A Strategic Approach to Automate Modern Digital Businesses
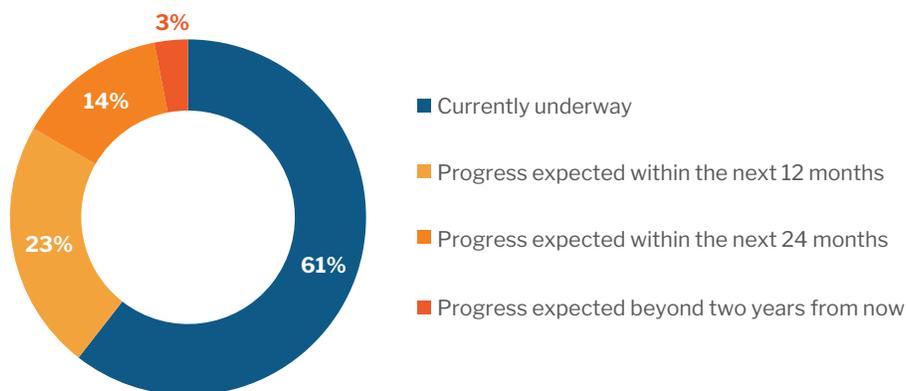
The 451 Take

Digital transformation is now a common strategic imperative for all organizations. It uses innovations born of evolving cloud and mobile technologies to improve the customer experience and provide operating efficiencies. However, many transformation initiatives to date have delivered value, but not consistently and not in all cases. Often, these efforts focused too narrowly on process redesign and automation using a modern breed of earlier business process management (BPM) software. Digital automation platforms (DAPs) simplified the effort and enabled business and technology professionals to collaborate to improve, automate and adapt business processes as needed. But process improvement has broader implications that may not have been considered, like how change affects workforce behavior and interactions with customers and suppliers, as well as how systems, applications and processes must adapt and interoperate to realize desired business outcomes. Doing so requires a new generation of planning and modeling tools that enable organizations to visualize and understand how their people, processes and technologies must interoperate as an orchestrated system, and how they can realize the strategic objectives of modern digital businesses. A subset of DAP technology is coming to the market with these objectives as their primary value proposition. They bring a new breed of unified planning, orchestration and automation technology that can be referred to as strategic transformation platforms (STP).

Leading organizations have embraced digital transformation to enable new competitive advantages in the markets they serve. To better understand its progress, we surveyed 593 business and IT professionals about the status of their digital transformation strategy. The figure below illustrates that among the respondents, the vast majority (84%) said it is currently underway, or progress is expected in 12 months.

Figure 1: Status of Digital Transformation

Source: 451 Research's Voice of the Enterprise: Digital Pulse, Workloads & Key Projects 2019
Q: Which of the following best describes your organization's current status regarding digital transformation initiatives?

- Currently underway
- Progress expected within the next 12 months
- Progress expected within the next 24 months
- Progress expected beyond two years from now

We believe this finding signals an alert that rivals in all markets are gearing up to aggressively compete across the changing digital landscape. No organization is immune to the threat of digital disruption in its markets. Industry leaders can fall from grace and perhaps fail unless they consistently reconsider how they conduct business. The need to adapt to changing customer expectations and market dynamics demands a strategic transformative approach: one that senses and examines change, risk and opportunity and uses the findings to restructure business operations to help redesign and automate the business processes that deliver customer value and create advantages over rivals.

The 451 Take (continued)

This will be the role of emerging STPs. Like the DAP technology that preceded them, STPs are composed of a set of tools and resources structured within a uniform framework to enable users to rapidly design, develop, deploy, manage and monitor process-oriented applications. They use low-code/no-code capabilities that include visual models, prepackaged templates and graphical design capabilities with drag-and-drop tooling to compose rather than code software. They also include resources to assist in user-interface design, synthesize the use of new technologies found in next-generation devices, and simplify the means for collaboration among business and IT professionals.

However, unlike DAPs, STPs also include more sophisticated capabilities for business analytics, planning tools that reveal dependencies, performance management controls to guide outcomes, and new means to fulfill governance, risk and compliance (GRC) practices. They can combine planning and managerial methodologies with software needed to document, design, structure and synchronize all the assets and resources (e.g., organizational structure, workforce behavior, business processes, performance management and IT systems) needed for a digital transformation strategy.

A critical benefit of STPs is in how change management is orchestrated. STPs can examine the activities and linkages of various people, applications and processes to reveal dependencies and then alert architects and users as to how various goals, performance metrics or business rules may be affected. Such awareness can make change management more orderly while helping ensure that measurable goals are achieved without disruption.

Business Impact

ON THE ENTERPRISE. Modern enterprises are threatened by disruption, forcing them to become digital businesses, which have a common need to improve, automate and integrate intelligent and adaptable business processes. STPs can play a vital role helping to organize and examine the often complex interplay of people, processes and technology needed to realize digital transformation strategies.

ON BUSINESS OUTCOMES. When properly enabled and supported, STPs will guide organizations in new ways to orchestrate responses to anomalies, opportunities and change; play a strategic role in GRC initiatives; and align workforce behavior with automated processes while helping to ensure the integrity of desired outcomes and results.

MARKET IMPLICATIONS. Process improvement through automation alone will be insufficient. All improvement efforts must be examined to understand the implications of change and how other aspects of an organization (including its workforce, customers, suppliers, business systems and IT infrastructure) may be affected. The automation platforms needed for digital transformation will require guidance from more sophisticated planning tools to effectively compete with digital rivals.

Looking Ahead

The effectiveness of digital transformation strategies will be predicated on how well they are planned. The goal is to align business strategy with the resources needed to execute it. Earlier enterprise architecture programs and tools designed to do so were overly complex. Going forward, STPs may represent a more elegant and simplified approach to the orchestration required of digital transformation initiatives. Indeed, STPs will make greater use of, and integrate with, artificial intelligence and machine learning technologies to predict opportunities for change in business process and IT system design, and proactively reveal dependencies that will require attention during change management efforts. When supported by the proper executive and managerial commitments, we believe that STPs will become mission-critical tools that intelligently organize the complexity of today's modern digital businesses.

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