Enabling Digital Transformation: 8 Success Strategies for CIOs

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This guide covers 8 success strategies for transformative CIOs focused on digital business

1. Lead the vision as a transformative CIO
2. Align business and technology
3. Make software intrinsic to your company’s DNA
4. Transform IT to lead business, not technology
5. Put security at the core of everything
6. Enable a new digital workforce
7. Measure your transformation success
8. Promote and replicate your success
1. Lead the vision as a transformative CIO

The role of CIOs is shifting exponentially from an operational steward to a transformative agent who partners with the CEO in redefining an organization’s business and digital future. The transformative CIO has a new mindset and approach to digital business that focuses on building digital platforms that push the business forward. It allies lines of business through technology on common business goals, drives innovation, fosters a company-wide digital culture, promotes new talent and the up-skilling of IT and creates better customer experiences.

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Old Mandate
- Operate shared service cost center
- Implement business decisions
- Internal-facing
- Reliant on network perimeter security
- Monolithic legacy systems
- Back up data
- Stockpile data
- Lead custom software projects

New Mandate
- Create new business models & revenue
- Lead business decisions
- Customer-facing and internal partnering
- Lead culture of ‘security by default’
- Cloud first, mobile first, designed for IoT
- Protect and build single view of all data
- Powerful data analytics to derive insights
- Lead culture of rule-based automation

Are you positioned as a transformative CIO?

81% of CIOs report directly to CEO in 2017
46% of CIOs communicate directly with the Board in 2017
61%
2. Align business and technology

Building digital capability isn’t just about technology but also upskilling people and retooling processes so that the combination can create faster products and services, build new revenue-generating business models and create organizational efficiencies.

A study by MIT Sloan Management Review and Deloitte reports that 90 per cent of digitally maturing organizations — those in which digital technology has transformed processes, talent engagement, and business models — are integrating their digital strategy with the company’s overall strategy. A company-wide digital strategy can minimize many of the constraints found in a siloed, project-based approach to digital business, like resourcing, a risk-aversion culture and divergent priorities.

With expectations on the rise for CIOs to support business objectives, more CIOs are entering the boardroom to inform and evangelise their organization’s long and short term digital business strategy. Understanding how to do that and also demonstrating clear and measureable performance indicators, can create more momentum and justify further investment to support your digital journey.

Focus on four pillars

The journey to transformation involves four strategic and parallel paths:

- **Digital transformation** (transforming the business: agility, apps, devices and insights)
- **IT transformation** (leading business: people, process and technology)
- **Security transformation** (moving every system to "security by default")
- **Workforce transformation** (empowering every worker with the right technology).

Digital transformation in the next 15 years

**Last 15 years**
- IT-centric
- Traditional analytics
- Traditional applications
- Rigid infrastructure
- Internet

**Next 15 years**
- Business-centric
- Prescriptive analytics
- Cloud-native applications
- Agile, elastic infrastructure
- IoT
Building the platform for digital transformation

3. Make software intrinsic to your company's DNA

More than ever before, getting to market first is essential. Start by adopting a DevOps methodology, melding software development and IT operations. This will allow you to deliver small, focused changes on a continual basis, trying new ideas quickly and stopping failures quickly. Iterate, succeed/fail, iterate again.

Modern and agile software development practices enable businesses to launch and improve applications on smart devices and gain new insights

Cloud-native applications developed with a DevOps methodology help reduce costs, improve how they are deployed with scale, speed and operability, and focus on generating value for customers. The key advantage that successful organizations will exploit is the speed at which they deploy software, collect insights, analyze data and use new insights to improve applications and customer experience.

4. Transform IT to lead business, not technology

Nearly three out of four organizations surveyed by Dell EMC and IDG cite business transformation as a critical or very important objective of IT modernization, the first step in the digital transformation journey. IT must shift from managing back-office processes to responding to business needs with technology which is now a business differentiator.
A practical strategy for planning your IT Transformation journey involves six steps:

1. Understanding your pain points and where you can take action now or wait
2. Decide which legacy IT estate is to be preserved or must be modernized
3. Understanding the characteristics you need for your applications and workloads
4. Finding out which technologies will support those workloads and applications
5. Developing a plan for deploying those technologies
6. Determining how you will modernize people, processes and culture

An IT Transformation strategy is based on modern, elastic infrastructure, not fixed legacy infrastructure that’s costly to maintain and is not equipped for mixed workloads. It covers server, storage networking, virtualization, management, IT platforms, and applications. Many CIOs don’t know how to move forward with IT Transformation without a complete overhaul of IT systems. Start by:

- Aligning IT with the business’ priorities or line of business goals which are focused on growth objectives and prioritize the best economic use cases.
- Leveraging transformative technologies that enable modernization, automation and the transformation of people and processes to support an IT-as-a-service (ITaaS) model to reduce costs, improve efficiencies and enhance competitiveness.
- Ensuring that IT can deliver capabilities to support digital business including initiatives such as big data analytics, the IoT and social networking and more.
- Identifying the data sources across your business including all connected devices that you can use to monetize the data or increase customer value.
- Recognizing that IT transformation is a journey that requires investment at each stage.

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5. Put security at the core of everything

In a connected world, highly valuable customer and company data resides in many disparate places making it vulnerable to cyber-security threats. Cyber-security threats continue to rank as one of a CIOs most pressing business concerns with nearly all CIOs (95 per cent) expecting cybersecurity threats to increase and impact their organization in 2018. CIOs need to protect data residing on-premises, off-premises on employee mobile devices and in cloud and hybrid systems. As IoT becomes more pervasive, thousands of devices also need to be secured.

Putting security first and at the core of every business and technology decision is paramount to maintaining customer trust and loyalty. Start by:

- **Securing your infrastructure by designing security into your endpoints, network and data.**
- **Addressing data leakage and cyber-threats with isolated data recovery focused on data protection, data loss prevention and business recovery.**
- **Considering advanced security operations which take organizations from a “protection” stance to an automated response for intrusions when a breach to your security perimeter happens.**
- **Assessing the risk of the business to determine if your security posture changes.**

6. Enable a new digital workforce

The workplace is changing too and employees no longer work a fixed work day. More often, employees tend to work outside the office than inside it and their expectations of the technology they want to use for work influences decisions about the companies they choose to work for. The diverse ways in which we work – in the office or remotely – expose organizations to increasing security threats and managing a proliferation of devices.

Enabling a new digital workforce is about empowering every type of worker with the right technology for them. Workers need to be mobile and their data made available securely to them anywhere. They need the right applications on the right devices, whether they are physical or virtual and want the flexibility to use their own devices. CIOs must provide innovative devices that employees love to use, enable the workforce to work at any time and from everywhere and simplify the device management while delivering security.
7. Measure your success

84% of CIOs at top-performing organizations have responsibility for parts of the business outside of traditional IT, the most common being innovation and transformation.

More CIOs are being assessed not for their IT delivery capabilities but on business-based measures. Meaningful measures of digital transformation success are vital to justifying investment to the CEO and the board. They can also help to celebrate progress and provide insight into areas that need greater focus.

Define what to measure. Partner with key stakeholders like the Chief Operating Officer (COO) or equivalent roles and get agreement on metrics that are meaningful to your organization and that demonstrate business value. Broadly, key performance indicators (KPIs) are across three categories:

1. Digital progress on existing business processes and products. Define KPIs that call out the value specific to your digital activity. For example, the number of new applications developed or modernized, reduction in down time, percentage of time IT spends on innovation vs operations or reduction in data silos.

2. New revenue generated from digital business initiatives. As this is an entirely new business, traditional KPIs work fine here: growth, revenue, market share and margin metrics. Be prepared to also show predictability in your cost model for an indicator of return on investment.

3. Productivity gains for developers and users. These can be measured by time to market, reduction in bugs, efficiency in infrastructure availability etc.

Clearly relate your KPIs to the four pillars of digital transformation, so they can be rolled up to a higher-level analysis for board decision makers.

Invest resources into measuring them; this may require IT to be upskilled to understand financial management measures.
Across the digital transformation journey, alignment is needed from the board to the executive team and throughout your organization. This is key as you prepare to disrupt your own business.

8. Promote and replicate your success

Technology, cybersecurity and digital disruption are some of the most important topics to corporate boards, just behind corporate strategy, leadership success and CEO evaluation. CIOs are joining CEOs in the boardroom to inform boards about the value and benefits of digital initiatives, the most relevant emerging technologies that the company will capitalize on and how the organization will innovate and up-skill IT.

Presenting your digital strategy to the board can help garner support needed to rally the entire company, promote successes and secure future investment to further digital initiatives. It involves speaking to the board’s primary concerns – business and financial outcomes:

- Present the state of the market, digital trends in your segment and what competitors are already doing.
- Quantify the investment needed to execute the first initiatives within an easily reachable timeframe.
- Provide a plan on what change is needed across the company, where budgets may need to be redistributed and resources reassigned.
- Quantify what the ROI will be of the initiatives, including financial returns.
Your digital transformation checklist

- Be prepared to take on responsibility for areas of the business outside IT
- Understand your CEO’s business goals and align technology and processes
- Map Digital, IT, Security and Workforce strategies into your transformation plans
- Become adept at being an ITaaS broker and embracing new technologies
- Partner with lines of business leaders to understand what they need from IT
- Embrace software-centricity across products and processes
- Derive insights from all business data available including sensors and instrumentation
- Make security a core focus in your business
- Re-skill IT or attract new talent to keep up with change
- Communicate clear and measurable KPIs on your digital business initiatives to the board
- Articulate the value of the company’s digital strategy across the organization

As a member of the Dell Technologies unique family of businesses, Dell EMC serves a key role in providing the essential infrastructure for organizations to build their digital future, transform IT and protect their most important asset, information.

Dell EMC enables its enterprise customers’ IT and digital business transformation through trusted hybrid cloud and big-data solutions, built upon a modern data center infrastructure that incorporates industry-leading converged infrastructure, servers, storage, and cybersecurity technologies.
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