Your Roadmap to Becoming a Digital Leader

A look into CGI's approach to help you create value—today

RETHINKING HOW THINGS GET DONE

Your journey to value creation
Identifying digital leaders
Early signs of stronger financial performance

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Operating in the new way

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Your journey to value creation

Digital leaders are changing their ways of working to free up employees to focus on more strategic work. They're using insight to improve decision-making and bring it closer to the customer. They're also building cultures that motivate employees to innovate and are developing organization structures and governance that enable faster decision-making.

A transformation is not a one-off project such as building a website or launching a new mobile app. Rather, it involves a **fundamental change** to an organization's core DNA and requires the organization to rethink how things get done, including how it listens to customers, how it **innovates**, how it **collaborates** with partners, and how it delivers new products and services.

And, it's about **driving** change across the entire enterprise—from front-end customer channels to back-end processes and supply chains.

The ultimate **goal** is to enable an organization to become a innovation leader and agile —across the entire enterprise—in responding to evolving demands in a dynamic market. And, this kind of broad, fundamental change doesn't have a clear start and end. It takes place continuously in response to changing market drivers and customer/citizen/patient expectations.

To succeed, a holistic enterprise change strategy is required—one that helps an organization become agile and drive change at the right pace and scale.

Finding **financial evidence** to support increased shareholder **value** from these investments has been difficult. The market is littered with examples of failed digital transformation initiatives—those that focused too much on technology, those that ignored the importance of organization and cultural change, and those that focused on the next new thing (product or service) only to find out they now need the next new thing.

Awareness for becoming digital is high
According to the 2018 CGI Client Global Insights, clients cite becoming digital as a top priority:

- Industry priority **89%** (vs. 85% in 2017)
- Business priority **87%** (vs. 76% in 2017)
- IT priority **83%** (vs. 76% in 2017)

Organizations are taking action

- **60%** (vs. 40% in 2017 and 12% in 2016) of organizations have a digital transformation strategy at the enterprise level
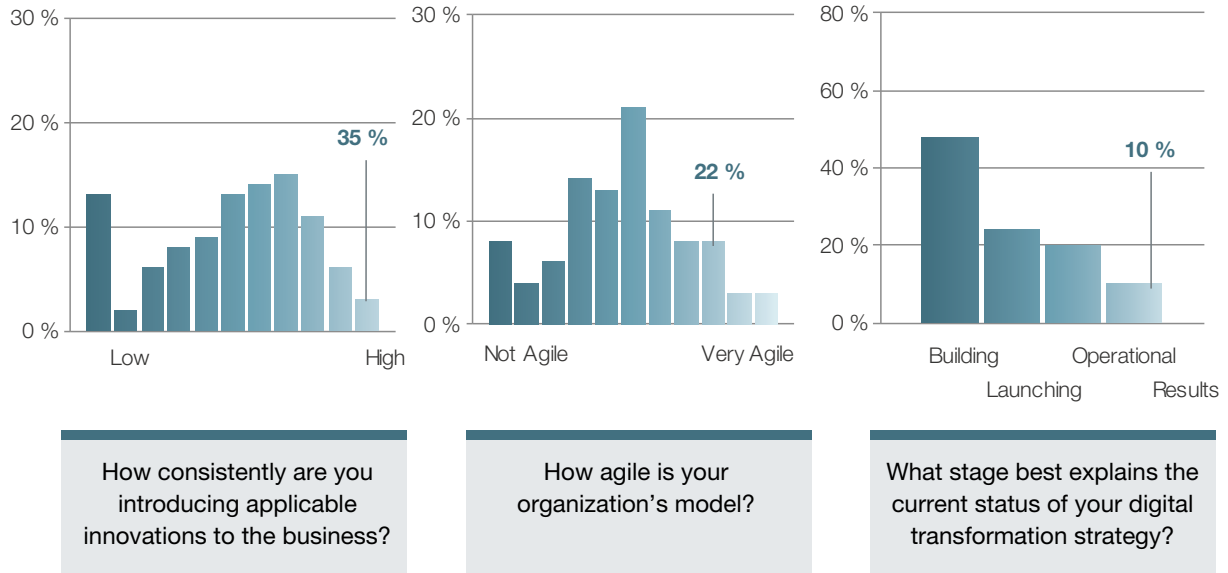
Are they seeing results?

- **82%** of organizations report medium or high satisfaction with introducing applicable innovations
- **15%** of respondents have reached a stage of being highly agile in response to change
- On average, only **12%** of organizations are producing results from their digital transformation

Today, few organizations (around 5%, according to data from the 2018 CGI Client Global Insights) have managed to achieve this state of operation. To validate the impact of an agile operating model, we identified those organizations that are considered to be **leaders**. Our selection focused on three main areas:

- Introducing applicable innovations to the business (score 7-10)

- Agility of organizational model (score 7-10)

- Realizing value from the transformation (delivering results)

Identifying digital leaders

To be selected as a digital leader, an organization had to appear in the top quartile of all three criteria.

| How consistently are you introducing applicable innovations to the business? | How agile is your organization's model? | What stage best explains the current status of your digital transformation strategy? |

Source : 2018 CGI Client Global Insights

Early signs of stronger financial performance

We found that the selected leaders group performed significantly better financially when compared to the market average.
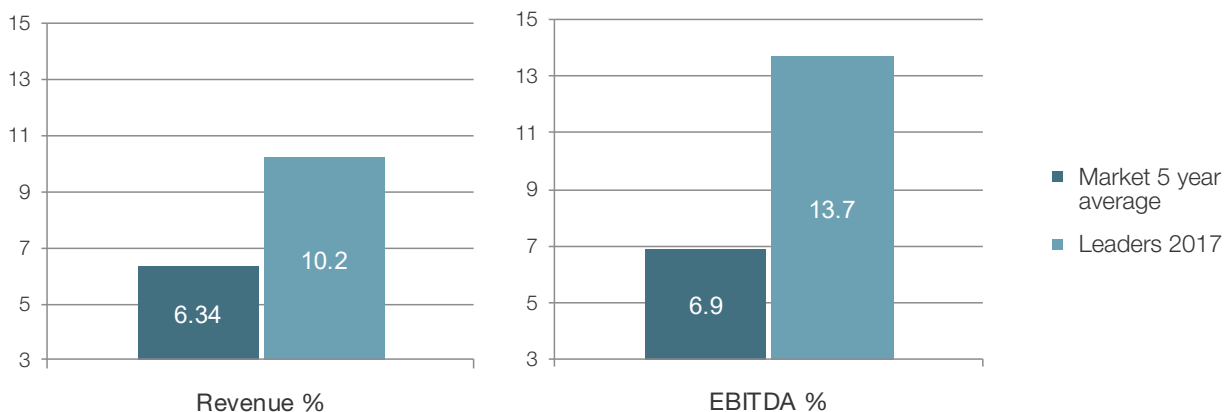
Source : 2018 CGI Client Global Insights

Although, like most organizations, leaders are in the early stages of operating with an agile operating model, their financial performance indicators are looking positive. It will be interesting to see how the European businesses continue to perform given their economic challenges, as well as U.S. businesses.

Design principles for an agile organization

Today, value is delivered through innovation and agility. As a result, organizations are under pressure to rethink how things get done and design an organization that generates ideas and value fast.

Digital leaders are changing their ways of working to free up employees to focus on more strategic work. They're using insight to improve decision-making and bring it closer to the customer. They're also building cultures that motivate employees to innovate and are developing organization structures and governance that enable faster decision-making. In addition, they're partnering with others in their ecosystem to gain new digital capabilities, involving customers in the design process, driving simplification and leveraging technology. Through improved efficiencies and productivity, better decision-making, innovation and new expertise, they're creating agile organizations that enable them to respond faster to market and customer needs.

3
Clusters of smaller, focused **autonomous business units** that partner and collaborate with other business units, making decisions faster

4
Culture and management system that encourages a **curious mind-set, collaboration** and **innovation**

2
Decisions made based on insights generated from customer and operational data

5
Integrated into an ecosystem of partners that collaborate, share, innovate and deliver increased value to a networked and shared economy

1
Employees freed up to work on value-add activities

6
Co-designed market opportunities, products and services informed by customer needs and behaviors

8
Enabled by **smart, fast, integrated** and **automated** technology platforms and solutions

7
Delivered by **agile, simplified** and **frugal** operational processes

INNOVATE

OPERATE
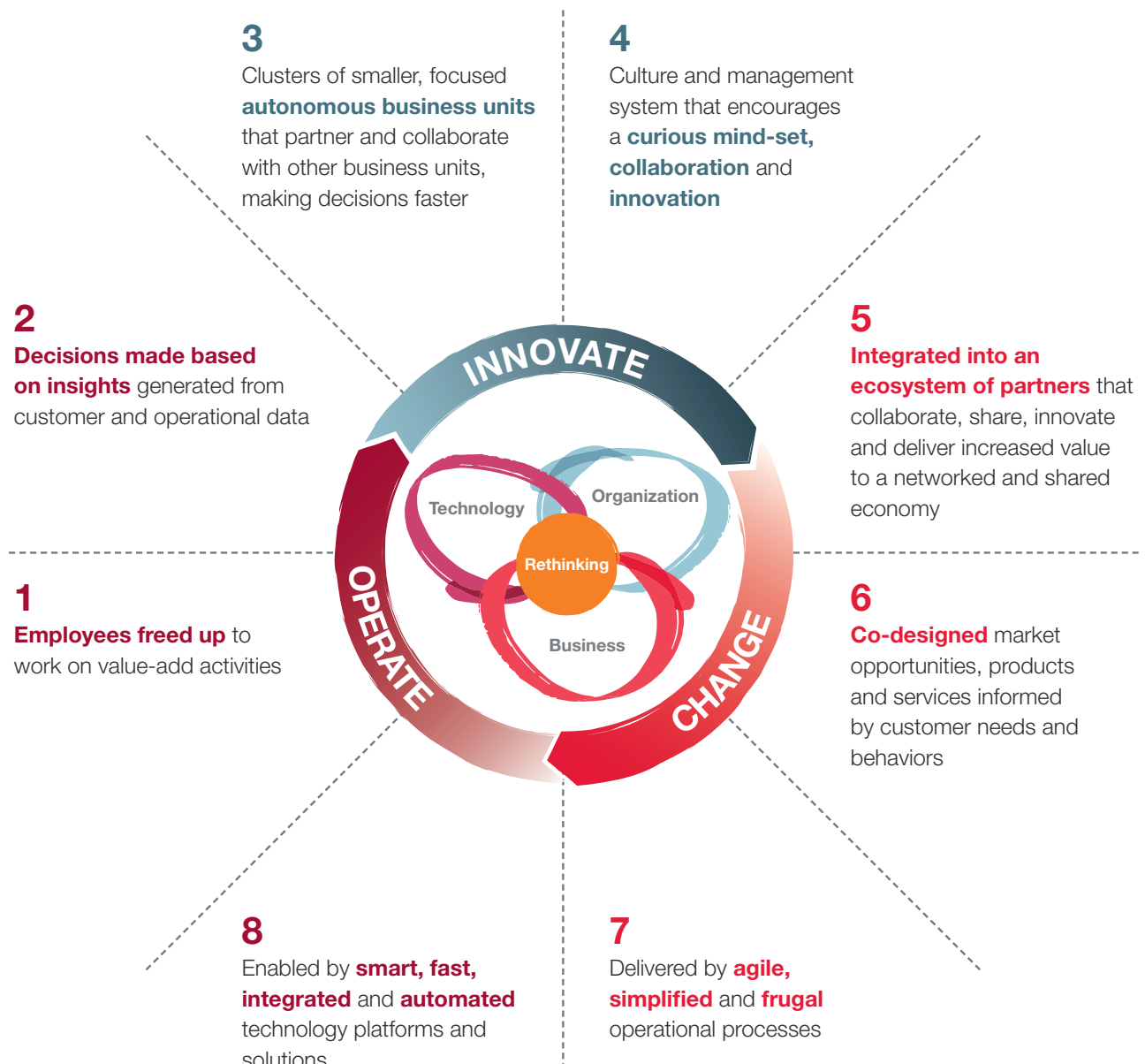
CHANGE

Technology

Organization

Rethinking

Business

Figure. Design principles of an agile organization. More information can be found in CGI's "Designing an Agile Operating Model."

Change must become business as usual

Most enterprises need to make cultural and organizational changes to become an agile business, including changes to the mind-set and DNA of their organization and its structure and management systems, as well as changes that enable innovation, collaboration, customer centricity and outside-in thinking.

For most organizations, this is a four to five year journey (six months per layer of the organization), and it sets the timescale for the change. Mapping out these changes across the enterprise will help determine the organization's **ability and speed** to execute the interventions required to transform its business models, products and services.

One effort that will need to be started early is **building capabilities and confidence** around innovation. Starting with small, focused innovations, the change will leverage value-adding interventions to build credibility and confidence around the **operating plan**.

This new collaborative, cross-functional and agile way of working also will demonstrate the benefits of the **new organizational behaviors**. The challenge lies in carefully selecting the areas of innovation. It's important that these initial innovations are quick, deliver value and are successful.

Of course, the market, customers and competitors will **not wait** for you to transform. It's also important to recognize that a number of strategic interventions around the existing business model will be critical.

Enablers to ensure collaboration and motivation among people

Evolving

Holistic | Co-creation

Continuously | Culture | Digital

Design | Trust

Insights
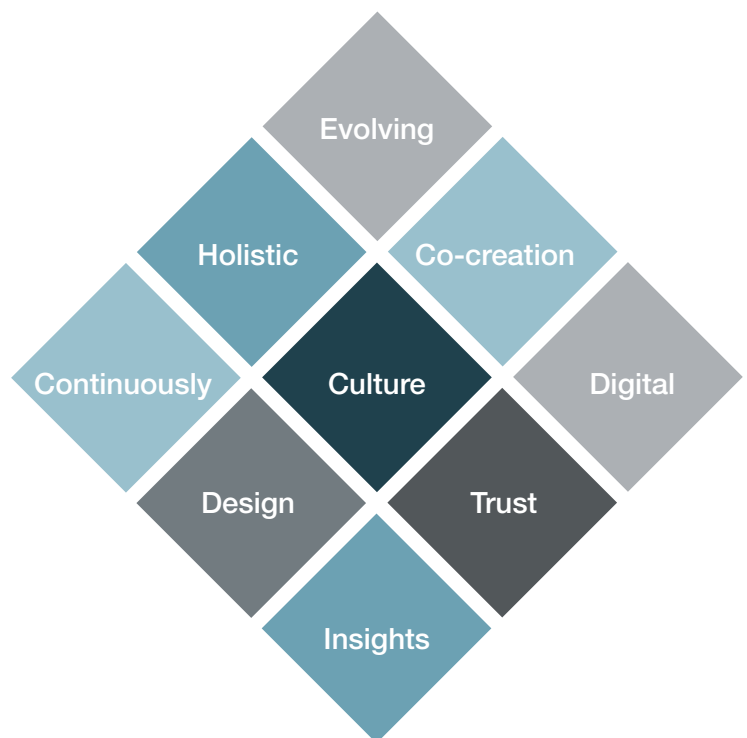
1	**Maintain the existing business**	Continuing to drive efficiencies and cost savings and respond to evolving business demands
2	**Transition to a business of the future**	Building a supporting infrastructure that will enable the transition from legacy systems and processes to a business of the future
3	**Incubate new innovations**	Incubating innovations around business models, products, services and experiences to create new growth opportunities and drive competitiveness

Operating in the new way

The process of creating a digital strategy and roadmap differs among digital leaders based on their culture, structure, governance and decision-making process. We therefore create a custom approach that works best for everyone's situation.

Regardless of the approach taken, CGI provides the building blocks, i.e., the necessary tools and techniques. Our approach features six clear milestones strongly focused on delivering business objectives:

Objectives
Setting a clear vision for the coming period

Discovery
Understanding the internal and external environment

Ambition
Setting the ambition and identifying initial interventions

Design
Innovating and designing the interventions

Action
Executing the interventions, learning and scaling

Reflect
Reflecting the ambition to the changing environment

Each milestone is achieved through a series of methods and techniques that help drive the organization's understanding, analysis, debate and decision-making.

For each milestone, the methodology is designed to deliver on four key areas

Engaging customers
Building better, stronger engagements by harnessing data that represents a complete view of your customer, and then drawing actionable intelligence and predictive insights that can deliver personalization at scale

Empowering employees
Empowering employees with tools that fuel collaboration and productivity, while mitigating the risks that come with providing freedom and space to employees

Optimizing operations/systems
Optimizing operations to reshape customer relationships and service models by gathering data across a wide, dispersed set of endpoints (omni-channel strategy) and drawing insights through advanced analytics that can be used to introduce improvements and increase productivity on a continuous, real-time basis

Innovating and transforming
Reinventing products, services and business models using digital content to capitalize on merging and new revenue opportunities

Design principles of an agile organization

Asses your organization against the design criteria of an agile organization.

		😊 We're happy	😐 We need to improve	🙁 We need to make big changes
1	**Employees freed up** to work on value-add activities	☐	☐	☐
2	**Decisions made based on insights** generated from customer and operational data	☐	☐	☐
3	Culture and management system that encourages a **curious mind-set, collaboration** and **innovation**	☐	☐	☐
4	Clusters of smaller, focused **autonomous business units** that partner and collaborate with other business units, making decisions faster	☐	☐	☐
5	**Integration into an ecosystem of partners** that collaborate, share, innovate and deliver increased value to a networked and shared economy	☐	☐	☐
6	**Co-designed** market opportunities, products and services informed by customer needs and behaviors	☐	☐	☐
7	Delivery through **agile, simplified** and **frugal** operational processes	☐	☐	☐
8	Enabled by **smart, fast, integrated** and **automated** technology platforms and solutions	☐	☐	☐

Contact us at rethink@cgi.com to start the conversation.

cgi.com/digital-transformation

# A journey that involves co-creation

CGI works together with clients in transitioning from digital transformation to agile operations. We're a global company with a local community of experts near you.

Our client-proximity model empowers local teams to build **strong, trusted, in-person relationships** and ensure accountability for delivering client success. Through this proximity, CGI gains deep knowledge of our clients' businesses and industries and stays attuned to market and cultural needs. It also enables us to deliver innovative solutions proactively and to grow alongside our clients.

Through our focus on 10 industries and dozens of sub-industries, we provide local experts who understand clients' industries and local business environment. These experts are supported by global insights coming from our network of industry-focused centers of excellence, **emerging technology** practices and global delivery centers, providing clients with applied innovation, clarity of accountability and measurable results. All of this combined gives CGI the tools to provide **a end-to-end** delivery starting today.

Start by assessing your organization against agile design principles using our worksheet.
If you'd like to explore any of these concepts in more detail, including our work in setting up enterprise digital twins, contact us at rethink@cgi.com.

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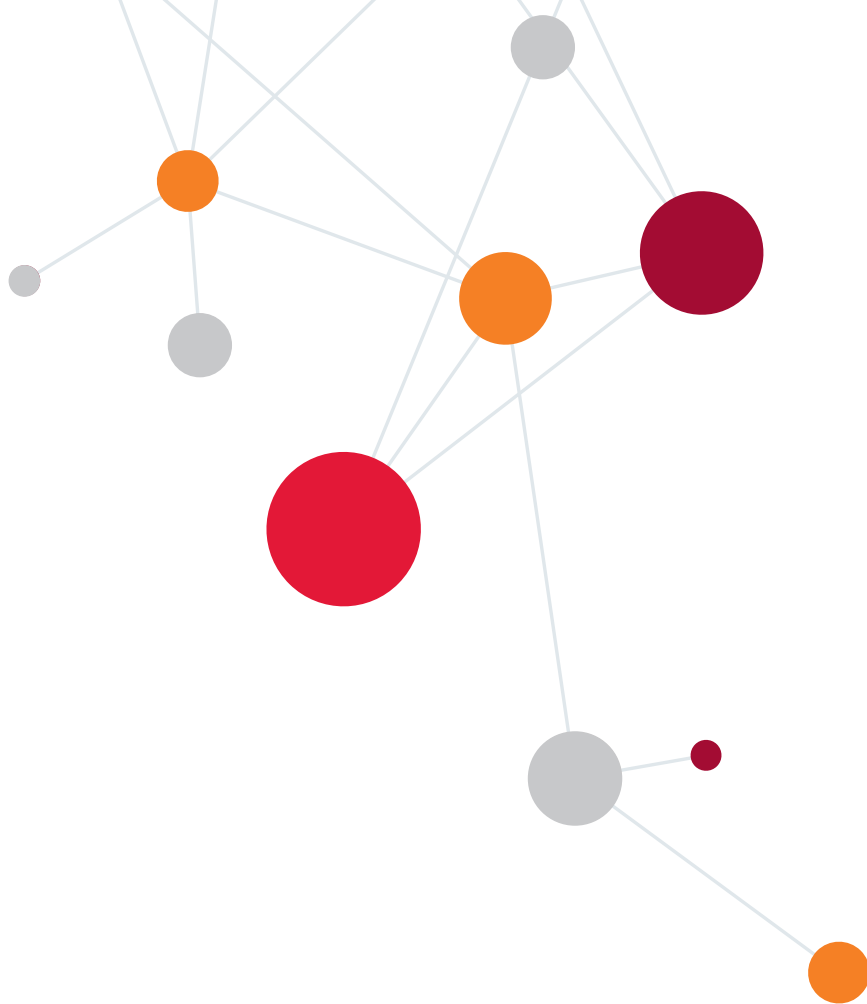
About CGI

Founded in 1976, CGI is one of the largest IT and business consulting services firms in the world. Operating in hundreds of locations across the globe, CGI professionals help clients to achieve their goals, including becoming customer-centric digital organizations. We deliver an end-to-end portfolio of capabilities, from high-end IT and business consulting to systems integration, outsourcing services and intellectual property solutions that help accelerate clients' results. CGI works with clients around the world through a unique client proximity model complemented by a global delivery center of excellence network to help clients accelerate results, transform their organizations and drive competitive advantage.

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