



Gartner®

The C-Suite Guide:

# Accelerate Digital for Future-Ready Business

Frameworks for composable  
tech, empowered customers  
and the future of work

## Introduction

Many executive teams have managed to deliver results over the past decade without adopting the latest technology trend. But if the pandemic disruption has taught one lesson, it's that organizations operating with legacy infrastructure and analog processes will struggle to meet the expectations of customers who've been forced to go digital.

The technology-driven innovations that were transformational in a previous era have become table stakes for staying in business. It's no longer enough to execute on a digital transformation at the speed of business. You now need digital acceleration.

Digital acceleration means making faster progress using data and technology to optimize and transform your enterprise. Digital acceleration lets fast followers catch up with faster

movers on e-commerce and ERP, and optimize efficiency and customer engagement. For the pioneer, digital acceleration lets you shift to the next level of creating new data- and tech-enabled products and business models that can change the dynamics of your industry.

Whether your enterprise is a fast follower or a pioneer, momentum is on your side to make faster progress. We will show you how.



**Kristin Moyer**

Distinguished VP Analyst,  
Gartner CEO and Digital  
Business Leader practice

## Why accelerate?

Enterprises from retail to healthcare to manufacturing were forced during the pandemic to speed up digital initiatives to drive their response to the crisis.

The first wave of digital acceleration enabled some to respond to crisis-driven market and customer needs. It helped others to leapfrog the competition through more compelling customer experiences, greater efficiency, or better decisions informed by data.

Internally, digital initiatives supported the large-scale move of thousands of employees to remote work and drove the rapid migration of commercial operations — and business and functional processes — online.

“Some of our clients call the lockdown the ‘honeymoon period’ for digital, because for the first time ever, projects and initiatives were pursued in a matter of days, if not a week or two, because the leadership team was aligned,” says Hung LeHong, Distinguished VP Analyst.

But the honeymoon is over; organizations are locking in their gains and progressing to the next phase of transformation. Digital acceleration today is about enhancing customer engagement, generating new revenue and serving customers through the digital channels they’re choosing to use.

### Enhanced customer engagement and value top expected outcomes from digital business investment



n = 227, those who have accelerated/increased focus or investment focus on digital business initiatives, excluding “can’t say”

Source: 2021 Gartner View From the Board of Directors Survey

Q. You mentioned that digital business is still a focus or an investment focus in your organization. Please choose the top three expected outcomes from this investment for your organization.

# Set up for acceleration

C-suite and functional leaders can leverage four digital business accelerators:

## Digital business acceleration is execution at speed

### Digital business acceleration



#### Win differently

Pursue new customers and sources of demand revealed by the pandemic, as well as new business models, operating models and platforms to operationalize those opportunities.

**Example:** Drive data and insights deeper into your products.



#### Unleash force multipliers

Embrace actions that power momentum whether they are internal to the organization, such as a business model innovation workshop, or external, such as an acquisition.

**Example:** Run a product digitalization creativity workshop.



#### Banish drags

Remove the negative forces that add friction to the business, such as supply chain disruptions or outdated processes.

**Example:** Use A/B and multivariate testing to drive decisions.



#### Redirect resources

Recapture resources from areas such as travel and entertainment or real estate and redeploy them to digital priorities.

**Example:** Retire underperforming channels.



# Prioritize what to accelerate

To prioritize near-term digital investments, define the urgency by categorizing investments into five speed lanes according to their strategic intent and use case and balance investments across them in a “portfolio” model:

## Digital business acceleration is execution at speed

### Immediate direction

#### Lockdown

**Fast Lane:** Finish digital initiatives that were in flight at the beginning of the pandemic or amplified because of it.

**Growth Lane:** Pursue new growth opportunities unleashed by changes in customer behavior, competitive context or regulatory environment.

**Fix-It Lane:** Fix “broken” parts of the business made vulnerable by the pandemic’s new market reality.

**Slow Lane:** Continue at a slower pace those digital initiatives that remain relevant, but are no longer critical to the postpandemic context.

**Exit Lane:** Stop digital initiatives designed for needs or opportunities that no longer exist to free up resources.

### Longer-term capabilities



See page 12 for more detail.

# Unlock resources for digital investments

Board directors are willing to invest in new technology and new business models to drive growth and digital models, but they expect a reduction in the cost of operations.

CFOs have to drive those enterprise goals, making hard decisions on what to accelerate, pause or pivot in the immediate term. This same approach is required across enterprise functions.

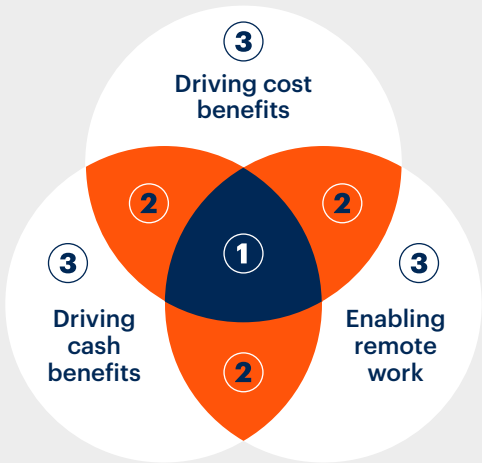
In finance itself, for example, CFOs must ask if their efforts to transform finance and become more digital deliver benefits such as:

- Reducing operating costs
- Improving cash position
- Enabling remote work

CFOs can then prioritize initiatives that enable at least one, if not more, of these or other desired outcomes.

## CFOs need to weigh benefits of digital finance initiatives

### Impact of digital finance initiatives



### Sample prioritization in order-to-cash process areas

Priority	Initiative	Projected Cash Generation <sup>1</sup>	Projected Cost Savings <sup>1</sup>
1	Machine learning in collections	\$1M	\$150K
1	Automated invoice generation	\$500K	\$100K
2	Automated invoice transmission	–	\$250K
2	Automated cash application	–	\$200K
3	Centralized collections team	–	–

<sup>1</sup> Current year  
Source: Gartner

## Hack your culture

Digital is a business and cultural approach, not simply an initiative. When CEOs present digital as an aspect of the culture, and back that up with a supportive culture change program, they report greater success than those who approach it as a collection of individual projects more or less connected to IT.

The term “culture change” often elicits groans from leaders who think of it as a long, drawn-out process. It doesn’t have to be. Culture hacks enable organizations to make meaningful progress at an accelerated pace by focusing on immediate benefits to employees that allow them to buy in to change without adding to stress.

**One helpful hack:** Default to the positive. Start every meeting by talking about what’s working. It’s a hopeful, optimistic approach more likely to build positive emotions.

### Sustainable, positive workforce hacks to accelerate change

Leaders who leverage effective hacks promote positive emotions such as hope, agency, belonging and pride, which are at high risk during a crisis.



## Create a new employment deal

A truly digital enterprise requires all aspects of the business to embrace the flexibility and connectivity that are the hallmarks of a digital environment. Digital acceleration is not only about how the organization serves its customers. It's also about the work environment in which leaders and team members operate.

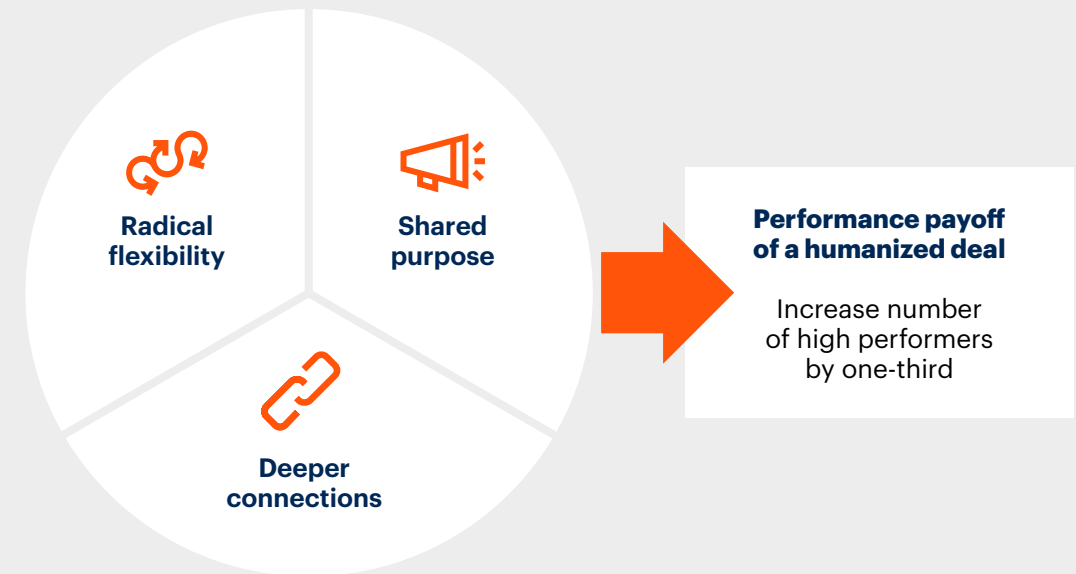
The digital acceleration of the work environment requires a new employment deal that reflects the added demands placed on employees as they navigate the increasingly blurred lines between work and personal lives. Organizations that acknowledge and support this intersection help one-third more of their team members to become high performers.

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**The "employment deal" encompasses what you as an employer have committed to providing to employees and the value they provide in return.**

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### Dimensions of the new employment deal





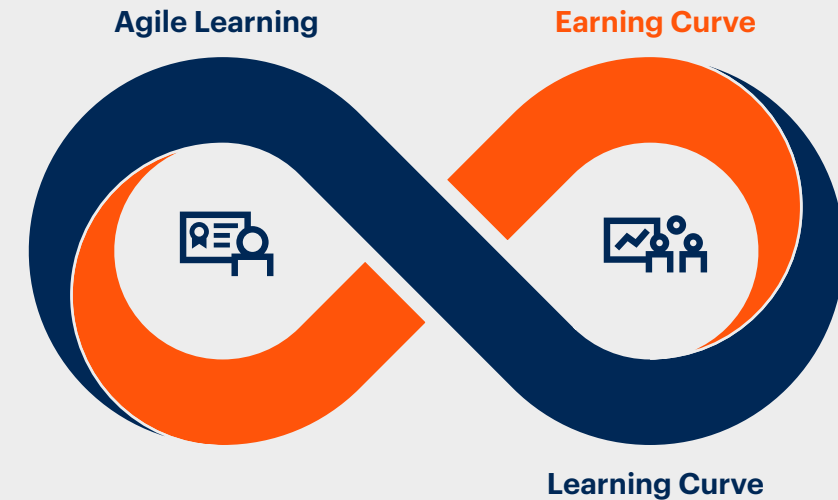
## Champion agile learning

Team members return the investment that organizations make in the new employment deal by applying and growing their skills in service of digital acceleration. Sought-after skills include those tied to in-demand technologies and tools, such as artificial intelligence (AI) and data, and “soft” leadership skills from design thinking to empathy.

Well-resourced organizations are snapping up in-demand talent, while also developing in-house teams through agile learning based on eight principles:

1. **Learning to earning.** Belief that the enterprise’s financial performance is inextricable from individual advancement
2. **Motivation multiplier.** Easy access to learning and consumable content, and opportunities to apply it
3. **Just-in-time microbursts.** Short, well-designed chunks, applied immediately and practiced regularly
4. **Dynamic pathways.** Learner-directed and adapted
5. **Progressive layering.** “Skills for life,” skills for a career path and skills in the latest techniques in their field
6. **Flow of value delivery.** Embedded learning in everyday work
7. **Data-driven, AI-enabled.** The right learning experience at the right moment with the right learners and teachers
8. **Socially amplified.** Social connections power people to help each other learn and create a learning culture

## The agile learning manifesto



## Primary values of agile learning over a more traditional training focus

- |   |  |
|---|--|
| ✓ <b>Business outcomes</b><br>over knowledge gained | ✓ <b>Real-time embedded</b><br>over training time offline    |
| ✓ <b>Growth mindset</b><br>over current skill set   | ✓ <b>Community compounding</b><br>over individual practicing |

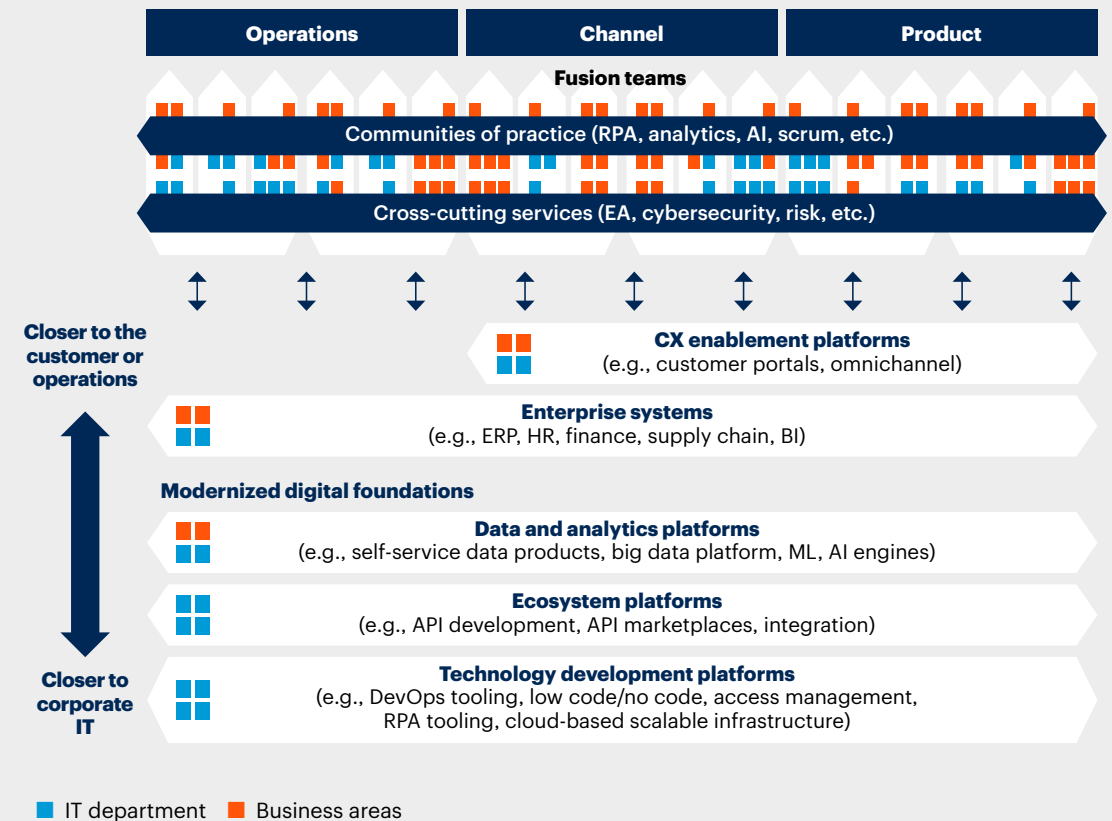
## Empower business technologists

All leaders possess technology acumen in a digital business and own relevant aspects of the technology infrastructure. In this environment, a new and growing class of employee sits outside of IT, yet customizes or builds data and technology solutions. These business technologists act as force multipliers who advocate for technology initiatives within business units and functions, provide expertise to select and manage applications, and ensure they're implemented and adopted to deliver business value.

The CIO in this model is less focused on executing on the minutiae of IT delivery and more on creating a self-service environment that brings digital capabilities close to the point of value and equipping technology talent with the tools and methods they need, regardless of where they sit in the organization.

**In a highly digital enterprise, the IT organization can no longer be the sole provider of information and technology delivery.**

## New model for enterprise I&T including the digital foundation



Source: Gartner

Note: AI = artificial intelligence; BI = business intelligence; CX = customer experience; EA = enterprise architecture; ML = machine learning; RPA = robotic process automation

## Keep up digital momentum

While COVID-19 vaccine distribution has begun, pandemic fatigue still threatens to allow a backslide into suboptimal, predigital ways of working.

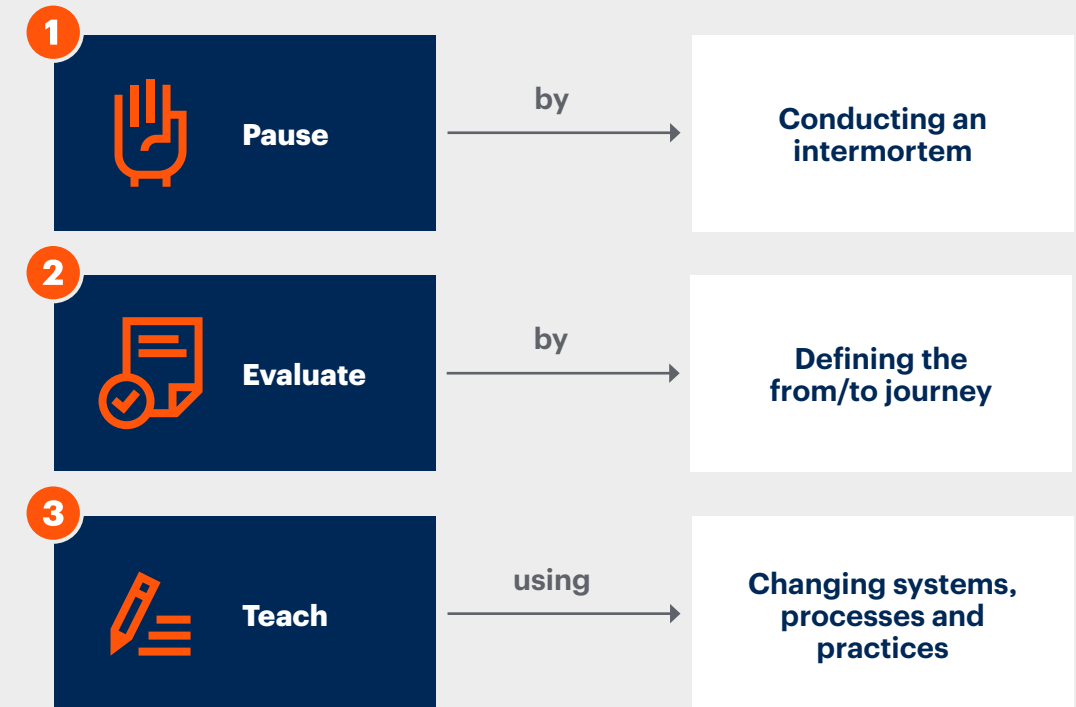
As organizations begin to return their people to the office, environmental cues could especially trigger old behaviors and stall digital ambitions.

To sustain momentum, leaders must institutionalize their new digital ways of working using systems, processes and practices and (re)commit to execute digitalization at speed.

### To reinforce behavior and culture change:

- Pause, discuss and document the progress made on your digital plans.
- Evaluate what adjustments are required to maintain or accelerate digital plans.
- Teach the organization what needs to be done differently.

### Three steps to prevent digital backsliding



# Invest in future-ready capabilities

Balance near-term digital investments (as outlined on page 5) with longer-term aspirations. Gaining future-ready capabilities is critical, especially to build a resilient organization able to sense and respond to volatility and disruption.

## Digital business acceleration is execution at speed

### Longer-term capabilities

Pursue **right-scoped** growth, combining incremental growth with wholesale value proposition changes.

Build a **composable technology** foundation based on a modernized data and technology core that lowers costs and provides agility.



Serve the **everything customer** who wants everything to be in person and digital. This requires the speed and ease of digital and the hand-holding of human interaction.

Craft an **adaptable workforce** that adopts agile learning to shape talent to demand and leverages nontraditional workforce models.

Deliver **any-scale operations** that can flex in size or scope and across workforce models without too much impact on operating expense ratios or infrastructure.



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