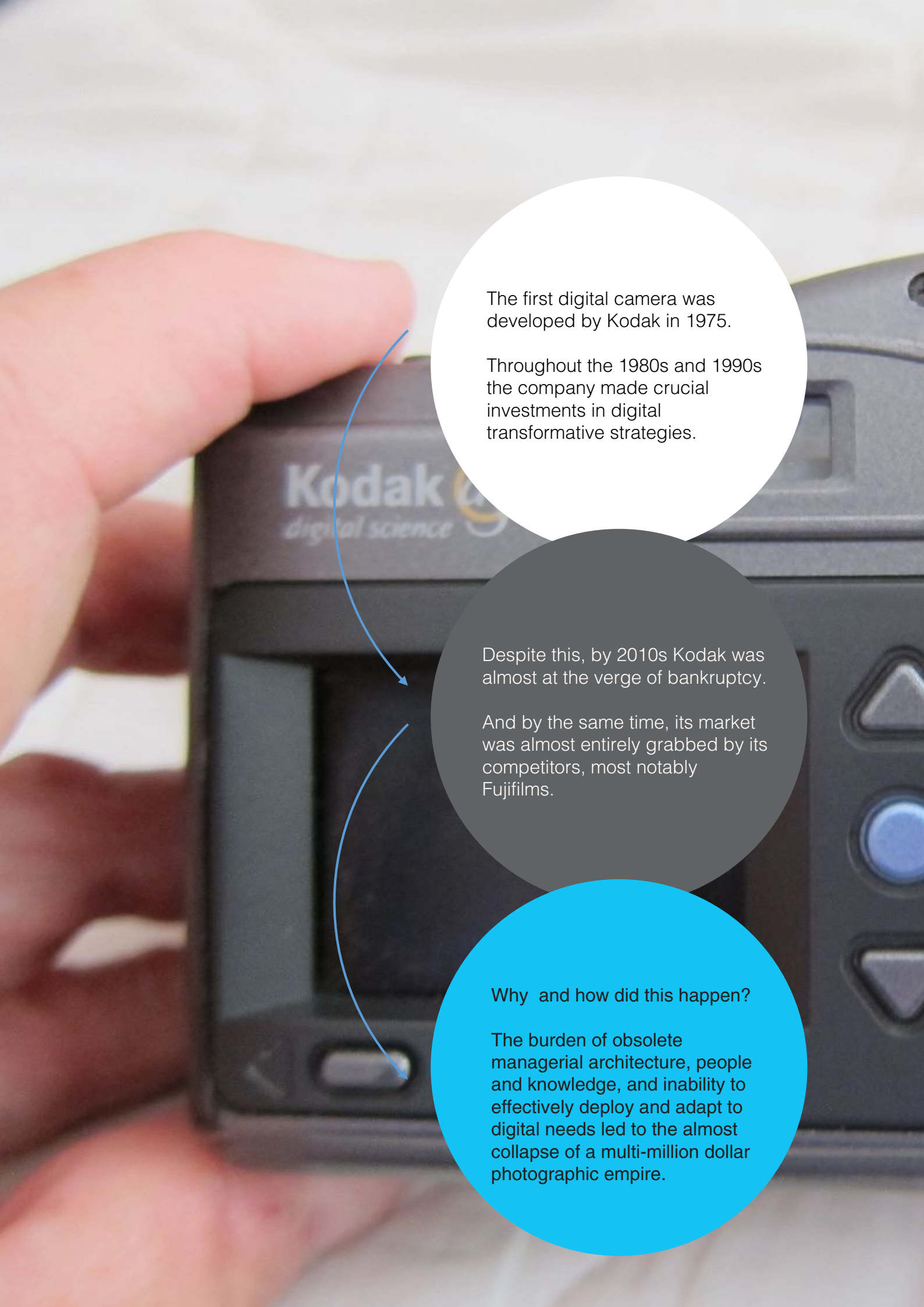


# DIGITAL **DISRUPTION**

TRANSFORMATIVE BUSINESS STRATEGIES





The first digital camera was developed by Kodak in 1975.

Throughout the 1980s and 1990s the company made crucial investments in digital transformative strategies.

Despite this, by 2010s Kodak was almost at the verge of bankruptcy.

And by the same time, its market was almost entirely grabbed by its competitors, most notably Fujifilms.

Why and how did this happen?

The burden of obsolete managerial architecture, people and knowledge, and inability to effectively deploy and adapt to digital needs led to the almost collapse of a multi-million dollar photographic empire.





Most of the contemporary major as well as small businesses are 'going digital' nowadays, by taking recourse to digital disruption. The term 'disruption' is often used by businesses to refer to the usage of technology to compete aggressively in the industry. By invoking a certain moral authority, 'disrupt' is preferred instead of 'compete', to depict the relationship of a business to its counterparts and the rest in the competitive field. The inclusion of 'digital' to the disruption process not only enhances but also accelerates it.

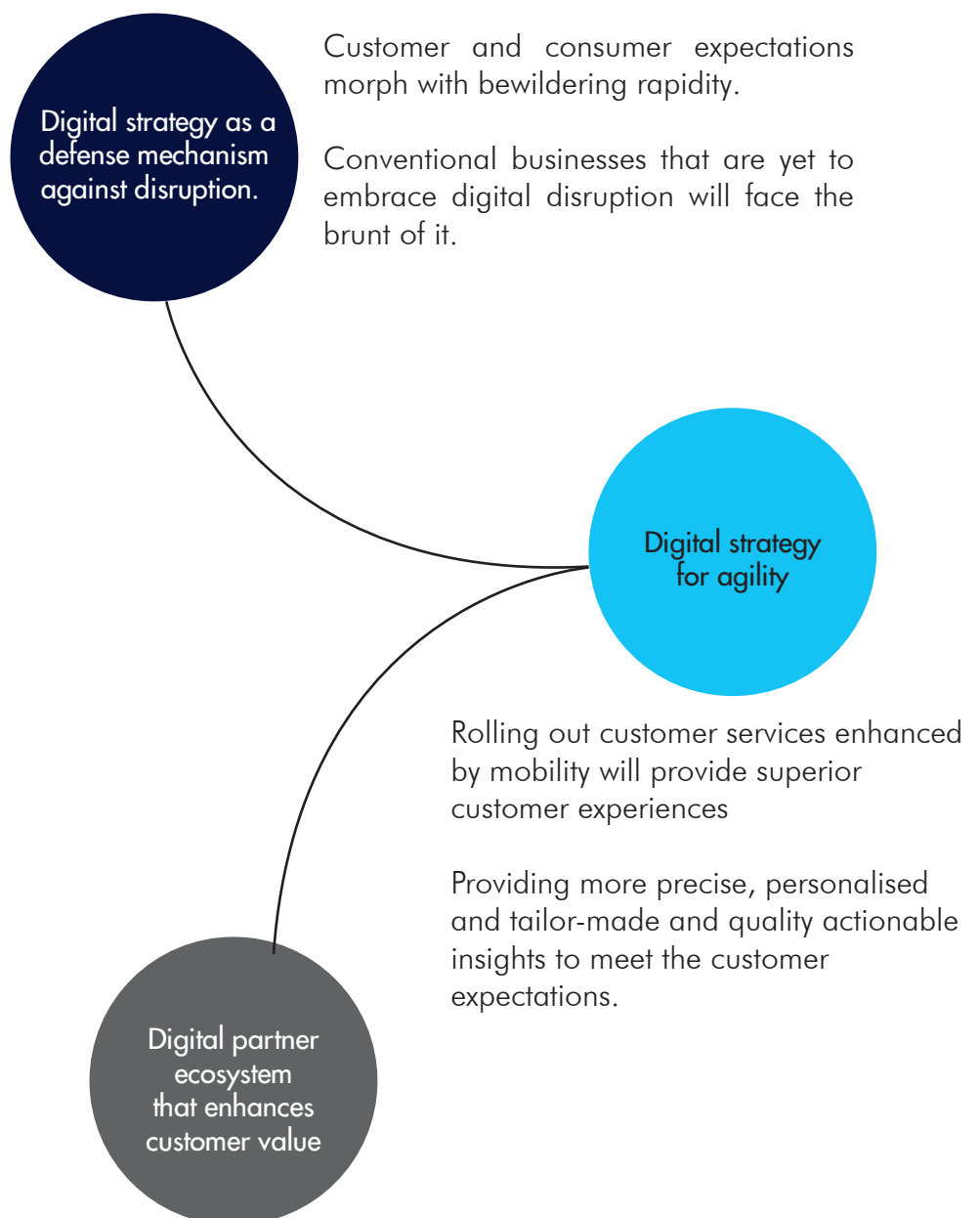
However, digital disruption can be more prevailing than conventional ones only if the disruption is indisputably digital, as the Kodak instance illustrates. The transition from a conventional, silo-based structure of enterprises to a responsive, data-driven environment needs to be multi-faceted. A breakthrough in software or hardware development is not digital disruption per se, neither is it a euphemism for inventions.

Recently, a survey by the Harvard Business Review found that the leaders in the major businesses are deploying the transformation to digital not only for efficiency or cost-effective measures but also to churn out cutting-edge business models, revenue streams and material changes. The efficacy of digital disruption lies in a rethinking of the entire business, not minimally the portfolio of technology.

The very specific tenets of digital disruption are-

- Usage and development of free or approximately free digital tools.
- Aggressive exploitation of digital platforms provided by Apple, Amazon, Google etc.
- Engaging with the belief that it is the customer who dictates the strategy.
- Innovation via relentless and resolute pursuit of customer benefits.
- Delivering customer benefits in a quick and cost-effective manner by partnering effectively with other agencies and business entities.

These require usage of available digital resources to maximise value to a larger number of people, in enhanced and quantitatively enlarged contexts in comparison to competitors. However, only increasing expenditure on newly proliferating technologies will not pave the way for digital transformation and increasing business outcomes. Enterprises that focus on identifying core business capabilities and transformation of those capabilities will have an edge over their competitors in terms of the transformation in digital paradigms. The organizations coping best with digital disruption are creating and relying on:



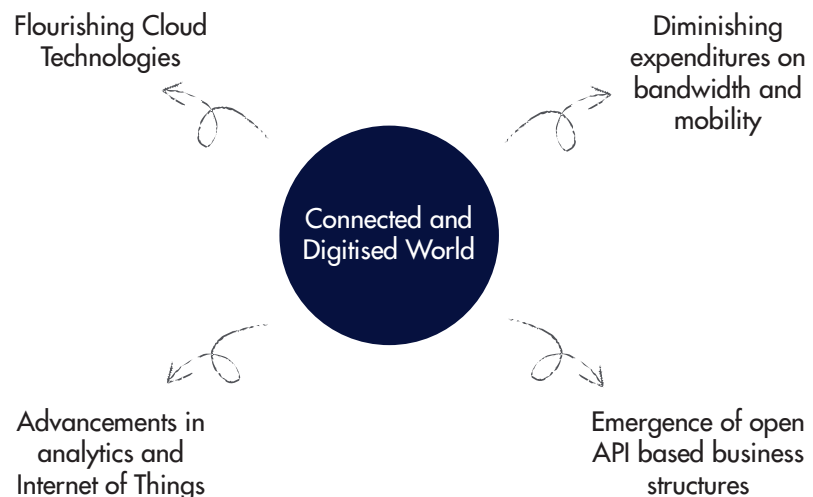
It is imperative for digital businesses to lean on a partnership-driven outlook rather than insisting on building everything on their own.

For contemporary businesses, the transition to the digital is opening up fresher avenues to newer markets and is subverting the existing fields of competition. While digitalisation for many may be as fundamental as creating a mobile app to drive a certain function, for most of the major businesses as well as IT decision makers, it is a much-awaited step towards a magnificent design of paperless enterprises.

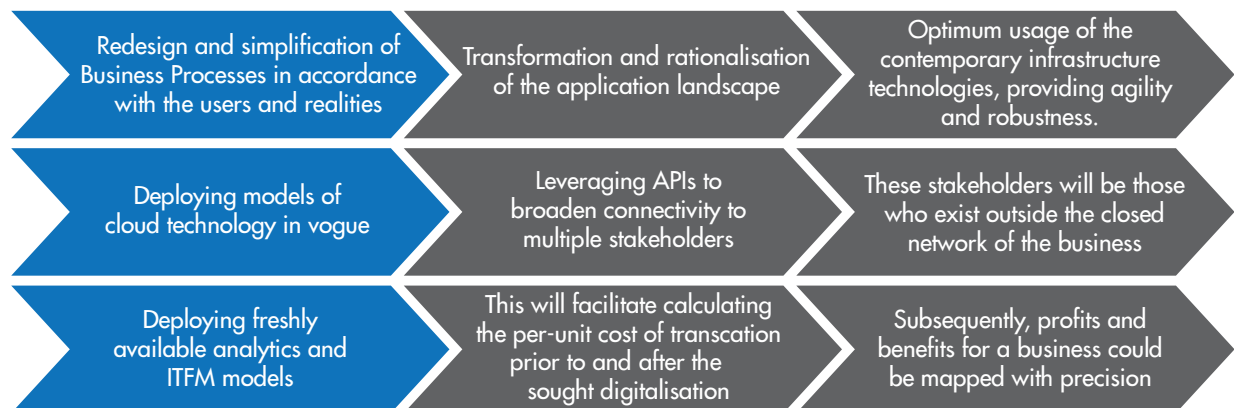
The priorities for large businesses in adopting new technology, according to a Gartner survey conducted among 304 top business leaders from major enterprises, are-



In the same survey, 32 percent of these business leaders reported that their organisations have already digitalised, which in itself is an improvement from the numbers of 2014. 86 percent of them reported that the transformation of the businesses to a digital layout is expected to bring quantitatively and qualitatively positive improvement of customer experiences and customer engagements. However, as the report mentioned businesses will need to adapt **"by restructuring the workforce, eliminating obsolete roles, and finding talent that can help design systems and workflows that optimise the use of things integrated with people and business to drive new value for customers"**.



To understand how users navigate any digital interface, whether it is the customer or the employee, major digital transformations will have to transcend beyond minimal changes at the design level or application level. To tap the genuine potentials of digital transformation, the changes mentioned below are extremely crucial-

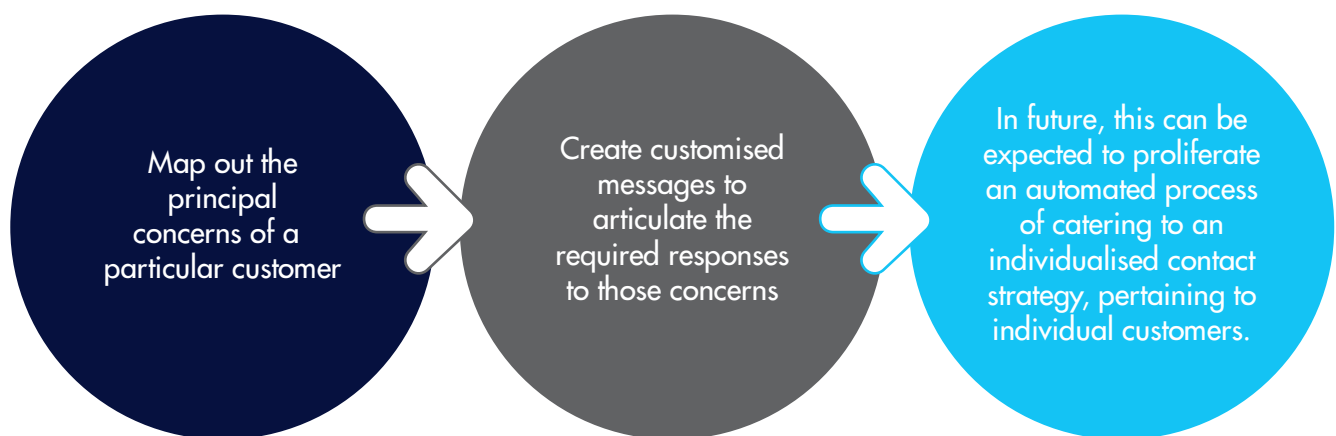


However, the organisational and cognitive shifts that both facilitate and accompany digital transformation require strict maintenance and continuations of the existing data governance regime. To co-opt this with the digital disruption, a business needs to deploy the following-

The use of APIs	Comprehensive Compliance	Extension of community management	Enhancing the Visibility
<p>Internally, for cloud services, mobile and enterprise application.</p> <p>Externally for exposure and proliferation of new channels.</p>	<p>A well-managed and comprehensive file transfer system.</p> <p>To look for solutions that provide end-to-end visibility and surveillance of file transfers.</p>	<p>Augmented partner involvement and global interactions.</p> <p>An improved B2B architecture.</p>	<p>Monitoring, measuring and analysing the available data will provide real time insights into the business processes and uncover avenues of improvement.</p>

The successful implementation of this would lead towards successful transference and management of the organisational and business data during the process of digitalisation. At the level of large businesses, enhanced knowledge about customers, competitors, suppliers and markets has resulted in increased input in augmenting resources and technology, in order to garner optimum returns from the process, inform innovative decision-making and unearth newer avenues of opportunity. Huge data warehouses and intricate analytics have been put into use to optimise the efficacy of decision-making at all levels of business.

This increased knowledge about customers has put the customer at a higher pedestal than ever before. Personalisation pertaining to specificities of customers have subsequently become more engaging and demanding. Across devices and platforms, data has been deployed to glean a deeper comprehension of customer preferences and experiences in a quantifiable manner. Success of business enterprises relies on the aptitude of successfully and effectively comprehending customer experiences and articulating the pertinent message across all channels-

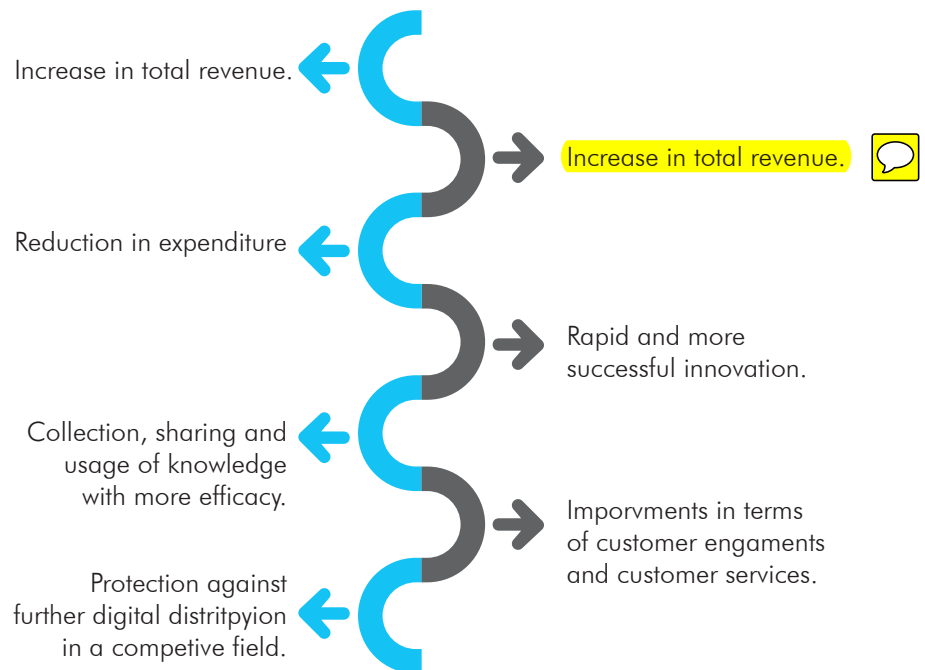


Digital disruption can be disruptive in the literal sense, i.e. if the transformations it initiate bring even the major players in a business to a competitive field to either adapt or be obliterated. Due to this, only 12.2 percent of the Fortune 500 companies from 1955 were able to retain their widely acclaimed, hallowed and prestigious position by 2014.

However, these transformations may not always be dramatic, paradigm-changing or flashy. Hence, one needs to be cautious about hyped and spectacular changes in businesses due to digitalisation. Often a gradual, comprehensive and sustained change in the business strategies may prove to be more enduring than grandiose transformations occurring in troughs and crests.



Any transformative aspect of a business in terms of digital strategies encompasses both organisational changes and changes in digital technology. Because of these, it has the potential to facilitate an increase in performance in multiple areas of a business. Rather than focusing on an individual metric, performance thus can be measured in quantifiable terms and assessed in terms of various factors and fields in regard to digitally disruptive endeavours, such as-



Digital transformation as well as disruption can be visible and can be applicable to most of the modern industries, and are not necessarily restricted to those only where footprints of the digital technology are most explicitly noticeable. As the specific transformative aspects of the disruption revolve around and are tailored to the challenges, customers and contexts of the specific businesses, the transformation itself can be said to be industry-agnostic.

The synthesis of digital tools with workplace interfaces is not a newfangled concept. However, the pace, magnitude and level at which the digitalisation is transforming businesses in the contemporary times is clearly a clarion call for conventional businesses to adapt to digitalisation of their strategies and organisational structures.