

# 5 digital business predictions for 2016

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In 2016, as the race to digital transformation progresses, we'll start to see the leaders separate themselves from the rest of the pack and set a firm pace that's fueled by five essential ingredients: a deep understanding of digital disruption, the art and science of the customer experience, the next wave of enabling technologies, a mastery of digital services and continuous innovation from ideation to execution.

Correspondingly, with predictions season in full force, here are five digital business trends which I expect to shape 2016, their implications for business and technology leaders and recommendations for how to prepare for and maximize these trends to your advantage.

## **Digital disruption registers stronger and more frequent seismic activity**

In 2016, we will see digital disruptions in the form of innovative, new industry business models, processes and products as services start to hit the marketplace in full force. Much like a seismic event, market activity will become stronger and more frequent with ever more digital services — with compelling new value propositions — entering the market.

Companies with a deep, intuitive understanding of precisely how, where and when to create business disruption will pull ahead in terms of user adoption, whereas those who haven't done the upfront strategic homework may see lesser or even minimal results. Some of the technology disruptions in 2016 may even be negative as evidenced by some of the responses from [Computerworld's survey of 182 CIOs and senior technologists](#).

## **Recommendations:**

When it comes to disruption, look beyond [single definitions or approaches from one single management guru](#), and explore the full array of strategic options available to your organization.

This can be aided by an understanding of [how digital business disrupts the five forces of industry competition](#). Consider a multi-pronged strategy with defensive as well as offensive measures, with initiatives ranging from industry and business model-level disruptions all the way to more finer-grained disruptions to business processes, products or services.

### **A true understanding of the digital customer experience starts to weed out the winners and losers**

Many [analyst firms are highlighting the importance of an obsession with the customer experience](#). Organizations that truly understand the full scope of the customer experience will pull ahead of those who focus too narrowly on a few aspects of the experience such as omni-channel support or elegant design. The full scope of the customer experience will incorporate a rich set of elements including value, engagement, simplicity, timeliness, accessibility, personalization, contextualization, intelligence, anticipation, sharing, listening, information, analytics, recommendations, safety, security, education and consent.

#### **Recommendations:**

Study the full scope of what's important to your customers and use this to guide your products and services across your customer's entire digital — and physical — journey with your organization. A starting point is to look at the [digital customer experience bill of rights](#) and then to tailor this for your industry vertical, such as transportation.

In addition, when crafting your services for customers, be sure to use both implicit (i.e. what you can infer from your customers' behavior, location, context and history) and explicit data (i.e. what customers actually tell you about their preferences, needs and interests) to deliver your highly-personalized and contextualized customer experience.

### **The new platform for digital business will spark a renaissance in enterprise architecture**

With [eight key technologies comprising the future platform for digital business](#), enterprise architecture will become a key capability in pulling it all together as companies embark on scaling their initiatives. The new platform will be powered by the SMAC technologies of social, mobile, analytics and cloud, together with personas and context, intelligent automation, the Internet of Things and, of course, robust cybersecurity.

[Intelligent automation](#), including both physical robots and virtual software agents, will gain traction in 2016 and experience a similar level of enterprise attention as IoT did in 2015, and big data before that. With more initiatives to deploy at scale, automation will become vital to manage costs and to streamline operations not just in the data center, but across customer-facing services, employee workspaces and enterprise processes as well.

## **Recommendations:**

Business units and IT departments will need to work closely together when deploying digital business initiatives so that what's delivered can operate at speed and at scale. This means that organizations obsessed with the customer experience will need to be equally obsessed with enterprise architecture and ensuring that their IT infrastructures — wherever they reside — are up to the task, services-based, and software-defined.

In the field of intelligent automation, think about how the full spectrum of technologies from robotics to intelligent agents to software-defined processes can yield the greatest impact in agility, efficiency and cost savings. In addition, think about how [instrumenting the human and socializing the machine](#) can combine the best of both worlds for human-machine collaboration.

## **Digital services mastery becomes the new watch word in IT effectiveness**

In 2016, six capabilities will become essential for IT organizations to keep pace with the business demands of digital disruption. The six capabilities are agile development, DevOps, as-a-service infrastructure, intelligent automation, personas and context and digital service management. They constitute the requisite skills needed for organizations to grow their business and build sustainable competitive advantage in the years ahead. It's no longer sufficient to have an innovative set of products or services, you have to be a master of how you design, develop, deploy, manage and continually evolve your digital services as well.

## **Recommendations:**

Assess your maturity in each of the six dimensions of agile development, DevOps, as-a-service infrastructure, intelligent automation, personas and context and digital service management. Rather than viewing these as distinct IT capabilities, start to look at the full [digital services lifecycle](#) in terms of how to build, deploy, automate, personalize, contextualize and manage your digital services whether customer-facing or directed at partners and employees. Improving your maturity and capabilities along these six dimensions will provide the agility to seize business opportunities and course-correct in real time as you learn and respond to market conditions and end user demands.

## **Robust innovation programs will connect digital business strategy to execution**

Finally, in 2016, corporate innovation programs will be used to greater extent to not only generate ideas for digital business initiatives, but to more rigorously govern and manage these initiatives all the way to execution. This will require programs that have a rich set of proven, repeatable tools and processes which can also cater to a wide variety of types of innovation from business model, to process, to technology.

## **Recommendations:**

For innovation programs to really deliver results, it will be important to not just mirror the latest innovation trend, formula or NYT best-seller, but to hand-craft a program that's appropriate to the organization's culture, addresses [the five critical pillars of innovation management](#), and the full spectrum of what's expected in terms of outcomes.

In a way, the innovation program will need to be bimodal since it will need to generate strategic, disruptive innovations for future growth as well as more tactical, incremental innovations to continue to grow the base — all the while expanding the sources of these ideas and then accelerating the most promising ideas through to production.

### **In summary: Digital as the new team sport**

All in all, you can see that 2016 will have a lot to do with digital business strategy, corporate innovation, and the digital customer experience, in addition to more IT-centric aspects of enterprise architecture and digital services mastery. The IT departments that succeed the most will be those that can work comfortably across all these dimensions in what's become a team sport that spans the entire corporation.

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