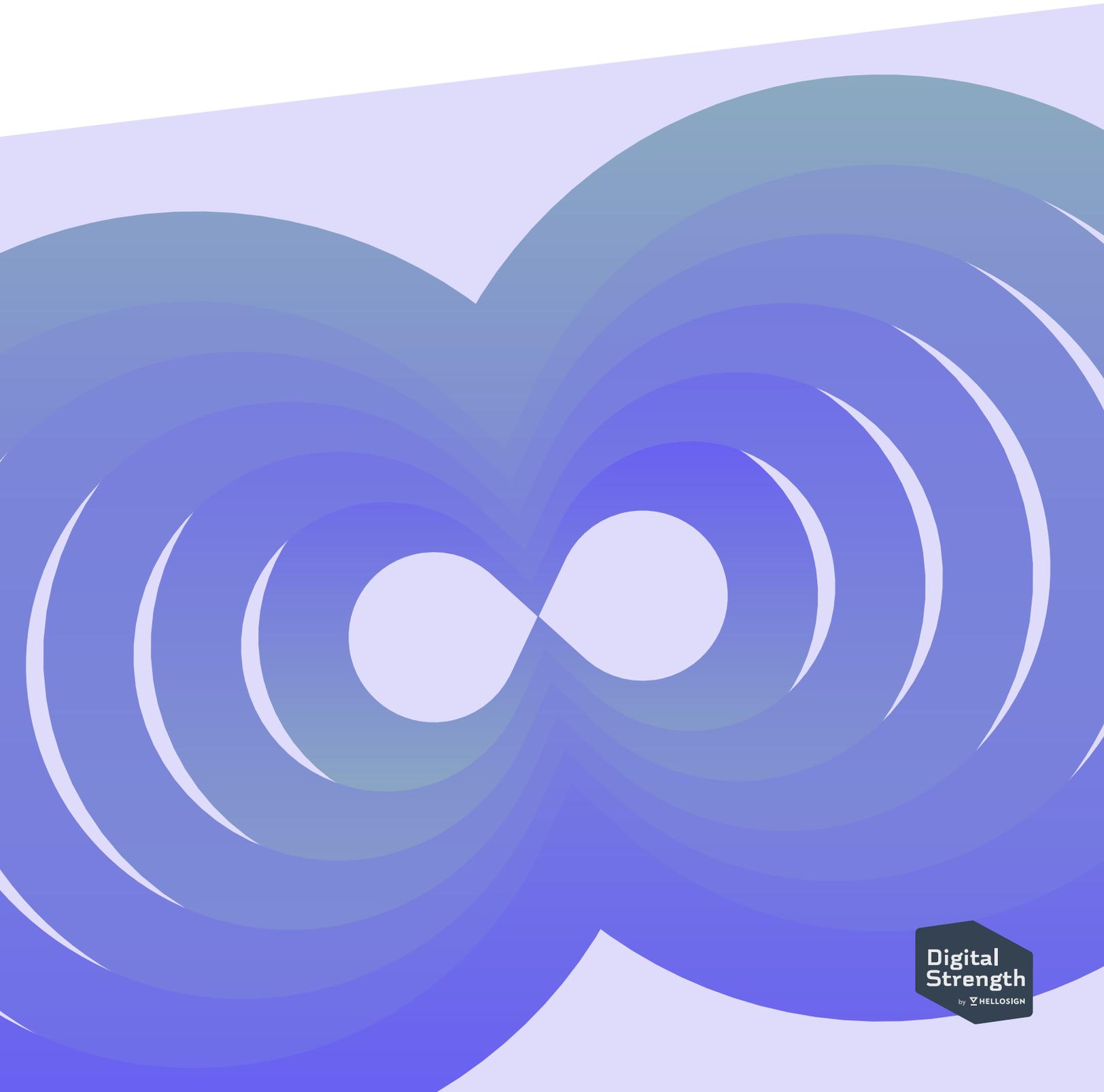


Transformation at Scale



Digital
Strength

by HELLOSIGN

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About the Digital Strength Program

In this digital age, the pace of change is increasing exponentially and every organization faces existential threats from new and existing competitors. The Digital Strength program is crafted to give everyone within an organization – from the C-Suite to the production line – an understanding of what digital transformation means within a global context, and guidance to achieve the digital transformation journey in your own organization.

We will cover an explanation of what digital transformation involves, the roles and responsibilities around digital transformation, as well as the cultural aspects of a digital change. Over the course of the program we will detail tips and tricks, potential barriers, clues into the ideation approach, and how to move towards seeing digital as an ongoing process.

By the end of the program, participants will be fully conversant about digital transformation, and will be armed to be the change agents within their own organization to implement digital broadly.

No matter whether you are just beginning the journey of transformation or are well on your way, the guidance in this program will be useful to you. Early adopters, those mid-way on the transformation journey or those yet to begin will all find something of value from this program.

Welcome to the future!

Course X: Transformation at Scale

I. Introduction

Over the course of the Digital Strength program, we've taken individuals, managers, and organizations through the transformation process. We hope you've seen some success delivering transformation initiatives into your organization.

Now it's time to think about scaling the existing systems and processes you have put in place, and thinking about laying a fabric on top of which broader transformation can occur. In this course we introduce the notion of platform thinking and explain the value that APIs can bring to an organization in its broader and deeper transformation journey.

To aid in this process, we introduce a way of thinking about transformation that leverages digitization on the edge to start re-thinking what core systems and processes could look like.

We also touch on the system that has traditionally been sacrosanct within the organization, the Enterprise Resource Planning (ERP). We help organizations begin the process of rethinking how their ERP can support a transformed organization.

II. Scaling Process and Thinking: Platform Thinking

In the early stages of the Digital Strength program, we spent much time showing how to attack the "low hanging fruit. These would be the digital solutions that are more easily built and implemented digital solutions. Tackling such opportunities is an ideal way of first approaching digital transformation for organizations first embarking on the journey.

There comes a point, however, when these disparate and sometimes random experiments need to be extended into a far-broader, organization-wide approach.

In the event that this broader approach isn't taken, the organization risks creating an abundance of siloed and inconsistent applications. Taken in the extreme, this approach can have the unintended consequence hampering an organization's ability to innovate.

As we move on to broader approaches, we need to look at platform thinking through two lenses: that of organizational structure and that of technology.

III. The Organization of the Future

It's worth reiterating the fundamental changes that are happening across economies and the parallel impact this has on organizations. A crescendo of different changes – technological, societal and economical – are creating a perfect storm which organizations need to navigate.

There's a huge demand for organizational agility, the rise of a new generation of workers, and the dual aspects of technology democratizations and IT friction. This creates the perfect environment for totally new types of organizations..

Whereas traditional organizations were very much complete entities, in the mid-term future, organizations will make far higher use of external parties for discrete parts of their business. Today we're seeing greater levels of outsourced R&D. The future will see organizations that, in their very essence are organic, that morph and change on a project-by-project basis.

All of this change places unique challenges on organizational structure. It also puts pressure on the tools that various stakeholders utilize. We will see a huge increase in the number of people who work remotely, who work for an organization on an ad-hoc basis, and who use a wide variety of work tools and techniques to achieve their desired outcomes.

Many of these tools will be technology based, placing unique challenges on an IT department that's already juggling a multitude of different solutions. While in the past IT has been responsible for managing a relatively stable and constrained workplace, it will suddenly be tasked with managing a workplace that has limited physical bounds, a very fluid definition of employee, a plethora of different technologies in use, and an ever-increasing demand for the flexibility to meet all those drivers.

It's in these situations that a broad, platform-based approach to digital transformation becomes critical.

IV. The Benefits of a Consistent Technology Platform

There lies, however, something of a conundrum in this model of striving for a platform approach to digital transformation. For decades, organizations have been hampered by this very approach. Over the last few decades, there has been a cascading growth in tension between these traditional IT approaches of command and control and the more modern approach of widespread technology, user choice, and flexibility.

The rise of cloud computing, software as a service, an appreciation of the role APIs play in enabling agility, and a stronger advocacy for user-centricity has brought us to a point where these traditional constrained approaches to technology are not viable anymore.

It's important, therefore, for individuals and organizations embarking on a digital transformation journey to appreciate the impacts of these changes. This technology democratization delivers agility and flexibility, but it also introduces new challenges to organizations. It highlights the increasingly obvious friction that occurs between IT and the business and speaks to a fast-approaching watershed moment when business users finally revolt en masse in reaction to the perceived reluctance of enterprise IT to deliver what they need.

But this tension between flexibility and robustness, between agility and prudence, isn't an insurmountable one. We believe that the most successful organizations going forwards will be ones who leverage a consistent technology platform across their organization. And this is where a broad platform, with an API-centric approach, can come in.

V. The Composable Enterprise – The Value That APIs Bring

IT systems have largely relied on monolithic stacks delivered by one or two massive technology vendors. And, as we have commented previously over the Digital Strength program, these technology stacks mirrored the approaches of the time; they were a technological embodiment of the overly rigid and hierarchical nature of the organization. They lent themselves to rigidity, structure, process, and lines of control.

In the absence of these monoliths, we need to reinvent the way organizations and individuals harness technology, while still retaining the security, reliability, and control that is a non-negotiable requirement.

This is where the term "composable enterprise," comes in. It's a phrase that was first coined by the highly respected enterprise IT practitioner and former CTO of Warner Music Group, Jonathan Murray¹. Murray used the term to describe the way the new IT stack will look. His initial treatise, published five years ago, is still very much required reading for anyone who needs to use technology as a tool to deliver organizational outcomes (which means, pretty much everyone.)

In his seminal article, Murray posited that:

The dynamic and configurable nature of the Composable Enterprise operating model places significant demands on the underlying technology fabric. This is likely to mean a radical departure from the legacy IT infrastructures and applications portfolios found inside most organizations today.

¹ J. (2015, April 08). The Composable Enterprise™. Retrieved from <http://www.adamalthus.com/blog/2013/04/04/the-composable-enterprise/>

The majority of legacy IT environments were built to support a much more static business model. It was assumed that business processes would remain unchanged for long periods or at least be subject to only minor modifications. Applications were generally designed to support the needs of functional silos within the business: Manufacturing, Finance, Sales, Supply-chain, Marketing, and Human-Resources etc. The growing need to build horizontally integrated processes between these functions has significantly challenged IT organizations and budgets over the last decade.

The Composable Enterprise business model takes horizontal process integration to an entirely new level by assuming that operating functions; processes, products and services will be subject to continuous change and re-configuration.

But this notion of a composable enterprise can only occur when various technology solutions can fit together like Legos. And this is where APIs come in. Application Programming Interfaces are the fundamental critical element required to make the composable enterprise a reality.

While the acronym API might not mean anything to most individuals, most people enjoy the benefits they bring every day when using a mobile application or using data from some far-off source. APIs are a simple concept to grasp. They are the glue that ties data together. While traditionally used for the integration of different applications, APIs are the key technology that enables a bunch of other outcomes.

Your connected car, connected refrigerator, favorite social media service and the fact you can access your most-watched Netflix shows from multiple devices are all outcomes of smart API usage.

VI. Leveraging the Edge to Start Rethinking What Core Systems Look Like

One thing that we have mentioned often over the course of the Digital Strength program is that fact that organizational changes are mirrored by technology ones.

Digital transformation is as much (perhaps even more) of an organizational and cultural change than it is a technological one.

As such, when looking to broaden the breadth and impacts of digital initiatives, it's critical to look at what's proved successful on the initiatives to date – both from a people and a process/systems perspective.

When looking to broaden digital beyond simply the "low hanging fruit" it's well worth going back to some initial steps.

Readers will recall that we spent time talking about team building, persona creation, and human impacts when discussing early digital initiatives. These processes are also critical when looking to "connect the dots" by taking the successful point initiatives from across the organization and linking them into more of an organization-wide digital initiative.

We suggest that once the organization is comfortable with rolling out successful digital projects, some time be taken to review the very earliest stages of the digital journey. You can use this information and put it into the context of broader digital change.

Aspects such as cultural change, and core functionality/security need to be reviewed. Failing to do so at this stage may well lead to a situation where the various initiatives are so disparate it makes a broad digital platform almost impossible.

VII. ERP - The Final Frontier

One concept we think about when applying digital to an existing organization is that of an onion. Like an onion, organizational systems and processes have multiple layers. Those on the very outside are generally more simple, less connected to other systems, and closer to the outside world than those deeper in.

If we think of peeling this "onion", as we progress digital transformation across the organizations, we roll off a layer at a time, gradually getting deeper into the organization. As we do, we experience more complexity, more connection to different systems and, generally, far more mission criticality.

At the very core, most organizations have big Enterprise Resource Planning (ERP) or Material Requirements Planning (MRP) systems – those systems which run the very core processes of the organization with connections across operations, finance, the C-suite etc.

As such, even organizations with an affinity for being innovative at the edge sometimes balk at the idea of innovating within the context of these core systems. They feel there is too much at risk to tinker with the very heart of the organizations operating systems.

But limiting digital transformation to simply the easy stuff is a mistake. Not only does it limit the benefits that an organization can derive through digital, but it also means that the risks of disruption from more agile players remain.

If we look at some of the most disruptive organizations of late (Airbnb in accommodation or Uber in transportation) we can see that the products and services they offer are intrinsically linked to core systems. Increasingly the new business models that organizations need to adopt to remain competitive are ones which demand new monetization models, customer engagement models, or product fulfillment models. These are all functions which have traditionally been the purview of these core ERP systems.

As such, if existing organizations are eager to mitigate the risk that some new organization will disrupt their business, they need to be prepared to innovate even the most core of applications.

After working through the Digital Strength program to this point, ideating and executing some digital initiatives within your own organization, and getting a feel for the organizational and cultural models that best ensure digital success, we believe you are now well armed to be more courageous and innovate even the most core of operational systems and processes.

As with your other digital projects, you need to get the various stakeholders on-board, harness knowledge from across the organization and be prepared to incrementally adjust what you do. But the opportunity is now – go and grab it!

VIII. Key Takeaways

- **As you move beyond simple point solutions, it's important to start thinking about digital as a platform across your organization.**
- **APIs are the glue that allow you to innovate across different business units, technology products, and customer touch points.**
- **Start analyzing the success of your digital projects at the edge, and consider how they might apply to more core products and processes.**
- **Don't be afraid to innovate upon the most core of your operational systems. Your ERP shouldn't be hallowed ground that no one is allowed to touch.**

About HelloSign

HelloSign is powering the future of intelligent business. The company's software platform — which includes eSignature, digital workflow and electronic fax solutions — converts process to revenue for over 60,000 companies around the world with HelloSign, HelloFax and HelloWorks.

About Ben Kepes

Ben Kepes is a business leader, a technology evangelist, an entrepreneur, and a commentator. Ben covers the convergence of business and technology. His areas of interest extend to leadership development, startup activity, digital transformation, and enterprise software, as well as articulating technology simply for everyday users.

He is a globally recognized subject matter expert with an extensive following across multiple channels. His commentary has been published on Information Week, Computer World, Forbes, Wired, ReadWriteWeb, GigaOm, The Guardian and a wide variety of publications – both print and online.

Ben's insight into the business of technology, and the technology of business has helped organizations large and small, buy-side and sell-side, to navigate a challenging path to a successful future.

Ben is passionate about technology as an enabler and enjoys exploring that theme in various settings.



Course 10 – Transformation at Scale

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