



Digital Business Transformation by Cisco

There's Never Been a Better Time to Reimagine Your Business



Executive Summary

Digital Business Transformation is disrupting businesses in every industry by breaking down barriers between people, businesses and things. By breaking these barriers, they are able to create new products, services and find more efficient ways of doing business.

These innovations are happening across organizations of all types, in every industry. But they share a common theme: The ability to transform processes & business models, Empower workforce efficiency & innovation, and Personalize customer/citizen experiences. To do this, companies need a Digital Business Platform that is outcome driven and enabled by technology.

Cisco provides a Digital Business Platform that consists of, a comprehensive Digital Architecture, outcome driven Digital Solutions and a Developer Environment supported by a broad global ecosystem of partners. Cisco Digital Architecture brings together data, connectivity, security, automation and analytics.

This paper delves into:

- Drivers of Digital Business Transformation
- Lessons, capabilities and differentiated initiatives from Digital leaders
- How can Cisco help you to transform into a Digital Business

Key Facts and Figures

78%

of businesses surveyed said that achieving digital transformation will become critical to their organizations within the next two years¹

—Capgemini Consulting and MIT Sloan Management Review

67%

of CEOs will have digital transformation at the center of their corporate strategy by the end of 2017²

—IDC survey of 2000 global enterprises CEOs

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What Is Digital Business Transformation?

Talk to analysts, IT or business leaders these days, and you'll find a hundred ways to define Digital Business Transformation. But the real question is what it means in today's context. At its core, Digital Business Transformation is the application of technology to build new business models, processes, software and systems that results in more profitable revenue, greater

competitive advantage, and higher efficiency. Businesses achieve this by transforming processes and business models, empowering workforce efficiency and innovation, and personalizing customer/citizen experiences.

So how does it start? It begins with convergence of people, business, and things.

When **people and business** connect, it results in better customer experience and increased productivity.

When **people and things** connect, it results in actionable insights and sustained value chains.

When **business and things** connect, organizations uncover new opportunities to transform processes and gain visibility into business outcomes.



Organizations need three critical capabilities to embrace digital business transformation. They are:



Figure 1.

Let's look at these in detail.

Transform Processes and Business Models

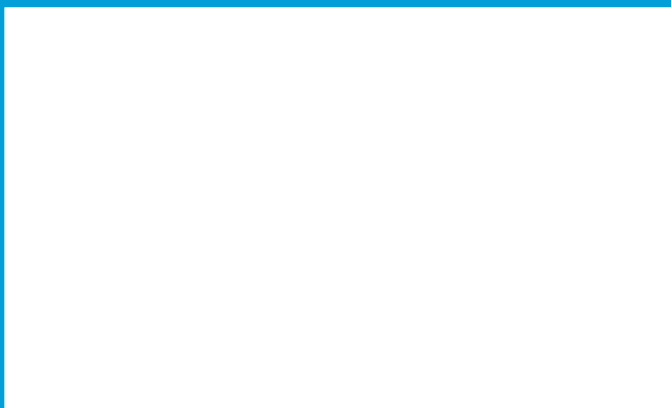
As more and more devices get connected, companies have the potential to connect to and collect data from every extremity of their value chains. This creates the potential for new ways of doing business and the ability to disruptively transform existing processes and business models, which leads to faster time-to-market, leaner operations, and greater agility to respond to market changes.

For example, when businesses move to an automated digital supply chain, they can improve productivity, efficiency, and visibility with accurate demand planning, real-time inventory management and reliable fulfillment. Similar business process improvements exist in all major business areas – marketing, finance, HR, product development, manufacturing, legal, sales, and customer engagement.

Empower Workforce Efficiency and Innovation

Today's workforce is multigenerational, with each group having unique motivations, values, and work styles. Workers want to be more engaged, empowered, and inspired at work. They tend to be more emotionally invested and focused on creating value every day. And they're looking for companies that provide the tools and culture to allow them to be more productive and responsive. Digital technologies can play a central role in engaging a multigenerational workforce and meeting the unique requirements and motivations of each generation.

Digital businesses are giving employees the tools to be more connected, engaged, and mobile. The blueprint for the digital workforce requires an always-connected workforce, deeper engagements through richer collaboration, and security everywhere. With these capabilities in place, organizations can increase productivity and improve their ability to attract and retain the best people.



Gallup Global Survey of
Employees in 142 Countries

“On average, nearly 80% of respondents say they want to work for a digitally enabled company or digital leader.”³

—MIT Sloan Management Review and Deloitte University Press,
Findings from 2015 Digital Business Global Executive Study

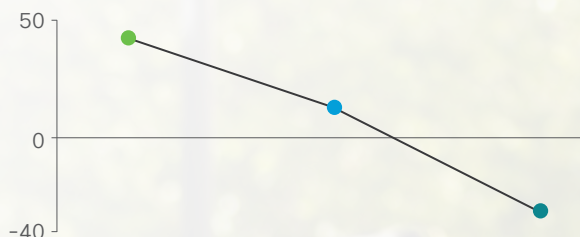
Personalize Customer/ Citizen Experience

In a world of always-on digital services at your fingertips, customers have much higher expectations of the organizations with which they do business. Although product and cost leadership strategies have been used to great effect in the past to outsmart competition, the quicker pace of innovation and outsourcing has made them easy to duplicate. Winning the customer's unwavering loyalty by delivering delightful customer experiences has become the primary factor in winning and retaining business and maintaining credible sustained differentiation.

By providing a seamless Omni channel experience to each customer—across every channel of interaction—digital businesses are winning increased customer loyalty. At the same time, they're gaining deep insight to improve products and services, and predict future purchases. As a result, customers have access to consistent information and receive delightful experiences along each step of the customer lifecycle.

Customer Experience's Impact on Stock

Cumulative total returns
for companies
over six years



Companies that focus heavily on the customer experience outperform the market and their competitors. Evaluating six years of stock performance, Watermark Consulting found that such companies return value almost triple that of the S&P Index. Companies that don't focus heavily on customer experience lag the market by nearly 34%.

—Watermark Consulting, via Accenture Digital⁵

“We see our customers as invited guests to a party, and we are the hosts. It’s our job every day to make every important aspect of the customer experience a little bit better.”

—Jeff Bezos, CEO, Amazon⁷

Why Is Digital Business Transformation Important?

Digital business transformation is having huge effects in every industry. Boards of every company are concerned about the impact of digitization on their ability to ensure the company's business relevance and continuity. Forward-looking leaders understand the seismic shift that's happening as their industries and competitors embrace digital business transformation. They're worried about its potential impact to:

- Disrupt their company's business model, making it unviable or irrelevant.
- Force them into a mode of "thrive, survive, or go extinct".
- Give their competition the ability to continuously innovate and respond to market changes more quickly than their own company.
- Enable competitors to grab market share and sustained competitive differentiation.

Digital Companies Achieve:

These leaders are right to be concerned, because, Digital Transformations translate to real-world business results.

—Capgemini Consulting and the MIT Center for Digital Research⁸

"Digital disruption will displace nearly 4 out of the top 10 incumbents by industry over the next five years."⁹

—IMD and Cisco

Community Wall



How Can You Drive Digital Business Transformation?

Driving Digital Business Transformation in a company is not easy. Line of Business Leaders are looking to transform their business processes and achieve tangible business outcomes. However, to do this, they need help from IT leaders who can provide them with a technology platform to achieve these outcomes. So, Line of Business and IT leaders have to work in collaboration to create the environment and resources for digital business.

Gone are the days where Business leaders and IT leaders had relatively non-overlapping focus areas. The leaders from both areas are jointly responsible for customer success. To succeed, they need to jointly focus on the following areas:

People, Process and Culture

Empower people with the right digital skills, updated processes and an adaptive culture towards transforming their business.

Reimagined Value

Tie digital investments to value realized.

Data and Analytics

Expand cross-organization and customer visibility, both historical and in real-time.

Security

Securely connect every transaction, communication, and endpoint across the value chain.

Orchestration

Grow/shrink processes and operations on-demand

Technology and Data Architecture

Use an integrated technology platform covering all technology needs.

“Every industry – from manufacturing to high technology – has firms that have already begun to gain the benefits of digital transformation. This should be a call to action for executives in every firm.”⁴

–Capgemini Consulting and the MIT Center for Digital Business

What Is a Digital Business Platform?

Technology and data is fundamental in reimagining the business. A digital business platform helps you to:

Cisco Digital Business Platform

Cisco has a robust, scalable digital business platform capable of connecting people, business, and things. It is enabled by technology and is outcomes driven. Cisco brings all aspects of technology, solution, and strategy together in the platform to enable Digital Business Transformation.

The Cisco® digital business platform consists of four layers (Figure 3).

Figure 3.

Cisco Digital Architecture

At the core of digital business capabilities is the Cisco Digital Architecture. The architecture provides virtual and physical network, application-centric data center, cloud, and Internet of Things (IoT). It also provides overall security and continuous threat protection. It consists of four main pillars:

Data and Connectivity

Ability to connect millions to endpoints across the value chain and collect data

Security

Ability to secure everything and provide continuous policy-based threat protection

Automation

Ability to automate process from network edge to data center to cloud

Analytics

Ability to gather data around devices, networks, users, applications, and threats that can be converted into actionable insights

Digital Solutions

Cisco Digital Solutions are specially created packages of hardware, software, and services that deliver business outcomes like increasing revenue, improving customer experiences, engaging employees, lowering costs, and mitigating risks. Defined by the outcomes they deliver, digital solutions are bucketed into Customer Experience, Workforce Experience, Business Operations, and City Operations solutions.

Customer Experience

Transform your customers' experience to improve satisfaction and loyalty, which drives increased revenue by measuring and optimizing every interaction across the customer journey.

Workforce Experience

Increase employee engagement and productivity, and enhance innovation by transforming the workplace into a flexible, collaborative environment that helps to empower a digital workforce.

Business & City Operations

Ability for businesses to streamline their operations, scale effectively from hundreds to millions of endpoints, and manage everything from a single pane of glass.

Developer Environment

Cisco provides an open environment where developers can create their own solutions. This is essential, as it gives organizations the freedom to go beyond one-size-fits-all solutions to meet the unique needs or outcomes of their business.

Partner Ecosystem

Cisco's global partner ecosystem helps customers deploy, manage, support, and upgrade solutions, so that each and every customer realizes optimal value from their investments.

Cisco Digital Architecture

Cisco Digital Architecture helps you to reimagine work and realize value with the help of technology.

Data is the cornerstone of any digital transformation project. Only when you collect data from everywhere, analyze it, and identify trends can you begin transforming business processes. So the critical capabilities required of your digital architecture are:

Data & Connectivity

Only Cisco's broad portfolio of ruggedized and non-ruggedized devices can help you connect every extremity of your value chain.

Security

Only Cisco has an end-to-end, policy-driven approach securing every aspect of your value chain.

Automation

Only Cisco can automate your entire infrastructure and processes, from the endpoint to the datacenter to the cloud to the app, under a single pane of glass.

Analytics

Only Cisco's deep analytics capability helps you analyze and make near real-time decisions at the endpoint, in the aggregation network, or back in the datacenter.



Work Reimagined
Value Reimagined
Defined by Technology

Figure 4.

“The strength of digital technologies—social, mobile, analytics, cloud—doesn’t lie in the technologies individually. Instead, it stems from how companies integrate them to transform their businesses and how they work.”³

—MIT Sloan Management Review and Deloitte University Press

Data and Connectivity

Data and Connectivity are fundamental. If you can't connect and collect data, you can't transform. But today, connectivity and data sources are often complex and siloed.

Connects Every Part of Your Business

Connect workers, customers, suppliers, business applications, sensors, assembly lines, and much more to collect data. Make it scale, so you can accommodate millions of new connections with your existing organization and operations.

Provides Hyper Distributed Intelligence

Embed data-driven intelligence across your network and organization to enable smarter, faster decision making and better business outcomes.

Secures Everything

Secure every part of the network so that it can act as a sensor and an enforcer.

Converges IT and OT

Bring IT and OT together for integrated process and information flow that can break down silos that keep disparate organizations, processes, and digital investments from delivering the value you expect.

**£30
billion
per year**



Estimated economic growth that the United Kingdom is missing due to a connectivity deficit in its biggest businesses and public sector organizations¹²

– Centre for Economics and Business Research (Cebr)

Security

High-profile security breaches seem to happen almost daily, and they're growing in every industry. Attacks have become more sophisticated, and with proliferation in devices and the IoT, the number of potential targets continues to grow. Digital business transformation can unlock amazing business advantages and insights, but also increases your exposure to threats. Successful digital businesses think about security at the most basic level of any transformation strategy.

Secures Everything

Get embedded security across devices at the edge of your network, across your infrastructure, and through the data center and the cloud.

Provides Support Before During and After the Attack

Provide continuous advanced threat protection across the attack continuum.

Has Pervasive Threat Visibility

Provide threat visibility across many vectors.

Is Policy Driven

Provide consistent policy across devices, networks, and clouds, so you can identify advanced threats, keep them contained, and mitigate them quickly.

Automation

Once you've securely connected everything, you can start capitalizing on new insights and faster responsiveness and decision making. That is, if you can find a way to manage all of those new connections without overwhelming your IT operations. The answer is automation. By automating manual and repetitive processes across your organization, you can drive efficiency, agility, innovation, and new business models.

Provides Complete Infrastructure Automation

Automate everywhere across the network, including Cloud, Data Center, Mobility, Branch, Campus, collaboration and Security.

Is Controller and Policy Based

Has software-defined programmable infrastructure and prebuilt apps.

Is Open

Is an open platform that interoperates with a wide range of third-party and open-source devices, systems, and tools.

Is a Self-service Model

Makes it possible to deliver services and capabilities to customers and workers in an automated, self-service fashion.

Analytics

At its core, digital transformation enables deeper and broader insights into your organization and your business. It's those insights that allow digital leaders to spot new trends, identify emerging customer needs, and develop new products and services more quickly than their competitors. The value you realize from digital business transformation is directly tied to your ability to collect more data from more places and analyze it consistently.

More Exposed Datasets

Help to gather analytics at every device in the network and make network as sensor.

Simpler Access to Data

Empowers you to act more quickly by aggregating and normalizing data from every source.

Contextual Insights

Provide contextual insights by correlating data across devices, network, users, applications, flows, and threats.

Better Real-time Decisions

Enable near-real-time decision making by distributing intelligence out to the edge of the network.



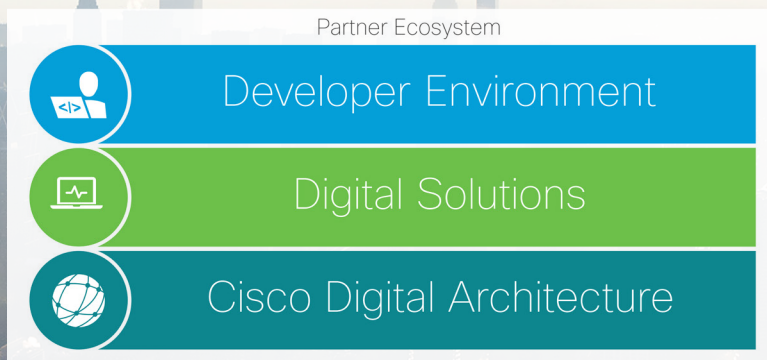
Start Your Digital Journey with Cisco

Cisco is the only partner that has an integrated portfolio across the entire technology realm: network, datacenter, cloud, security, collaboration, IoT, analytics, and service provider. We combine this with industry partners to bring a truly robust platform that can reach every extremity of your value chain, from anywhere a service or application resides to wherever it may be consumed.

The world is changing fast. The choices you make now will decide whether you're setting the pace in your industry or playing catch-up. There's never been a better time to transform your business. No matter where you are in your digital transformation, Cisco can help you build a smarter, faster, and more competitive business. Cisco's Digital Business Platform is the most comprehensive technology platform of architectures, solutions, and services for providing connectivity, security, automation, and analytics across your entire value-chain. Let Cisco help you reimagine your business and accelerate your journey towards digital business transformation in your organization.

Take the next step in your digital journey today. Visit: <http://www.cisco.com/go/digital>

Cisco Digital Business Platform and Digital Architecture



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