

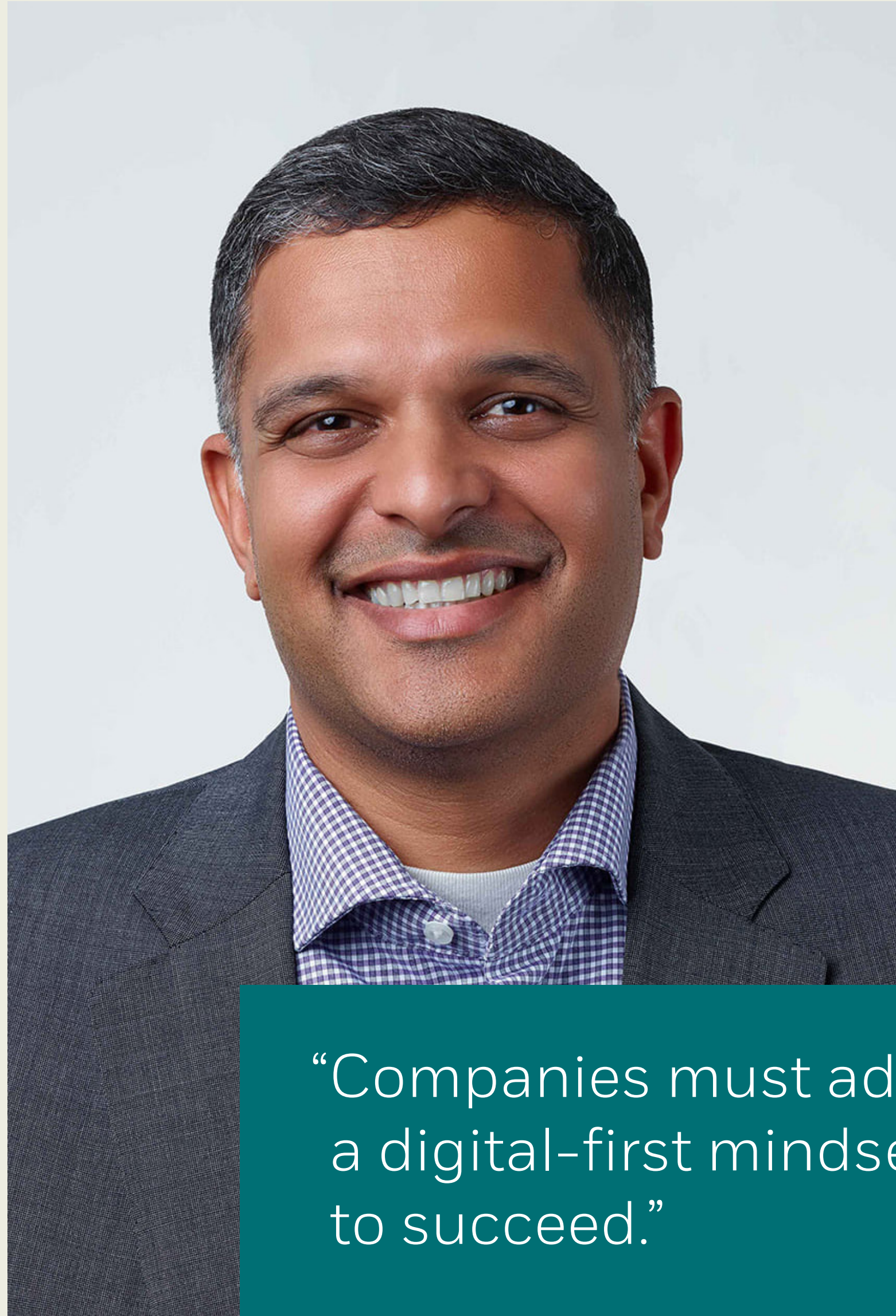
U S
T .



Thinking Ahead

Leading purposefully in the age of continuous transformation

THINKING AHEAD SERIES



“Companies must adopt a digital-first mindset to succeed.”

Foreword by

Krishna Sudheendra
Chief Executive Officer, UST

The digital future is all about leveraging technology to create a better world. Human-centric design that places empathy at the core of everything is what digital transformation is all about. Driving digital revenue and creating seamless digital customer experiences come only second to ensuring a humane and compassionate world.

The world was already in the fast lane of digital transformation, and the pandemic merely accelerated the pace of adoption. Switching to digital operations and, more importantly, to a digital mindset have become imperative to business success. With the recent sweeping changes in the global economy, customer needs have

also transformed. Faster responses to these changing needs are priorities for business leaders going into 2023.

UST has curated insights shared by top business leaders, revealing their imperatives for efficiency, growth, and sustainability. Amid economic uncertainty, their advice is to focus on improving customer experiences, protecting talent, and overcoming increasing operational pressures. Companies must adopt a digital-first mindset to succeed, edge out the competition, and create critical, near-term technology solutions to increase efficiency and productivity and build a resilient enterprise. >



Another key trend that has emerged is sustainability. Global leaders unanimously agree that sustainability will be integral to their business and digital transformation initiatives. Investing in automation, cloud, artificial intelligence (AI), machine learning (ML), and Internet of Things (IoT), among others, will help them become more efficient and reduce their carbon footprint. Better user and customer experiences will help create a more sustainable business and redesign the value each company provides.

Creating these experiences will require companies to capitalize on the changes in customer behaviors and expectations, anticipate and manage employee relations, and establish and continue with effective change management to create lasting business growth.

The future is all about creating empathetic solutions and experiences through digital. And those who aren't preparing for this future are at risk of being left behind. I hope you find the insights in this report helpful as you look ahead to a bright and promising future.

“The future is all about creating empathetic solutions and experiences through digital.”

Contents

The state of digital transformation >	5
Perspective – Richard Corbridge, CIO, Boots UK >	8
Transformation is continuous and mapped to customer experience >	10
Perspective – Neil Green, Executive Vice President and CDO, Otis Elevator Co. >	11
Transformation is complex but imperative >	14
Perspective – Ampily Vijay, Global Head of Digital Strategy and Solutions for HP >	16
Perspective – Peter Charrington, Former CEO of Citi Private Bank and UST Advisor >	22
Barriers to business transformation >	25
Perspective – Raja Ramnarayan, Senior Vice President, Systems and Software R&D at Dematic, US >	27
Perspective – Samdani Basha, Senior Vice President, Experience at BYJU’S >	31
In conclusion – looking ahead >	34

The state of digital transformation

The pace of digital change is at an all-time high. The unprecedented world events of the past three years have transformed how we work and reshaped employee and customer experiences and expectations. The pervasive presence of digital transformation demands that organizations digitize their internal operations, value chains, and customer interactions to remain competitive.

Leaders understand that they are operating in digital markets with customers and employees who are digital natives.

They realize that effective digital transformation delivers adaptability, agility, and customer-centricity. They need to consider how digital tools, techniques, and technologies make their companies' key stakeholders demonstrate more value.

But the velocity and pace of change pose their own set of challenges.

We interviewed global industry leaders from various industries to understand their experience with transformation and their view of the future. Their insights helped shape this report as we focus on how businesses tackle challenges.

They also shared leadership strategies to stay ahead of change and insights on how the speed at which a business adapts determines its future.

Global leaders agree that companies that have invested in digital transformation saw substantial improvements to key business metrics such as profitability, client satisfaction, and operational efficiency. >

Leaders urge companies to continue with their digital transformation efforts despite the upcoming market conditions – because once paused, it is hard to regain momentum.

UST witnessed the power of these transformation efforts pre-pandemic. A Forrester Research study* stated that companies that continued to invest in business transformation technologies saw larger volumes of customer account growth, with an average rate of 11.28% in 2020. It gave them an edge in market share: 73% of decision-makers at such firms said they are either the fastest growing or among the industry leaders.

11.28%

average rate of customer account growth for companies that continued to invest in business transformation technologies

73%

of decision-makers at these companies said they are either the fastest growing or among the industry leaders

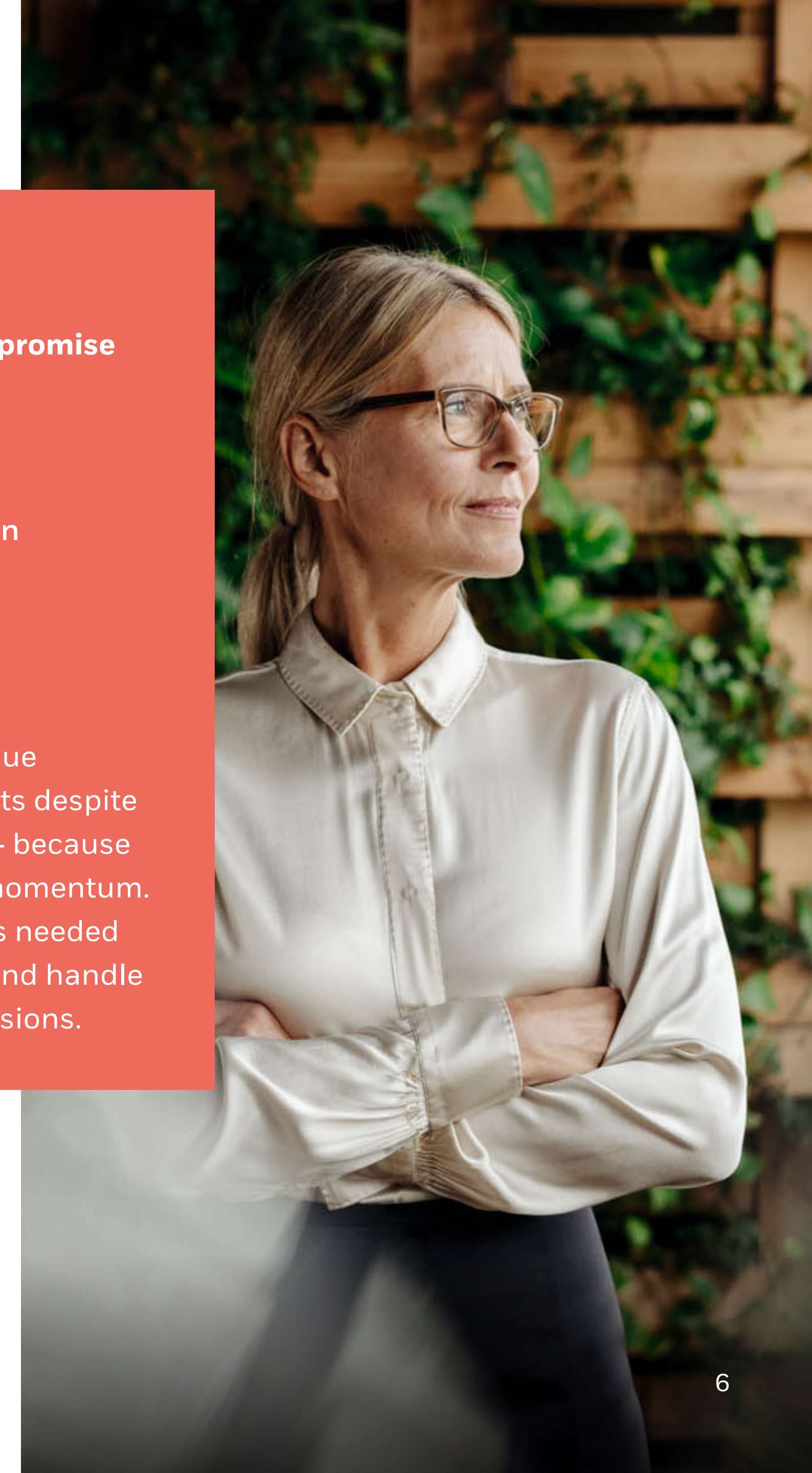
*Source: *Digital Maturity Fuels Revenue Growth*
https://go.ust.com/forrester-digital-maturity-study?utm_source=ust_website_banner&utm_medium=SEO_Website_Visits&utm_campaign=Forrester_Digital_Maturity_Study

INSIGHT

Business transformation efforts promise enormous benefits, including:

- Cost savings
- Improved employee satisfaction
- Increased revenue
- Improved brand reputation

Leaders urge companies to continue investing in transformation projects despite the upcoming market conditions – because once paused, it is hard to regain momentum. They share the essential strategies needed to tackle the fast pace of change and handle critical digital transformation decisions.



Significant trends in digital transformation

The most talked about trends are:

- The focus will be on automation
- Investments in technology transformation will continue despite market conditions
- Most industries are in the early stages of their digital transformation journey; industries like financial services are ahead
- There will be a laser focus on talent acquisition and retention with emerging technology skills in mind
- Investments and efforts in digital transformation will positively impact the ESG goals of global businesses
- Increased C-Suite buy-ins
- Change management and transparency across the enterprise are required

Common goals of digital transformation

Across the board, leaders highlighted what they would like to see in 2023:

- Elevated customer experience
- Improved business agility and process efficiency
- Increased employee performance and experience
- Uncovering new revenue streams
- Talent acquisition and retention
- Cost reduction while also gaining a competitive advantage



“Placing the Customer Value Proposition on the front of the ‘change album’ is key.”

Perspective

Richard Corbridge
CIO, Boots UK

Digital transformation combines business change, IT delivery, data engineering, and creating new user experiences. While most businesses are still in the foothills of the transformation journey, they have realized that the journey, once started, is continuous and requires a new type of investment. The waterfall approach to transformation will no longer deliver value.

Transformation is a challenging journey, so setting roadmaps is important. Balancing the need to run first and change while avoiding friction is hard. Of the most significant roadblocks or friction points, engagement on cost is something that we are still working through.

Removing bad costs to fund reasonable costs will be more critical than ever. Improving data availability, reassessing packaged application licensing, app integration, and intelligent automation can generate efficiencies and lead to hard savings of \$8M - \$15M annually.

However, ensuring that everyone is on the journey with you is critical. We need to work with people more and project plans less to ensure change sticks.

I want the digital transformation we undertake to be based on Customer Value Proposition and for us to succeed so that the journey is seen as transformative for our business – and not ‘just’ a digital transformation. >

Placing the Customer Value Proposition on the front of the 'change album' is critical to better align transformation goals with the line of business. The definition of the customer is also super important to ensure we capture the whole breadth of people who need our delivery to be successful. These changes will deliver the most customer value.

THINKING AHEAD TRENDS

Impact of digital and technology on retail

Technology will continue to have a more significant impact on retail. It is changing how and where we shop. That's why it is essential to remain aware of what we are trying to do and for whom. That will help us move at the pace of change our customers want. The data revolution is still in the early stages, and we need it to evolve faster to keep up with customer demand. The omnichannel goal of most retailers is still a vision of the future. Digitizing will drive the value in retail. For the needle to move, we need investment in data and technology.



Transformation is continuous and mapped to customer experience

The definition of digital transformation is broad. It signifies changes in objectives and outcomes. It is the coming together of all change disciplines in a way that moves the ship's course.

But how do global business leaders perceive it? They unanimously state that digital transformation means transforming the customer experience. Leaders agree that while there is a productivity and revenue angle to it, the customer experience drives the velocity of change.

Today's customers are digital natives, and their experience will determine the transformation journey or phase.

This includes journey simplification and leveraging technology to deliver a better customer experience. This is followed by the lower cost of doing business and enabling customer growth.

Digital transformation also means looking at non-digital processes in our work streams and ways of digitizing them. Transformation needs to have accelerated technology adoption.

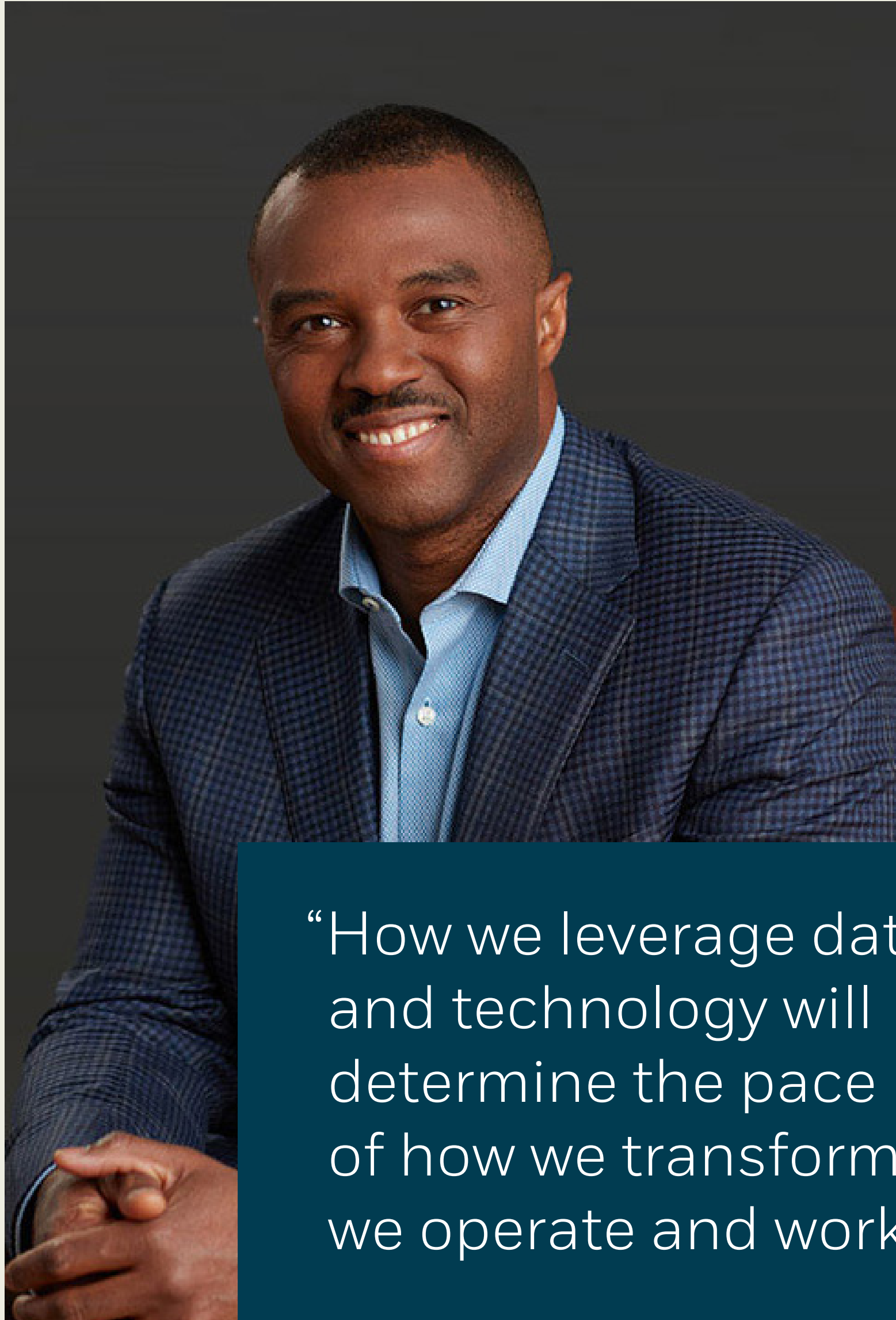
We should look at the benefits of this adoption from the customer's point of view. Is it making transactions more straightforward? Is it empowering them to make better decisions?

It comes down to using data analytics, AI, ML, and software technology based in the cloud, improving operational outcomes, and creating business resilience with data and analytics.

Digital transformation is also an opportunity to create new revenue streams that didn't exist before. It means using AI and ML to predict risk and replacements better. It means investing in flexible automation technologies to address the labor shortage and seasonal spikes.



Digital transformation is the coming together of all change disciplines in a way that moves the ship's course.



“How we leverage data and technology will determine the pace of how we transform, we operate and work.”

Perspective

Neil Green

Executive Vice President and
Chief Digital Officer, Otis Elevator Co.

Digital transformation revolves around customer experience, driving efficiencies, and uncovering new revenue streams. It means digitizing our non-digital processes and using the latest and best technologies to create new revenue streams that didn't exist before. I use AI and ML to predict risk, performance and results better. I am focused on using real-time data and early warning indicators to advance driving new organizational capabilities.

Otis has been collecting data on elevators since 1980. We have tons of data and focus on deciphering how much of that data is relevant. In electrical engineering terms, we define it as signal vs. noise. We must determine what is relevant, helpful, or insightful to help us drive business decisions. >

An eye on sustainability

There is a deep connection between digital transformation and sustainability. There are several digital transformation tools and capabilities to improve the sustainability quotient. For example, route optimization is a capability our digital team delivers to our field operations in the regions and countries where we do business. Investing in new technologies and optimization has reduced the number of miles mechanics travel, reducing fuel consumption and greenhouse gas emissions. Predictive analytics is making us more efficient, reducing travel time, and resulting in less downtime for our customers – showing how digital is impacting and driving improvements from a sustainability perspective.

Tackling the velocity and pace of change

Digital transformation is about empowering the customer. Another critical factor is how we want to improve the customer or user experience with AI and ML technologies. How can we factor in external information like whether to drive efficiencies, revenue, or productivity? How do we transfer that technology to either increase revenue or improve the bottom line? Once we uncover the business value, the pace will be faster.

It is also important to measure your transformation journey's success; for that, you must implement proper metrics.

We should measure success by:

- How do we get greater efficiencies?
- How do we create more revenue opportunities?
- How do we plan, action, and check our work to ensure the deployed technologies succeed?

And finally – are we creating stickiness by providing value? Customers are more likely to stay if they benefit from the relationship.



THINKING AHEAD TRENDS

Impact of technology on smart cities

The future is moving toward smart cities and intelligent buildings, and Otis will play an incredible role.

Connected elevators and solutions have the potential to positively impact the future of transportation – for vertical or urban mobility. The possibilities are endless.

Transformation is complex but imperative

Most leaders agree that most businesses are still in the foothills of the transformation journey. The older the company, the more complex the transformation. Newer players are digital technologists, so they have progressed ahead of the others.

Sectors like financial services and property technologies in the real estate segment are quickly advancing and looking to increase digitization, especially in construction. Industries like consumer services and IT are further ahead of the curve than regulated industries.

But even for the latter, we see progress. Regulated industries like manufacturing and mining are fast evolving as well.

To understand the pace discrepancy, we must understand the industries in the context of survival. Industries like financial services, media and telecom are ahead because they faced an existential crisis earlier than others, so they jumped on the digitization bandwagon years ago. Now their focus is on something other than the pace of digitizing their operations: automation.

There are many tailwinds from technology advancements for almost all companies. A natural digital transformation is happening to companies even without being purposeful about it.

ust.com/thinkingahead

Companies realize that the journey, once started, is continuous and requires new investment. The waterfall style of transformation will no longer deliver results.

There is a saying that necessity is the mother of invention. Many things impact digitization. The need to digitize for optimization and productivity could be much higher for industries with a high revenue margin, like pharma. But digital transformation affects the survival of a low revenue margin industry like consumer services or telecom. >



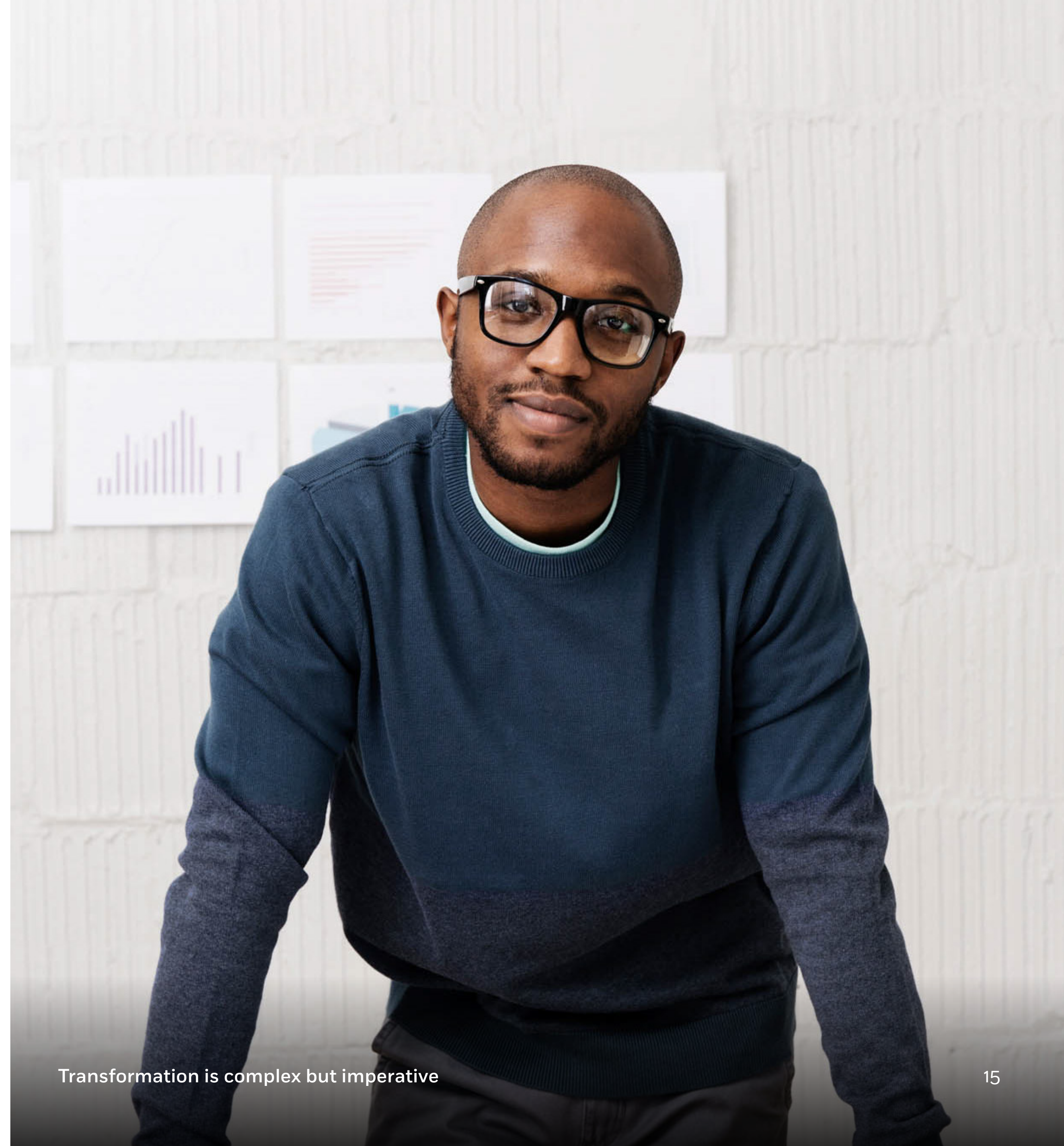
The waterfall style of transformation will no longer deliver results.

Transformation is continuous.

Companies focus more on revenue and experience transformation when the market is up. During a down cycle, a company rotates toward process transformation, digital automation, and productivity improvements. That's where we are headed in 2023.

There's much to figure out. How can we continue to capitalize on digital transformation to make us more productive and create better customer experiences? But one fact is undeniable, transformation is continuous and the journey cannot stop, even in a recession. Downturns make transformations much more imperative for survival.

History tells us that savvy leaders, who make “good” investments that build growth and resilience, create new revenue streams, and explore hidden opportunities, are more likely to survive – and be poised to lead.



“A future-ready brand is one where every experience, decision, and journey is connected, personalized, and simplified for our customers, employees, and partners.”



Perspective

Ampily Vijay
Global Head of Digital Strategy
and Solutions for HP

While digital transformation is a broad agenda, for HP, we aspire to a vision of transforming ourselves into a digital-first company. A company built upon a holistic ecosystem of cohesive journeys, connected processes, and actionable insights, all oriented toward providing a best-in-class customer experience.

We are in a time when there is a radical shift in customers' needs and how they want to be served. The pandemic has further accelerated an already heightened trend where customers no longer buy products – they are buying solutions to their problems.

HP has a spectacular growth opportunity in how we show up for our customers in this changing marketplace – with personalized services that seamlessly switch between personal and professional lives in a hybrid environment. This requires us to design, deliver, and operate with high degrees of digital interconnectivity across HP. This is what drives our digital transformation and creates amazing opportunities for us. >



Our transformation is anchored to three core areas:

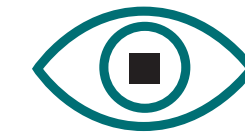
- The first is connected experiences or how people interact with the company.
- The second is real-time insights on the supply chain, market forecasts, customer buying history, and so on, which must be accurate, available immediately, and traceable to the source.
- The third is digitizing processes across the spectrum of operations, from presales to sales, delivery, fulfillment, servicing, and maintenance.

Across all this, we build stellar digital solutions that combine these building blocks and deliver the end-to-end enablement of HP's strategic growth initiatives.

Driving success

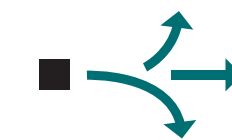
Digital transformation is non-negotiable in today's world. We all know that it is fundamental to accelerated growth and sustained efficiency. However, how each of us crafts and executes that strategy is the real differentiator.

In broad terms, we could look at it as a confluence of multiple levers: clarity of outcomes, agile operating model, sustained organizational commitment, and empowered and skilled digital talent. >



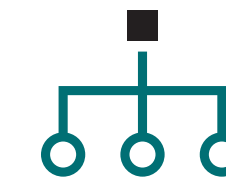
Clarity of outcomes

There is much to achieve from digital transformation. Defining what that means in terms of vision and quantifiable impact on revenue, cost, Net Promotor Score (NPS), etc., helps drive a clear North Star.



Agile operating model

There are multiple turns in the road, and we operate in a rapidly changing marketplace. It is critical to have smaller, more agile programs, incrementally driving toward outcomes, led by cross-functional teams. This organizational and cultural pivot needs to be enabled and encouraged with focused effort.



Sustained organizational commitment

Digital transformation is a CEO agenda. For a successful transformation, sustaining executive leadership commitment across market cycles is critical, driving execution and enabling the organization to absorb the pace of change.



Empowered and skilled digital talent

Growing the workforce with empowered, diverse and innovative digital talent, focused on a clear collective goal, is non-negotiable.

Tackling the velocity pace of change

Business transformation efforts promise enormous benefits but also deliver. Digital leaders in our study have seen cost savings, improved employee satisfaction, increased revenue, and better brand reputation. They urge companies to continue despite the upcoming market conditions – because once paused, it is hard to regain momentum. They share the essential strategies needed to tackle the fast pace of change and handle critical digital transformation decisions.

Going into 2023, irrespective of the trends in the market, we will see more companies embracing radical productivity enhancers and lower cost curves, while looking for exponential

revenue enablers. Digital is a primary enabler for this. Companies must continue to refine their strategies and sustain their digital investment efforts, with a sharp focus on incremental successes against their outcomes. Every win is one step closer to long-term victory.

One of the critical aspects of digital transformation is the agility of the strategy, which needs to withstand market volatility and the velocity of change. We are no longer in a world of waterfall strategy. Agility, flexibility, recursive elements, and an impact hub are crucial to a transformation strategy of the future.



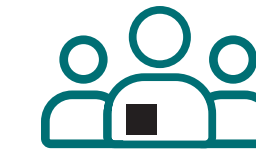
Adopt a practical portfolio approach

Maximize productivity using digital enablers and re-invest in digital excellence on the growth agenda.



Build a robust foundation

It is critical to have a best-in-class digital stack with foundational enablers such as API-enabled technology systems, cloud-enabled and connected data repositories, and a high degree of automation maturity. These are typically multi-year efforts, and sustaining these efforts is crucial to not losing momentum – stay on course!



Continuously build on digital culture and talent

Drive efforts to attract, retain, and grow a superior talent base and enable an empowered organizational culture where each employee feels accountable to the collective goals on the digital agenda. Digital talent is highly valued and attracting this talent with the right strategic outlook and skills takes time. This should be a continuous effort.



THINKING AHEAD TRENDS

Driving toward radical digital interconnectivity

We will likely see more companies, agnostic of industry, driving toward providing customers with solutions that cater to specific outcomes. Every aspect of the organization will interact seamlessly across verticals – experiences, processes, and data. It will mean a high degree of digital maturity with modular blocks that can be reused across the company to build new digital solutions with accelerated speed to market and lower cost curves. This level of digital agility will be existential to companies, and the speed in this journey will mark competitive differentiation for most companies.

Digital enablers and hyper-connectivity with cloud

Talking of productivity enhancers and digital enablers, leveraging the cloud better will be table stakes for agility.

Gartner, Inc. reports that global spending on public cloud services will grow from \$490.3 billion in 2022 to \$591.8 billion in 2023.

Modernizing and rationalizing applications, cloud-native application development, simplifying and democratizing data, and focusing on cloud security will make organizations more resilient.

Effective cloud management can lead to \$75M in savings in TCO through infrastructure consolidation and a \$65M reduction in projected operating costs.

A cloud-native approach will drive strategic outcomes, enabling greater applications and data processing scalability, and help boost business performance and innovation.

UST's efficiency impact on our clients' cloud strategy

FOR A GLOBAL PROFESSIONAL INFORMATION, SOFTWARE SOLUTIONS PROVIDER:

\$75m

savings in TCO through infrastructure consolidation: \$1M through consolidation of third-party support contracts

FOR A GLOBAL INSURANCE CO WITH OPERATIONS ACROSS 60 COUNTRIES:

\$65M

reduction in projected operating costs by cutting 10TB in cloud utilization to 5GB

FOR GLOBAL PROVIDER OF MULTI-CLOUD SERVICES:

20-25%

cost savings generated in AWS infrastructure through cloud optimization

“Communication and a thorough cultural buy-in for digital transformation will determine better client experience.”



Perspective

Peter Charrington
Former CEO of Citi Private Bank
and UST Advisor

Covid-19 has had its impact. While digital was important before, it was prioritized less than now. This global phenomenon affected the entire world and was a gigantic wakeup call for financial services. It accelerated technology adoption, and instead of a 5-10-year plan, adoption happened in a matter of months. Prioritization changed, and businesses refocused their budgets and dollars.

Transformation is tough by its very nature and challenging to get right. For me, digital transformation needs to be looked at from our customers' point of view. What is transforming – the banking experience?

Is it more straightforward, or is it more empowering? And from the bankers' perspective, digital transformation empowers them to make better decisions and use their judgment to help clients better.

Typically, institutional banks resist change and find it hard to be transformational. They like to maintain the status quo, but now they have no choice but to step out of their comfort zone. They face competition from fintech boutiques that can reach a customer incredibly quickly. Transformation is now a necessity for survival. >

Transformation is not change management

It is essential to understand the difference between transformation and change management. Banks went digital before Covid, but it was more about incremental change around risk management. They focused on leveraging technology to tackle challenges around Know Your Customer (KYC), compliance, regulations, money laundering, tax evasion, and hefty fines. Post-pandemic, it's about clients, what they expect, and how bankers interact with them. The bar has gone up. Clients now expect a world-class digital platform. Banks can't compete with new market players unless they offer exceptional customer experience.

Transformational change isn't just about corporations; human beings are always involved. Communication and a complete cultural buy-in to the digital transformation will determine a better client experience. CEOs and members of management must get their organizations to understand and believe in the reason and vision of the transformation journey for true success. Having a vision and communicating it effectively will help a transformational journey be successful.

Transparency is a significant element of any digital transformation journey. Leadership needs to communicate the change and reposition the transformation messaging to show

how people can benefit. Transparency leads to trust. Even with the ups and downs, employees will be all-in to persevere and walk the talk.

The financial services industry is moving faster toward digitization, benefiting clients, banks, stakeholders, and regulators. It will lead to better client experiences and efficient banking. Organizations needing help to work out how to change fast enough will be severely disadvantaged.

Banking is a people-intensive business. The future lies in world-class digital platforms improving communications and customer experience.



Having a vision and communicating it effectively will help a transformational journey be successful.



THINKING AHEAD TRENDS

Working with experts is critical to successful transformation

The global recession will impact budgets and profit and loss statements. With the instability in the market, some banks are pulling back on transformation projects. But the reality is that you should refrain from doing so. Once started, you have to see it through, or you will lose momentum. It takes months to catch up, and you are already behind in the competition. You will lose out on talent and knowledge. So make sure you have a game plan for execution, identify external stakeholders for transparency and accountability, and stay on course.

It is important to remember that organizations cannot do it alone; they need expert help. External partners are essential to supplement areas that are not your natural strengths. They will share your vision and offer your shareholders the external validation of that journey.

Barriers to business transformation

Lack of alignment between business objectives and technology adoption >

Organizations are in different phases of the curve, so their challenges will differ. However, the disconnect between technology and business is one of the biggest roadblocks. It is important to always look at digital transformation with a business-first or even a customer-first view. Just focusing on new technologies without considering their business value is shortsighted.

Business owners and technologists need to look at digital transformation as an opportunity. They should learn to use new capabilities that enhance and change the business process and customer relationship management.

Look at digital transformation as an opportunity.

Lack of effective change management >

Transparency and authenticity are the needs of the hour.

Improper change management and lack of communication hamper these efforts. Transformational change isn't just about corporations; it involves human beings. It is crucial to consider the technology users and how receptive they are to the usage. Repositioning the transformation messaging to how people can benefit will appease the fear of the unknown. Transparency and authenticity are the needs of the hour so that the entire organization is aware of the goals and strategies around digital transformation.

Barriers to business transformation

Lack of executive buy-in >

We must spend time bringing our fellow travelers along on this journey.

Maintaining the pace of new technology adoption is essential. Otherwise, it can slow down the innovation process. Cultural buy-in is imperative to align the business processes with the transformation goals effectively. With executive buy-in and a champion in the business, the technology will get the adoption and traction it needs. Buy-in must be pervasive across the organization as it trickles down from leadership. We must spend much time evangelizing, bringing our fellow travelers along on this journey.

Lack of skilled talent >

Create teams that can handle various aspects of the transformation process.

The other barrier is talent. Executing digitalization programs requires experience with these newer technologies and skills for the new digital environment. There is high demand for that predisposed talent, but most companies need help. At the core of implementing a new tool or a system in an organization is the people who are familiar with it and can optimize its operations. Unfortunately, the need for more reliable talent is undeniable for today's businesses.

Organizations need to redefine each role and layer in the technology-related competencies to create teams that can handle various aspects of the transformation process.



“Digital transformation, driven by data and analytics, will be vital in achieving 2030 and 2050 sustainability goals.”

Perspective

Raja Ramnarayan
Senior Vice President, Systems and
Software R&D at Dematic, US

We should look at digital transformation through the lens of the customer. It comes down to using data analytics, AI/ML, and cloud software technology to empower the customer journey. In my industry, transformation means improving supply chain (SC) visibility and being more resilient to the different kinds of shocks during the pandemic.

We can improve operational outcomes and create SC resilience with data and analytics.

But we have many challenges, like product and skillsets gaps. The rising cost per unit is a big issue, and we need technology to streamline operations.

In some of our largest markets, such as North America and Europe, the availability of labor and cost are substantial issues. That has driven the increasing need to deploy automation technologies in the SC and warehouses, such as autonomous mobile robots. >

Technology will help define the value we provide

Data and analytics should help us make dynamic decisions, and ML algorithms will help to adapt to the velocity of change. We require algorithms that are not hard-coded but can learn from data patterns.

Digitalization that enables data to improve the experience is the need of the hour.

Customers are looking at their modernization journey to enhance operations. Investing in flexible automation technologies and software integration will improve their workflows. The autonomous capability will help them get performance efficiency that is almost self-driven.

Data and algorithms work with that data dynamically, make intelligent decisions, and provide visualization in the supply chain.

For most businesses, the use of this technology is still in its infancy. The pandemic has revealed that enterprises already thinking about digitalization made it, while those that didn't went out of business.



Impact on sustainability

Many of our customers have 2030 and 2050 sustainability goals, so they have targets they're trying to hit in those timeframes. And they realize that to achieve those targets and better sustainability outcomes, they need to utilize data and analytics. AI algorithms are heavily applied to ensure even a few percentage points of improvement. Given the scale of the SC, there is a high potential for digitalization to help them hit their sustainability targets.



Start small – and monitor your progress

Even if all the technologies and processes feel overwhelming, get started. Pick an area of business and a use case important to your company and start small. Continually monitor the solutions implemented and the original goals you had set for yourself against that initial MVP. If you're failing to meet your goals, make course corrections.

Technology will help define the value we provide

A significant amount of change management must be included as these technologies are disruptive. Most people are uncomfortable with change, so addressing and communicating it is vital. Running a change management program concurrently with the business and technology program will help all stakeholders understand why these changes are being contemplated.



Roadblocks ahead

The biggest roadblock is the disconnect between technology and business. It is important to remember to have a business- and customer-first view of change. Just focusing on new technologies without considering their business value is shortsighted. The other barrier is talent. Executing digitalization programs requires experience with these newer technologies that are coming up. There is high demand for that talent, but most companies need help.



THINKING AHEAD TRENDS

Only by leveraging technology can we survive disruption

For the SC side, the writing is on the wall. The companies that leverage technology will survive the disruptions better than others. Using digital technologies to match supply and demand better and to respond quickly to disruptions will underwrite survival and success.

There will be a big focus on talent. For example, in niche industries like Pharma, natural gas, mining or legal, there has been a high bias toward hiring people from only those sectors. But now we see a lot of cross-pollination and an upward trend of hiring people skilled in digital, data and analytics.

“Digital transformation is leveraging technology for the customer journey, using rich data and analytics, and moving the needle toward the North Star.”



Perspective

Samdani Basha

Senior Vice President, Experience at BYJU'S

Digital transformation, for me, is customer journey transformation. It is about leveraging technology for journey simplification and delivering a better customer experience. How do we leverage technology to lower the cost of doing business?

In eCommerce, it means leveraging data and analytics to get deeper insights into customer shopping behavior. It is about logically clustering a group of activities in the online journey, and breaking it down into journey nodes like search, selection, and purchase.

For EdTech, it is all about leveraging technology to understand the student learning journey by breaking it down into multiple blocks. Data and analytics will help get deeper insights into what is important and provide better control over the entire customer journey. >

Where are businesses headed?

In EdTech and eCommerce, we see the evolution of technologies toward a hybrid world. We had two years of complete online learning and online shopping. There is a clear desire from customers and students to see the physical and online worlds merge. We must explore the right technologies to support this demand for hybrid experiences.

However, the whole blending of online and offline, or going “phygital,” as we call it, comes with a massive investment in the tech stack. That’s where we will see a fair bit of investment happening.

Significant traction also comes on the last mile of connectivity, with light versions of apps. And we see a fair bit of government collaboration.

In eCommerce, the shifts have primarily been around search selection. Compared to a few innovations, we now have a whole spread. We are seeing massive progress in the use of virtual reality and financial innovation to make credit accessible to a large set of the population. The seller ecosystem plays a very active role, supported by the data and analytics narrative on consumer buying behavior.



Roadblocks ahead

A big challenge is measuring the ROI of the investment made in the tech stack. Are companies fully utilizing the power of that particular tech stack? Conventional tech stacks, like the massive ERPs, etc., couldn’t extract the total value of those investments. The other is the need for alignment with the business line.

Then there is the question of getting quality talent to fill the gaps in leveraging these technologies.



THINKING AHEAD TRENDS

The future of transformation lies in data and analytics

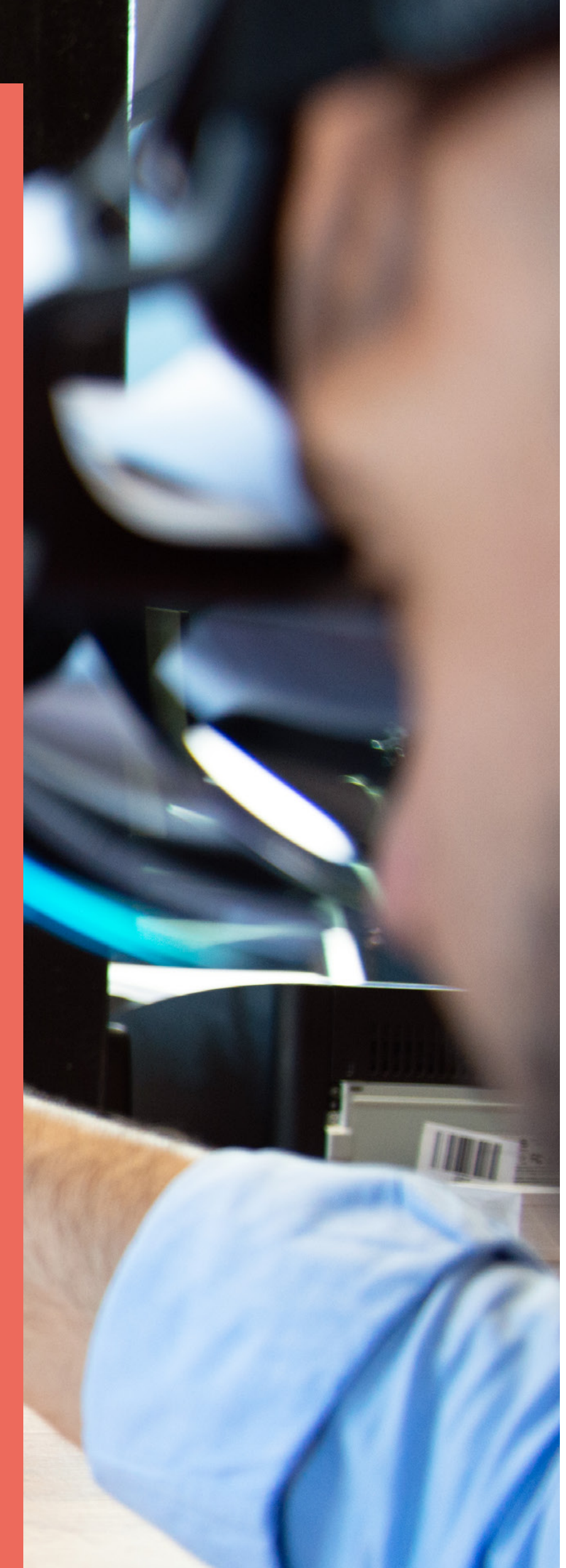
Data and analytics will impact more than futuristic technologies like Metaverse, VR, and AR. There will be innovative uses of technology to get insights and optimize the cost of doing business, the interplay of process simplification, and executive decision-making.

Enterprises primarily focus on back-end transformation but are now looking at a customer-facing tech stack.

There are three principles in the customer-facing tech stack to remember:

- Design for delight or experience
- Design for repeat purchasing behavior
- Design for the low cost of doing business

Value for money will continue to be the North Star for the foreseeable future, so the customer-facing value propositions must be kept in mind.



In conclusion – looking ahead

Digital is fundamentally changing how a business operates and creates value for the customer.

Most companies will have to undergo a digital transformation to remain competitive. Industry leaders pointed out that companies that experienced a digital transformation saw substantial improvements to key business metrics such as profitability, client satisfaction, and operational efficiency.

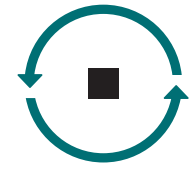
The rapid pace of digital change has reshaped how we work and interact with our customers and employees. We heard from global leaders about how they tackled these changes and used their experience and insights as a guide to navigating the uncharted waters of going digitally native. According to them, companies must rapidly digitize their internal operations, supply-chain management, and customer interactions to stay relevant in the highly digital marketplace.

The path to digital transformation is challenging. But organizations can overcome roadblocks by implementing the right strategies, building their

transformation teams, and equipping their management teams with the knowledge to handle critical digital transformation decisions. Working with external partners specializing in digital transformation will help deliver high levels of success.

Leadership buy-in will be imperative to drive change. We need digital leaders who inspire, drive change, and ride the digital wave to stay relevant to employers, customer ecosystems, and business stakeholders.

Key takeaways



Increased automation adoption

Drive value and help survive disruptions



Increased focus on leveraging technology

Reduce costs, improve operational efficiency, and meet sustainability goals



Increased convergence technologies

Drive better customer experiences



Laser focus on hiring

Bridge the skills gap and retain talent

Digital transformation is about addressing the pace of change, bridging the skills gap, retaining talent, and staying relevant in the face of these – and any unforeseen – changes.

Businesses must continue evolving their technologies to create new opportunities to serve their customers better – and more profitably. Digital agility and automation adoption will be existential to companies as they reimagine their business processes.

And the speed in this journey will mark competitive differentiation for most companies.

About UST

For more than 23 years, UST has worked with the world's best companies to make a real impact through transformation. Powered by technology, inspired by people, and led by our purpose, we partner with our clients from design to operation. Through our nimble approach, we identify their core challenges and craft disruptive solutions that bring their vision to life. With deep domain expertise and a future-proof philosophy, we embed innovation and agility into our clients' organizations – delivering measurable value and lasting change across industries and worldwide. Together, with over 30,000 employees in 30+ countries, we build for boundless impact – touching billions of lives in the process.

Acknowledgements

Maureen Doyle-Spare

General Manager, Asset & Wealth Management at UST

Mahesh Bhaskar

General Manager at UST

Ramya Kannan

Industry Leader,
Manufacturing at UST

Adrian McGrath

Client Partner and Digital Transformation Lead

UST Thinking Ahead series contributors

Dennis Constantinou

Senior Director, Marketing

Julie Stewart

Global Campaign Manager

Bambi Majumdar

Senior Manager, Content Marketing

U S
T .

Together,
we build for
boundless
impact.