# Building a Business Case for the Digital Enterprise

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Embracing Digital Disruption

No industry is immune to the effects of digital disruption, but some are more at risk than others. Industries facing the most risk are those with low barriers of entry, which makes it easier for small, agile players with limited resources to compete, and ones where market leaders have become dependent on legacy business models and infrastructure to generate core revenue. This dependency makes it difficult to implement rapid change, from both a technology and cultural perspective.

Current and future industry leaders must quickly determine what digital strategies will secure their standings in the marketplace and how those strategies can be executed, while simultaneously contending with an unprecedented rate of technology innovation.
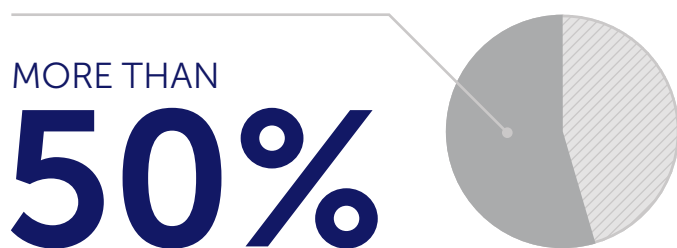
MORE THAN
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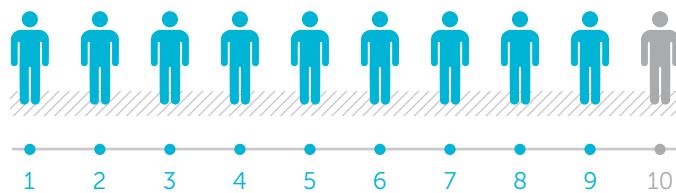
9 OUT OF 10 executives believe they are missing major opportunities in the market

According to a global survey of senior executives by Strategy&, more than 50% of respondents do not think they have a winning strategy in place.

Another survey indicated 9 out of 10 executives believe they are missing major opportunities in the market.

A partner with established technology expertise can help prevent the gap that often arises between strategy development and technical execution.

Building a digital enterprise means empowering your organization with the strategy, tools, and expertise necessary to combat and ultimately embrace the latest technology trends. With the right partner in place and a commitment to change, enterprises are no longer stuck playing catch up in today's digital environment – they are once again leading the charge.

This white paper explores the initial steps necessary for building a business case that will motivate internal stakeholders to consider digital evolution within their organization, key factors to consider when evaluating a potential technology partner, and examples of small technology investments that can act as a catalyst for wide-scale digital transformation.

The Five Step Process

A carefully constructed business case is often required for garnering cross-functional support for engaging with a new technology partner. The business case must articulate how an initial digital investment will guide executives, stakeholders, employees, and even the organization's consumers toward a digital mindset while quickly providing tangible business benefits.

The closer a business case is related to a specific business issue, the more likely it is to attract the attention and support of decision makers. At the same time, in order for a project to be successful and have lasting impact, it must establish achievable goals and reasonable parameters, including a realistic timeline and budget.

The five-step process we describe below is designed to guide your thinking as you develop the business case for your organization's transformation. Every organization – in fact, every professional – will tackle this process a bit differently, but these five themes are crucial for building initial confidence in a project, securing funding for the investment, and setting the foundation for a successful partnership.

1. Define a business issue.

First outline what business issue you plan to tie to your proposal. It might feel natural to start with your organization's pain points, but in the digital era, exploring untapped opportunity can be just as worthwhile and lead to the creation of new competitive advantages. The issue can be specific or broad; it can be tied to a specific domain or corporate function – or not. Whatever your problem or opportunity might be, the act of defining that issue in concrete terms will make it easier to develop a solid business case and often ensures others will see value in the project from the start.
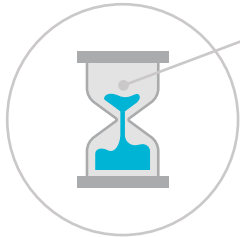
When Einstein was asked how he would save the world in one hour, he said he would spend 55 minutes defining the problem and **5 minutes** solving it.

2. Recognize potential pitfalls.

Next try to identify what obstacles might make it difficult to implement change. Too many legacy systems? Intra-corporate resistance to change? Is there a cultural aversion to outside help? Have similar projects failed in the past? If so, why? To be clear, this does not have to be the time for addressing those problems. It's more important to reflect honestly about your organization's weaknesses to ensure your project isn't unnecessarily derailed in the future.

3. Catalogue organizational strengths.

In the same vein, take time to consider what resources and features your organization has that might offer advantages and inspire confidence among your team. Have you had success with transforming corporate processes and new technology adoption before? Do you have an in-house team of digital champions or industry veterans at your disposal? What other assets do you have that a competitor might not be able to call on? Since most modern enterprises are already data-driven, what data are you collecting? Do you know your customers? How loyal are they? How valuable is your brand?

4. Establish high-level goals.

Once you know what your problem or opportunity is, and you've taken the time to examine the circumstances that will surround your project, you can then establish business-oriented goals. What would you like to see as a result of this effort? In an ideal world, how would internal processes improve? How will this project impact the user experience (and are we targeting internal or external users)? This is a great time to start reaching out to potential partners who can help you navigate current trends and validate your goals from a technology perspective.

5. Identify how you will measure impact.

Finally, it's time to consider how you will measure the success of your project. What metrics can speak to those high-level goals? What short-term ROI will appease relevant stakeholders? What tangible change will mean the engagement was a success and the partnership was worthwhile? This is the best time to begin estimating budgets, timelines, and resources that can be dedicated to the project, with the support of an experienced digital transformation partner.

Evaluating a Digital Transformation Partner

Once the decision has been made to move forward with the support of outside help, you and your team will be responsible for deciding what group will best fit the constraints of your project and complement the culture and structure of your organization. Of course, digital services partners often represent long-term commitments and multiple complex projects, so it's as important to consider future requirements as it is to think through your more immediate needs.

It's a good idea to begin evaluating potential partners within an established framework sooner rather than later. They can offer objective insights and help inform a solid business case, and you will be able to move forward faster once your engagement receives the greenlight. The following list explores four factors to keep in mind while developing your business case and again when it comes time to select a potential partner:

Technology Expertise

First and foremost, determine whether a prospective team has the objectivity, expertise, and manpower to spearhead a digital evolution for your organization. Many business leaders start their search with traditional management and professional services consultants, but more and more enterprises are choosing to cut out the middleman and work directly with technology experts. The best partners will have a wide variety of expertise to call on. Not only does this significantly cut down on cost, it ensures your strategy is closely aligned with your technical implementation and improves project oversight.
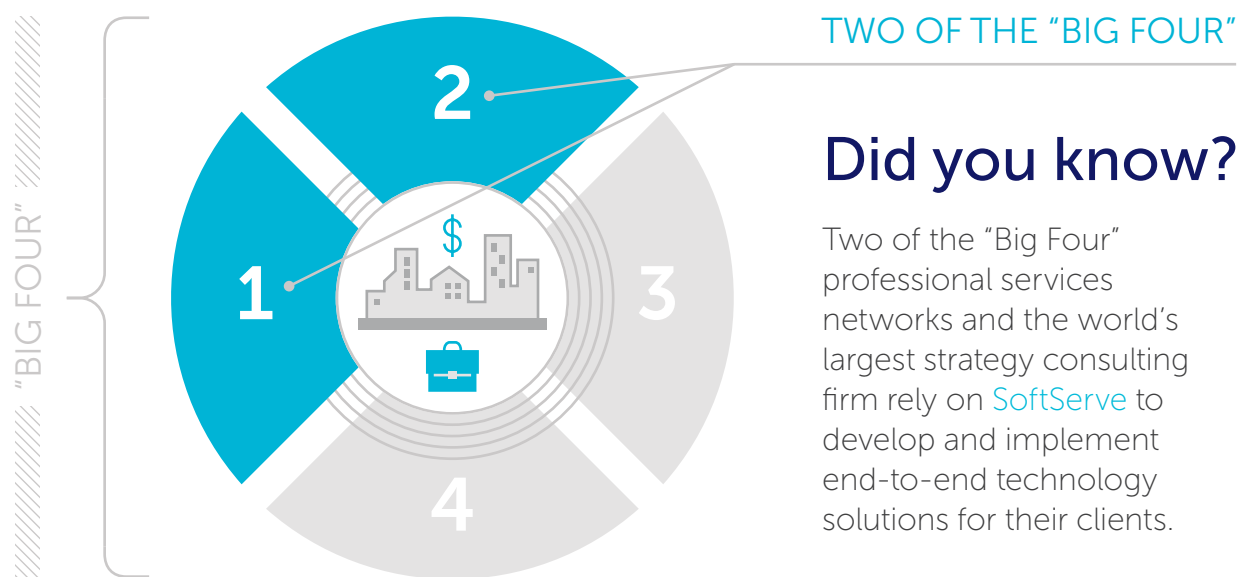
Industry Familiarity

While every organization and project is unique, it's important your partner understands the trends characteristic of your particular industry. Ask for examples of similar projects to ensure some level of familiarity. Still, keep in mind you and your team know your company and your industry better than any third-party. It's most important your partner understands the context surrounding your organization, values a collaborative working process, and has experience addressing the types of issues you face.

Informed Thinking

Ideal digital services partners strike a balance between big-picture thinkers and real-world problem solvers. There should be ample evidence early on that a partner's guidance is the result of active listening and a careful study of the nuances that make up your organization. The best partners do not simply tell you what to do or implement an existing strategy; instead, they collaborate with you to address your needs and stick around to help you build flexible, scalable, and long-lasting solutions.

Project Deliverables

With that in mind, make sure to determine what deliverables a partner intends to hand off at the end of a project and what resources they will call on to deliver them. Many consultations result in strategy documents destined to collect dust on a shelf after the engagement comes to an end; others outsource their development projects because they lack in-house technical expertise. Digital transformation is more likely to succeed when your staff members are able to work directly with the digital experts responsible for both strategy planning and execution.

TWO OF THE "BIG FOUR"

"BIG FOUR"

1 2 3 4

Did you know?

Two of the "Big Four" professional services networks and the world's largest strategy consulting firm rely on SoftServe to develop and implement end-to-end technology solutions for their clients.

Small Wins Lead to Big Change

To be sure, "digital transformation" is a vague idea and lofty goal. Though it's evident the majority of enterprises understand the benefits of a modern digital approach, many are still struggling to define a path for moving forward. Starting with a relatively small investment is often a necessary and effective first step for encouraging more wide-spread support for a long-term relationship with a prospective partner. Below we discuss three examples of small initiatives that can quickly create meaningful change and set the stage for a cultural shift toward a digital-first mentality.

Ideation Workshop

In an ideation workshop, several internal business leaders meet with a team of external digital experts to generate and explore potential initiatives. Unlike open-ended brainstorming sessions, ideation workshops are purposefully structured and tend to result in actionable insights. Sometimes a working prototype is designed and even tested before the end of the event; other times the group focuses on persona mapping, which is the groundwork for Experience Design. These intense workshops represent a relatively small investment and can lead to innovative thinking that might not otherwise be possible in a traditional business environment.

Advanced Analytics

Most organizations today aspire to become more data-driven, and data is rapidly becoming one of an enterprise organization's most valuable resources. Big Data and advanced analytics allow us to identify and examine trends, predict the immediate and long-term future, and improve and expedite decision making. Recently, for one enterprise retailer, SoftServe built a functional PoC and tested it against real-life scenarios in a matter of weeks. Data analysis was reduced from months of manual exploration to minutes, thanks to advanced analytics.

Penetration Testing

With penetration testing, a team of Certified Ethical Hackers (CEH) use the same methods as online criminals to test the strength of a network's internal and external infrastructure and identify weaknesses leaving an organization vulnerable to an attack. After thorough analysis, the team then delivers a potential impact assessment and concrete recommendations for remediation. This exercise is a great way to inspire confidence in a new partner while uncovering security gaps that left unchecked, could become significant liabilities.

ONLY **41%**

are prepared to respond to a data breach

According to a 2016 survey conducted by the Ponemon Institute, only 41% of executive and staff employees said they were prepared to respond to a breach of confidential business information or intellectual property.

About SoftServe

With over 20 years of experience in digital software development and consulting, SoftServe is a global leader in solving complex business problems, creating industry disrupting technology and accelerating growth and innovation while optimizing operational efficiency. From leading ISV to Fortune 1000 digital enterprises, SoftServe has transformed the way thousands of clients do business with the most innovative technologies and processes in Big Data, Internet of Things (IoT), DevOps, digital commerce, security, and experience design.

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