



Point of View

From chaos to clarity – Deliver digital experiences that matter

Digital Businesses will win in increasingly disruptive markets.
Experience a day in the digital life.



One digital coffee, coming up

Jack Carson (not his real name) gets up and gets dressed for work. He looks longingly at his coffee maker, but he knows he's late for his 9 am meeting; coffee will have to wait. Then, his pocket pings. It's a notification on his phone, telling him that his meeting has been pushed back by 30 minutes—and that he has time for his morning coffee.

One cup of coffee later, Jack is on his way to work. He drives to the train station. His dashboard displays his favorite parking spots available in the station's garage—based on location and price—presented first. Jack makes his selection and his driverless car eases him effortlessly into the selected spot.

In the train, a passing conductor reads the signal from Jack's monthly commuter's card without having to disturb him. That signal also feeds the train's food service system, alerting an attendant to standing food and beverage orders and the seats to which they go. The attendant delivers Jack's second cup of coffee (extra cream, no sugar, just the way Jack likes it) without having to take the order—and without having to stop to handle payment. The system has already billed Jack's credit card on file.

Jack hasn't yet set foot in his office, but he's already benefited from the world of digital business.

Jack's commute and the other scenarios that appear in this Point of View are based on real technologies in use today. Taken together, these scenarios are glimpses into our growing digital world.

Already, digital business is the model that startups use to enter markets, and that established companies use to compete more effectively against them. It affects the workplace as well as the marketplace, and changes the ways that employees, customers, suppliers, and partners interact. This Point of View explains what digital business is, why it is, and how you can start thinking about it—and taking advantage of it—right now.



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Digital business, digital disruption

Today, every business is to some degree a digital business. But effective digital businesses, according to Gartner, are the ones that blend the digital and physical worlds in new ways to gain business advantage—for example, to boost productivity, enhance products, create new services, and provide better customer service. Digital business isn't just a matter of deploying technology, although technology is certainly crucial.

Digital is about the convergence of people, business, and things that disrupt existing business models. Digital disruption is the inevitable product of an effective digital business, much as a shockwave is the inevitable product of a supersonic flight. And, while many digital businesses are just getting started, the impact of digital disruption is already all around us. Uber, the transportation services company that doesn't own a single vehicle, has become the archetype, if not the cliché, of a digital disruptor. But it's far from alone. Xiaomi has used digital business models to go from startup to serious challenger in the mobile device space in just four years. At the other end of the maturity spectrum, 175-year-old John Deere is complementing its traditional farm-equipment business with agricultural management solutions that use data and technology to help farmers worldwide increase their yields while conserving precious natural resources. It's a digital business model and a far cry from the company's flagship tractors.

It's 11:15 am and Jack is about to meet with a major customer at their office. His pocket pings. It's his phone, which knows where he is and why he's there—and wants him to know about a video interview with the customer's CEO that's just gone online. The CEO spoke about the challenge of recruiting new talent—which Jack wouldn't otherwise have known about; certainly not before his meeting. Jack had planned to pitch his firm's communications software—but now he has a far more compelling pitch to make, offering the software as a way to help address the recruiting challenge. Jack makes the sale.

Four trends shaping the change

Successful digital businesses are working hard to unlearn old habits and time-honored principles that simply don't work anymore. They're rethinking the ways that their employees work, and devising increasingly **digital workplaces** in which those new work experiences can take place. They're rethinking their customer experience promises, devising new **digital customer experiences**, and looking for ways to build digital synergies between employees and customers.

And they're investing today in four trends that are shaping and accelerating the digital workplace and customer experience:

- **Borderless platforms.** A new class of business ecosystems based on technology platforms is reaching out beyond the enterprise's borders, nudging businesses from me-centric engagement models to we-centric collaborative models and challenging traditional notions of control and power.

- **Data currency.** Savvy enterprises no longer only want meaning from data; they are extracting value and manufacturing new revenues from it. These digital disrupters are giving their customers what they really want: more meaningful outcomes, not merely more products or services.
- **Shift to individual centricity.** It's no longer enough to be customer centric. Delivering tailored digital experiences requires catering to the behaviors, wants, needs, and intentions of individual employees and customers.
- **The battle for brains.** As enterprises make their way in the new digital reality, demand for digital skills is outpacing supply, forcing enterprises to rethink and regroup. The next generation of talent may be a dream team of humans, data, algorithms, and intelligent software.

A common theme throughout these trends is the merging of physical and digital experiences. No longer separate, they become immersive experiences with seamless transitions between the physical and the digital.

- **Shop-floor managers,** for example, can solve manufacturing problems flagged by digital systems that analyze the data from connected sensors.

- **Field service technicians** can be guided by predictive analytics to provide proactive maintenance to remote systems – reducing costs and increasing uptime.
- **Doctors** can make virtual house calls, aided by remote sensors, collaboration tools and onsite assistants, extending medical care to underserved populations.

It's 2 pm. Jack's colleague, Carol Hill, manages the company's retail operations. A local promotion is an unexpected success—and the sales analytics system predicts that current supplies will not be enough to meet demand. What should she do? The company's machine learning-based system has monitored the call. It dynamically provisions a virtual workspace that identifies three managers most likely to have answers, and proposes a meeting for their first common availability. It also shows two articles from the knowledge management system describing solutions to similar challenges. Carol and her colleagues solve their problem—and their solution is automatically recorded in the knowledge management system to be surfaced if the need arises again.

Avanade: Not your traditional IT partner

At Avanade, much of our thinking about digital business comes from the work we're doing right now to help clients realize results in the digital world. We do this through business technology solutions and managed services that combine insight, innovation, and expertise focused on Microsoft technologies.

Just as digital business blends the digital and the physical, Avanade blends the reliability of a traditional systems integrator with the agility and creativity of a digital agency— both strengths needed for digital transformations, but seldom found in a single provider. Avanade can plan and design solutions using digital strategy, experience design (XD), and change management; build those solutions using mobile, cloud, and digital technologies; and then run them using comprehensive managed services.

This is a crucial advantage for the digitally disruptive enterprise—for example, for the business that not only wants a beautifully designed website, but wants that website to capture and exploit data for digital marketing and sales, enable new levels of customer support, and integrate ecommerce with supplychain systems to maximize sales by minimizing out-of-stocks.

Our focus on Microsoft technologies is based not only on our corporate DNA, but also on our belief that the Microsoft cloud first, mobile first platform is key to enabling digital transformation. Early adopters are seeing this first hand, for example, in the innovations made possible by Windows 10 and Skype for Business.

And while digital business goes beyond the physical world, a strong presence in that world is crucial. Avanade can support global enterprises in their transitions to digital businesses because we're also a global business, with more than 70 locations in 20 countries. We operate where our customers operate.

Customer experiences: this time it's personal

Enterprises need to transform their moments with customers into digital experiences that result in greater loyalty and value—because, if they don't, their competitors will. The customer experience is already changing—more online, more mobile, more social media—so the question for enterprises is whether they will ride the wave of these trends or be wiped out by them.

Avanade is helping enterprises to ride the wave with customer experiences driven by digital marketing, digital sales, and digital service. For example AGL, one of Australia's largest integrated energy companies, needed to differentiate itself in an increasingly competitive, deregulated landscape—and reduce customer churn that was at an all-time high.

In response, Avanade created a datarich, personalized online customer experience that is far more than skin deep, including access to "smart meter" data (integrated with SAP) that helps customers to save energy and money. As a result, AGL saw a 29% increase in mobile conversions and 47% increase in customers clicking-through to energy plans—and the solution was named Sitecore's Site of the Year.

It's 6pm. To celebrate his success, Jack stops on the way home at the motorcycle dealer. He's checked out a new bike on the dealer's website, even looking at custom options. When he mentions this to the sales rep, she taps her tablet and Jack's bike, which he registered with the site, appears on screen. Even better, she taps the tablet again and finds an identical bike in stock. Jack's not the only successful salesperson today.

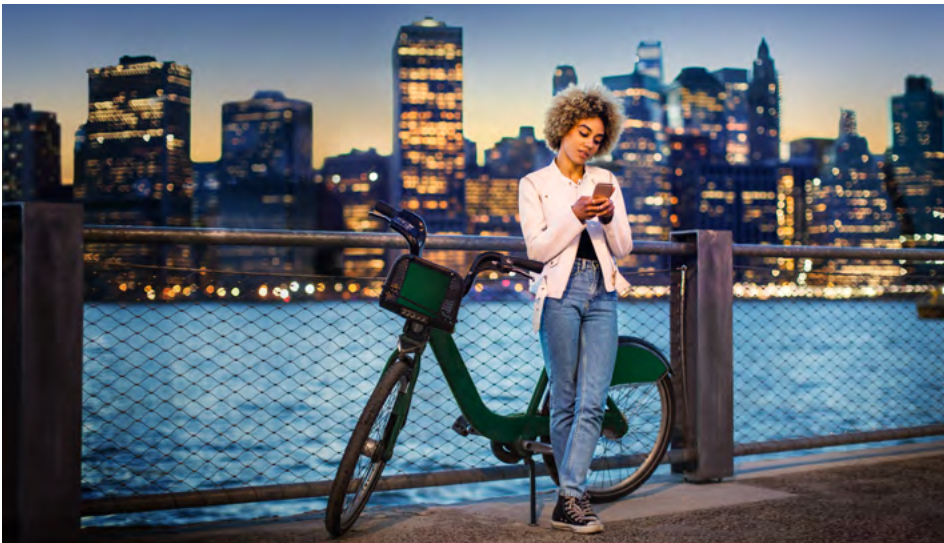
Digital workplaces change the way we work

The trends driving new customer experiences are driving new employee experiences, too. Enterprising enterprises are using these trends to create digital workplaces that are social, mobile, always-on, and data driven. Moreover, the digital workplace is guided by intelligent context; that is, it's tailored to the employee's industry, role, location and tasks. Ninety-three percent of enterprises recognize employee engagement as a key

contributor to the bottom line¹. The result boosts productivity, reduces costs, speeds innovation, motivates employees and spurs competitive advantage.

In the digital workplace, employees no longer need to be experts in finding information, because the right information finds them at the right time—just when they need it. They no longer need to juggle disjointed applications, information, conversations and processes because all of those elements are integrated in a unified experience that conforms to the way they work.

The digital workplace can be anywhere—even at 30,000 feet. Delta Airlines learned that when Avanaide helped it to adopt a mobile point-of-sale solution that flight attendants use to process customer upgrades in-flight, and validate credit cards and send eReceipts for on-board purchases. The success has spurred Delta to identify many more ways to use the solution, including faster and more effective incident reporting and inventory control to digitizing costly and cumbersome onboard manuals.



Enterprises that want to be digital must manage often-difficult transformations. Avanade is helping.

Digital transformation: rethinking the business model

Except for startups that are born into the world of digital business, enterprises that want to be digital must manage often-difficult transformations. To do so, they need to innovate products, services, and experiences more quickly than they've ever done before. And this needs to happen in the context of rethinking businesses and developing entirely new models.

Avanade is helping enterprises with this digital transformation, too. For example, NCC, one of the Nordic region's major construction companies, wanted a new digital model for the crucial function of construction-site project management. Avanade is helping with a digital transformation that puts the site manager in control, with mobile tools to avoid or work around delays, speed processes like

equipment check-in—and even anticipate inclement weather.

Avanade helps you grow as a digital business

Enterprises need to move quickly into the world of digital business, creating digital customer experiences, digital workplaces, and digital business models. Avanade is here to help, with resources and expertise including:

- **Digital strategies** that rethink old models, merge physical and digital experiences, extract value from data, and drive connections.
- **Solution Studios** for digital marketing, analytics, mobile, and more, to bring together specialized skills for innovative solutions based on the latest technologies.

- **Fast-track innovation** that includes innovation methodologies, ideation workshops and accelerated delivery.
- **Digital offerings**, such as strategy, UX design, and change management, that support clients through every aspect of the digital business lifecycle.

Ready to learn more?

- Visit www.avanade.com/digitalbusiness
- Schedule an [Avanade Innovation Session](#)



About Avanade

Avanade is the leading provider of innovative digital and cloud-enabling services, business solutions and design-led experiences, delivered through the power of people and the Microsoft ecosystem. Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation and has 29,000 professionals in 23 countries.

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