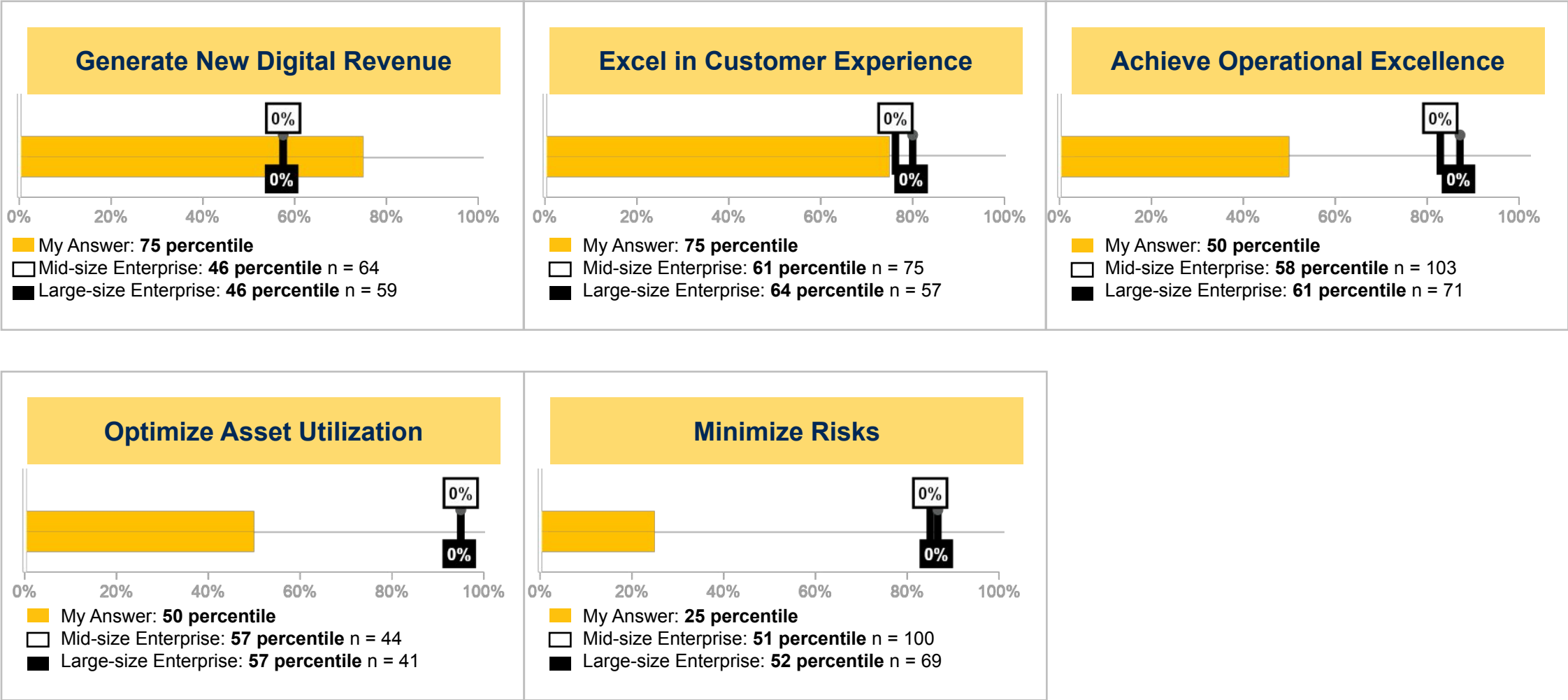
 The white box above the bar shows the average ambition for **all midsize enterprises** who have taken the Digital Execution Scorecard™ assessment.

 The black box below the bar shows the average ambition across **all large enterprises** who have taken the Digital Execution Scorecard™ assessment.

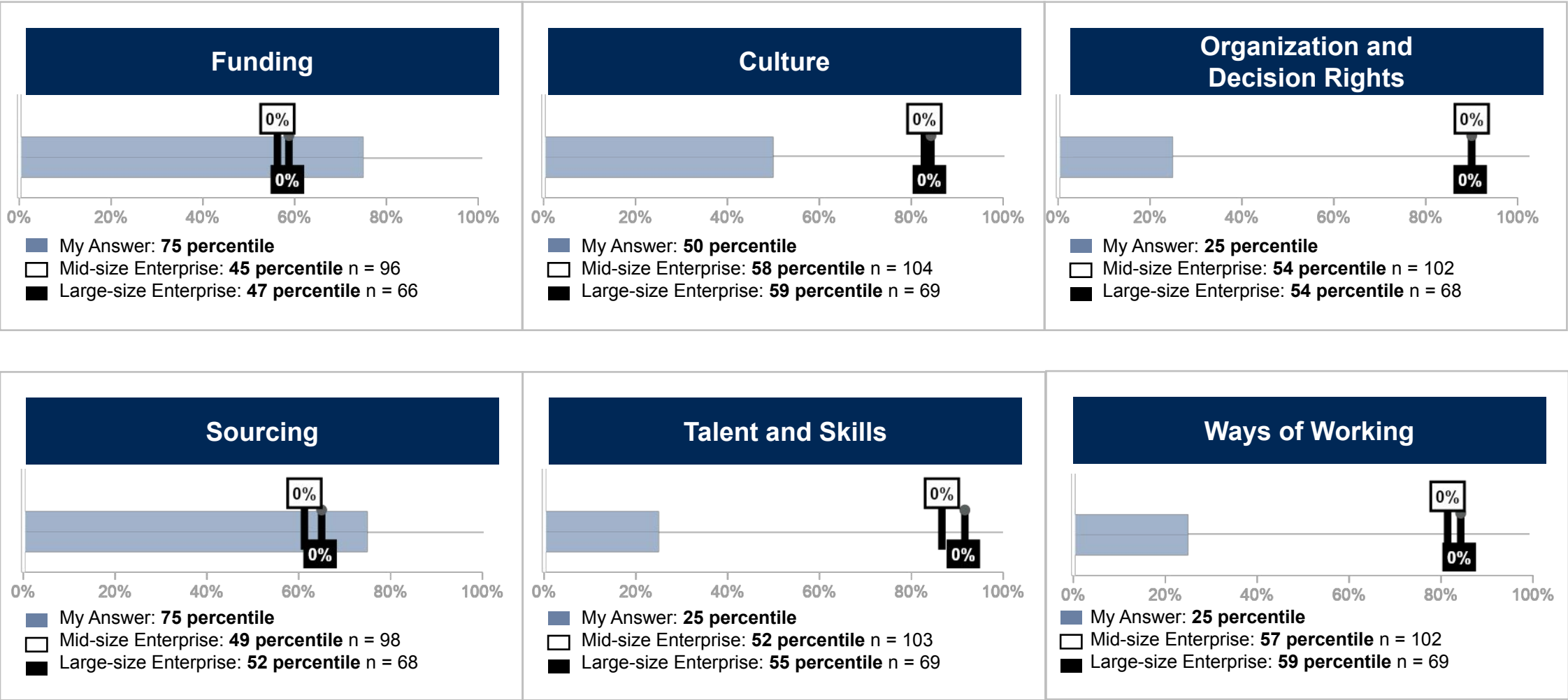


In this example, the respondent's ambition for Achieve Operational Excellence is higher than the average of both the midsize and large enterprise groups.

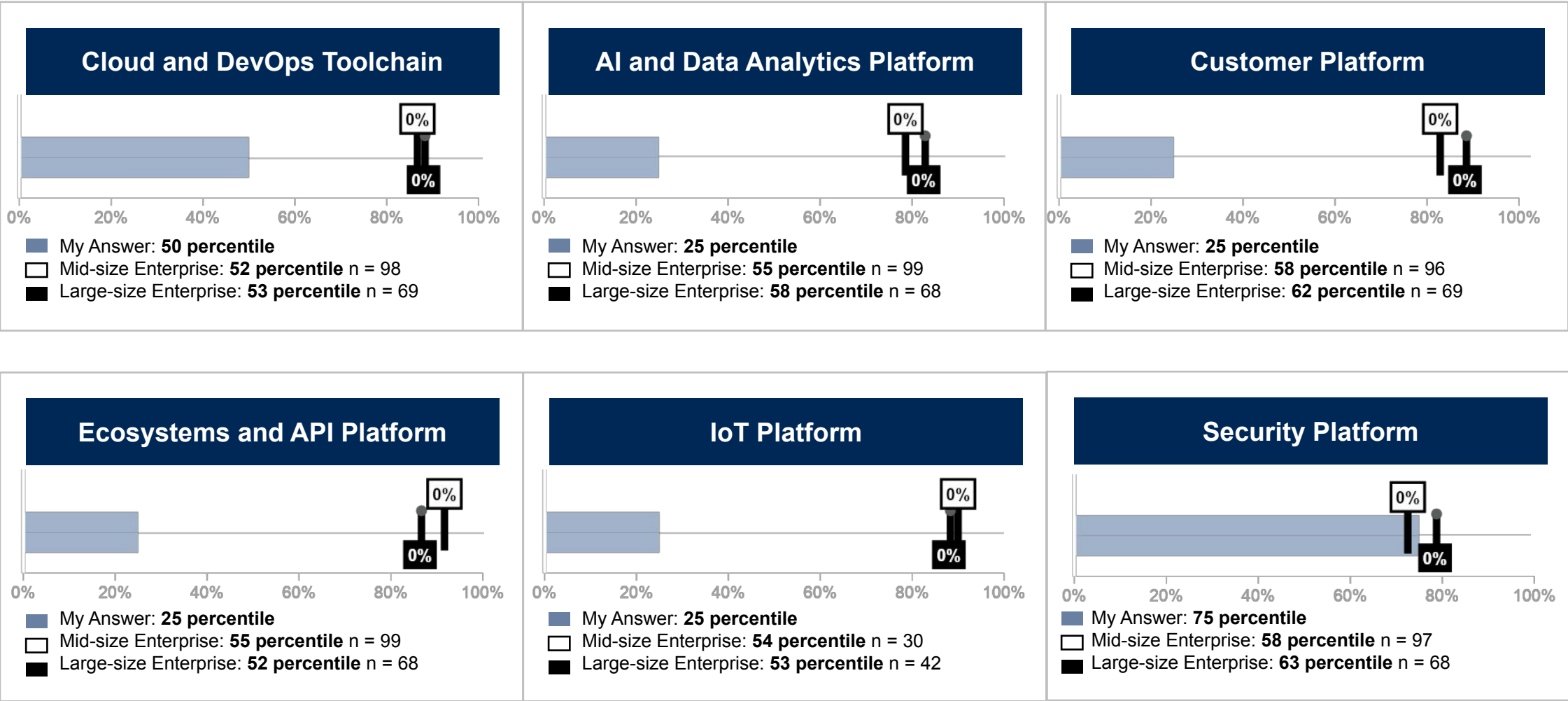
Strategic Digital Priorities: Peer Ambition



Digital Operating Model: Peer Ambition



Digital Technology Platform: Peer Ambition



Digital Execution Scorecard Strategic Digital Priorities

EXTRACT

Note: Full version will have a total of ~15 KPIs included in this section.
For the sample report, only a few KPI detail pages are shown as examples

Work-From-Home Adoption (%)

What percentage of employees is actually working from home at least 20% of the time, without impact on their productivity and collaboration?



Results

You: ManufactCo	3%
Ambition: Mainstream	20%
Missing Ambition By:	17%

Industry reference

Foundational	25 th percentile	15%
Mainstream	50 th percentile	20%
Industry Leader	75 th percentile	49%

Suggested actions

- Ensure remote workers remain productive and engaged by establishing principles and processes for equipping a home office.
- Help workers set up a home office by surveying, coaching and establishing clear guidelines and expectations.
- Provide a versatile kit of equipment that helps ensure users are both productive and able to adjust to changes in their personal situation.

Recommended Research:

- [How Best to Equip Home Workers](#)
- [Video: Get Productive: The Human Side of Remote Work in Midsize Enterprises](#)
- [Future of Work Reinvented Resource Center](#)

Digital Execution Scorecard Digital Operating Model

EXTRACT

Note: Full version will have a total of ~15 KPIs included in this section.
For the sample report, only a few KPI detail pages are shown as examples

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CIO's Digital/Business Performance Objectives (%)

What percentage of your personal objectives is explicitly based on digital business performance metrics?



Results

You: ManufactCo	23%
Ambition: Foundational	20%
Exceeding Ambition By:	3%

Industry reference

Foundational	25 th percentile	20%
Mainstream	50 th percentile	25%
Industry Leader	75 th percentile	27%

Suggested actions

- Create a digital vision for the enterprise, and identify the opportunities for differentiating digital capabilities and solutions.
- Define and report on digital business KPIs and metrics that represent progress against digital goals.
- Lead the development of the digital business strategy and roadmap, and ensure its integration with the enterprise strategic planning process and the resulting business strategy and plans.

Recommended Research:

- [Digital Business Ambition for Midsize Enterprises: Transform or Optimize?](#)
- [The CIO's Role in Preparing for Digital Business Acceleration](#)

Digital Execution Scorecard Digital Technology Platform

EXTRACT

Note: Full version will have a total of ~15 KPIs included in this section.
For the sample report, only a few KPI detail pages are shown as examples

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Remotely Monitored Assets (%)

What percentage of total physical production assets is remotely monitored?



Results

You: ManufactCo	4%
Ambition: Foundational	5%
Missing Ambition By:	1%

Industry reference

Foundational	25 th percentile	5%
Mainstream	50 th percentile	10%
Industry Leader	75 th percentile	30%

Suggested actions

- Use Gartner's Critical Capabilities for Industrial IoT Platforms to establish and refine use cases and desired capabilities for remote asset monitoring.
- Develop a strategic roadmap for transforming the business to an integrated digital state by targeting specific IT/OT data integration projects that will have positive outcomes as a result of sharing data.

Recommended Research:

- [2020 Strategic Roadmap for IT/OT Alignment](#)
- [Quick Answer: Is 5G Ready for Midsize Enterprises?](#)
- [Commercial IoT: Important Innovations in Indoor Asset and Location Tracking](#)