The Journey to Digital Business
Navigating the Complexity

The journey to Digital Business is anything but simple. Navigating big data, social media and process orchestration, whilst leveraging new delivery platforms such as cloud and mobile is highly complex. IT Leaders recognise the challenge, but the approach to modernisation and transformation requires careful planning and prioritisation. On top of the transformation agenda, the art to Digital Business involves tapping into new sources of revenue from Digital resources.

The challenge of embracing digital

We would like to explore common patterns and techniques for Digital transformation helping CIOs to form the basis of their Digital strategies.

In some respects digital is becoming the latest buzz-word in the way that “e-business” was over a decade ago; but what does digital really mean to organisations? For some it will primarily be about putting customer interactions on-line, and for others it is a fundamental opportunity to re-invent the business model. In some respects, Digital is the way IT should be used most effectively to support business in the 21st Century.

We should ask ourselves:

What is digital transformation?
Is it just the elimination of paper, a reduction in manual processing through automating processes and better use of data through integrating systems together? Or is it the use of disruptive technologies such as social media, mobility, analytics, cloud and 3D printing to give customers a fundamentally different and personalised experience, whilst driving up sales and reducing costs?
Or maybe it is all of those things?

What really is the role and responsibility of the newly-fashioned Chief Digital Officer (CDO)?

What does it mean and how does it overlap with CMO/CIO/CTO?
What is the purpose of the CDO in the C-Suite context? Is it a long term proposition or just another fad?

Digital is having a major impact on businesses across all sectors: for some it will be about channel shift, primarily putting customer interactions on-line, and for others it is a fundamental opportunity to re-invent the business model and deliver content and services in a radically new way.
For example, the transport sector has embraced the digital agenda particularly with mobile ticketing, but there still remain opportunities for wide scale adoption across the entire journey e.g. acceptance of a mobile ticket all the way through an airport through to embarkation onto the plane. There is additional potential to turn anonymous passengers into customers to target promotions and better understand journey patterns to drive efficiency in the transport network. Similarly, in retail and hospitality a new world is emerging, where everyone and everything is interlinked, and constantly sharing information. This ‘hyperconnected world’ forms the foundation of modern retail and hospitality businesses. It’s all around us and is enabling businesses to operate without boundaries, to serve a new breed of empowered consumers, in ever more innovative ways.

**Embrace digital to modernise and transform**

Fujitsu’s perspective on Digital is predicated on the adoption of disruptive technologies to modernise and potentially transform the businesses. Digital clearly impacts front office processes through customer and citizen experience, as well as the back office operational business processes, with focus on reducing costs whilst increasing revenues. There is also a need for continued support for non-digital interaction in the most efficient manner, which could involve digitising paper forms or assisting users face to face with digital channels. Streamlining of processes is also an important aspect of digital and we term this ‘process digitisation’ where processes are replaced with a digital workplace.

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**Fujitsu’s view of the digital landscape**

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Fujitsu’s Digital offering, Digital 2.0, brings together all of the experience amassed across public and private sectors, addressing back office whilst integrating with and enabling front office customer experience.
Testing Fujitsu’s Digital offering with the CIO Advisory Board

We would like to test some of the concepts and messaging around Digital 2.0 with the CIO Advisory Board in order that we can take the offering to market in a compelling way.

Digital 2.0 – there is no substitute for experience

Digital 2.0 is our ability to deliver robust end-to-end digital modernisation, integrating rapid back office enablement with innovative front office customer experience.

Digital 2.0 is a combination of the knowledge and skills built on our real world experience in a broad range of applications, enterprise-scale transformations, best in class technologies and innovation from SMEs.

Every customer’s needs are different and that’s why Digital 2.0 has three pillars: Public Cloud with RunMyProcess, Private Cloud with the Common Digital Platform and Hybrid Cloud Services, each supported by an Innovation Ecosystem. The three pillars are:

1. Public Cloud Services
RunMyProcess is an “integration centric” rapid application development public Cloud platform that allows the digitisation of business workflows. The platform contains a process factory allowing common processes to be reused along with a suite of integration adapters most of the large scale back-office systems such as SAP, Oracle and Microsoft environments as well as many other Public Cloud platforms

2. Private Cloud Services
Delivered in partnership with CDG Group the Common Digital Framework (CDF) provides a blueprint for organisations to launch digital services and recommends the architecture, governance and technologies on which to build elastic application platforms. CDF provides the mechanism to enable a phased and controlled approach to exploit existing enterprise resources using Open Standards based solutions in a Private Cloud.

3. Hybrid Cloud Services
We offer an integrated service that straddles either Microsoft or Oracle Cloud public cloud platforms for some users coupled with a Fujitsu Hosted (Private Cloud) platform for other users. This allows our customers to combine the flexibility of partner Cloud platforms with the security/integration needs of some of their user communities.

The essence of our proposition. No matter where they are on their digital journey, we help our customers maintain the balance between business continuity and innovation.
Innovation Ecosystem

We have an ecosystem of Innovation Enablers that allow us to support our customers underpinning all three of our Digital 2.0 pillars. These range from leveraging Fujitsu's wider R&D via Fujitsu Labs where Human Centric ICT is a core part of our vision, to innovative and smart SMEs in the UK marketplace who have great products but need an integrated service to launch them.

In essence the outcomes of Digital 2.0 can be summarised as:

- Reduced time to market and cost by exploiting existing legacy platforms using cloud based solutions
- Reduced risk by building on existing solutions
- Enhanced customer and employee experience by fully integrating the back office with the front, and delivering an end to end solution and service.

Digital Modernisation

Components of Digital 2.0 - Fujitsu Digital Services
The principles behind Digital 2.0

Digital strategy is IT strategy in disguise

So what is a digital strategy and is it something new and separate? Our view is that in many ways a digital strategy is in fact an IT strategy in disguise. More importantly a digital strategy is an end-customer relevant IT strategy, in disguise, which in an ideal world is really what IT strategy should always be.

Over time there will be no separate digital strategy as it will increasingly become the core business strategy for some enterprises whose footprint is wholly or predominantly in the digital world, e.g. the Spotify model. When it comes to operationalising the strategy digital success is based upon a strong partnership between marketing and technology – as content and channels are often completely interdependent.

Digital is much more than improving efficiency

Using digital just to drive out efficiencies is missing the point. The real value lies in re-inventing and modernising. Many organisations can realise significant cost savings from digital, be it from migrating customer transactions from paper, phone and face-to-face to online, or digitising existing business processes by eliminating or reducing manual activities. Thus we believe that a comprehensive approach to digital should cover the front office and the back office. Although the pace and scale of digital adoption will vary greatly from sector to sector, no-one can afford to ignore it.

Digital will be blended with the physical

For most organisations there won’t be a clear separation between the digital and physical worlds. For example in retail the two are complementary as some customer journeys will start in the digital world and complete in the physical, e.g. Click and Collect. So digital is complementary to physical and for some it will become increasingly blurred as The Internet of Things and technologies such as medical implants, connected cars and sensors for farming develop.

Augmented Reality may have been around for a while, but with technology advances and the proliferation of smart and wearable devices, it has finally come of age presenting businesses with many opportunities for overlaying digital data onto a view of the physical world.

It’s no good just concentrating on designing the most elegant, intuitive user interface if the things behind the scenes don’t deliver.
Digital experience starts in the back office

With digital, it’s no good just concentrating on designing the most elegant, intuitive user interface if the things behind the scenes don’t deliver the required user experience. Whilst the design should be human-centric there is a need to consider the end-to-end solution when creating the user experience. The experts designing the customer journey, interfaces and interactions are not the only people in the “user experience team”, as the network, databases, platforms and back end systems experts play as much if not more important role in realising the experience.

Build Digital out from your legacy systems

Digital isn’t about tearing everything up and starting again. To get the most from digital, you need to build on - not ignore - your legacy solutions. In this way you will reduce the time to market, the costs and importantly the risks as you will be leveraging your existing assets and investments. There is also the side benefit of better aligning traditional (and physical) businesses with digital as they will be driven by the same core systems.

But building digital out from legacy systems needs careful planning, skills, experience and tools that can help to integrate those systems with new digital solutions for content creation and consumption. We believe that a collection of tools and delivery methodologies is necessary including those for process discovery, process orchestration and mobile development, and many of these are Open Source or Open Standards based.

You can’t ignore Digital Inclusion

The digital natives are driving the digital agenda and adopting digital channels as their primary interaction mechanism. However, organisations shouldn’t exclude - and should help - those non-digital natives who have spent their lives using traditional channels such as face-to-face, paper and phone.

Whilst it will vary across sectors, organisations should continue to support the traditional channels, but look for ways to make them more efficient, for example bulk scanning to digital or assisted digital where a digital native might help a senior citizen with a web-interface. In this way organisations can continue to support their existing customer base whilst encouraging digital take-up by offering incentives, e.g. better interest rates for on-line savings accounts.
We believe organisations will need a mix of digital partners to maximise the value from this market and technology opportunity.

Organisations won't have the in-house capability to fully exploit digital as the market is moving very rapidly and for many the technology skill set will be in the legacy world. In addition there is an inherent complexity in integrating and operating an end-to-end digital solution, whilst there is also a desire to exploit innovations often from small organisations. Therefore we believe the organisations will need a mix of digital partners to maximise the value from this market and technology opportunity, ideally with a large system integrators facilitating the introduction of partners from a wider ecosystem. In this way organisations get the best of both worlds – innovation and “heavy lifting”.

But in this context, behavioural factors will be vital to success, as organisations with radically different cultures come together to achieve a single outcome.

The Digital Ecosystem will change business

Value for customers will come from open digital ecosystems – networks of digitally connected services, each node adding value to what your customer will consume or experience. Such open digital ecosystems have two defining characteristics – scale and diversity. Rather than delivering products or services from a fixed value chain as we did in the past, the digital ecosystem will organically form a flexible value chain spanning organisations and even different industries, by connecting people, information and infrastructure.
Summary

Fujitsu believes there is a significant market opportunity to provide Digital services, and the Digital 2.0 offering has been scoped to maximise Fujitsu’s experience in delivering back office services, so that Digital can be positioned as a straightforward next step for organisations seeking to shift their business models.

The offering is evolving, therefore the Board’s input at this early stage, along with recommendations for future developments, will be critical to its ongoing development.

We look forward to a stimulating discussion.