

Embracing Digital Acceleration

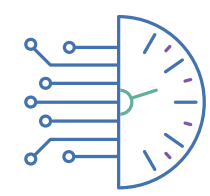
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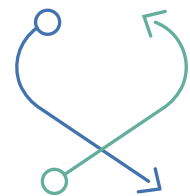


Digital Transformation

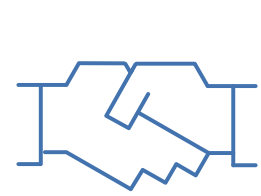
If there's a process that has defined the last 2 decades of the business landscape, that definitely has to be digital transformation. The increasing digitalization of our societies pushed companies to adopt new digital technologies to modify or boost their operations. Embarking on such a process brought many benefits for digitally transformed companies, including:



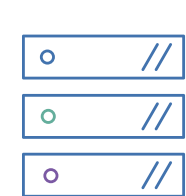
Boosted
Productivity



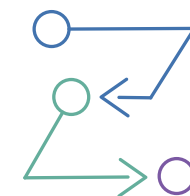
Increased
Agility



Better Customer
Experience



Data-Driven
Insights



Greater Resource
Management

Yet, even for all of its advantages, many executives were still wary about digital transformation and only moved forward with caution. There were worries about the potential ROI and the impact on corporate culture, as well as doubts about the actual need of implementing certain technologies. All of those were cast aside after the COVID-19 pandemic hit.

Throughout 2020, businesses scrambled to adopt new technologies that let them address the new challenges brought by the crisis. Without digital tools, companies weren't going to be able to work remotely, gather data

about new pandemic-related shifts in consumer behavior, nor detect business opportunities arising from COVID-19. So, they all rushed to embrace new technologies as quickly as possible.

That's why we can safely say that the pandemic ushered in the age of digital acceleration. While digital transformation processes allowed businesses to move at their own (wary) pace, the post-pandemic landscape isn't so forgiving. With its high dynamism, the current business environment forces everyone to digitalize themselves or risk being forgotten. That increase in the speed of tech adoption is what leads us to say that any company wishing to stay relevant today has to embrace digital acceleration.

Digital acceleration might not be a new concept, but it's become highly important today, as it's the only way to ensure businesses have the necessary flexibility and resilience to face the unforeseen challenges that await us. With volatile customer needs, fleeting business opportunities, and markets making shifts almost on a daily basis, new technologies such as AI, cloud computing, and data science appear as the only allies capable of helping companies weather the storm.

And since time is of the essence, tech adoption has to be quick as well as strategic. That takes digital acceleration to a whole new level, different from digital transformation. That's because digital acceleration isn't a quicker digital transformation but a process based on a new approach.

At BairesDev, we've been leading the digital acceleration processes of clients of all sizes and across multiple industries and verticals, so we know of the importance of making the shift toward digital acceleration right now. That's why we came up with this paper—to help you better understand the basics of digital acceleration, its benefits, risks, and challenges. Hopefully, you'll take away some of these insights to start your own.

What's Digital Acceleration?

Many people like to see digital acceleration as a quicker digital transformation. And while there's some truth to that, the reality is that digital acceleration is its own thing. Even for its name, digital acceleration is more than just about the speed at which a company adopts new technologies and modernizes its operations. That's because the process itself is different, mainly because of the underlying approach to tech.

To further clarify any possible confusion, it's important to define digital acceleration, digital transformation, and digital adoption, another term that might confuse you when you start your digital journey.

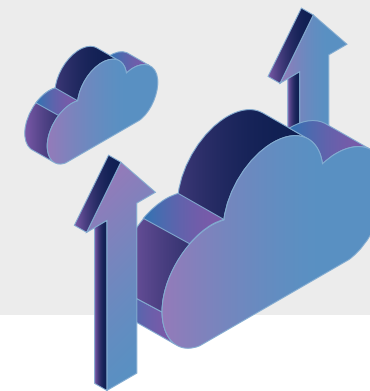
DIGITAL TRANSFORMATION

The process through which **a company digitalizes non-digital and outdated processes and practices**. It impacts the entire organization, its business model, and its strategy.



DIGITAL ADOPTION

The process through which **a business implements technology and its related practices**. It can be a one-and-done process and even limit itself to a particular area or department.



DIGITAL ACCELERATION

A process similar to digital transformation in that it updates core processes and practices but it does so at a **faster pace, through a data-driven approach, and through decoupled layers** that take care of digital business transformation on one hand and core IT transformation on the other.

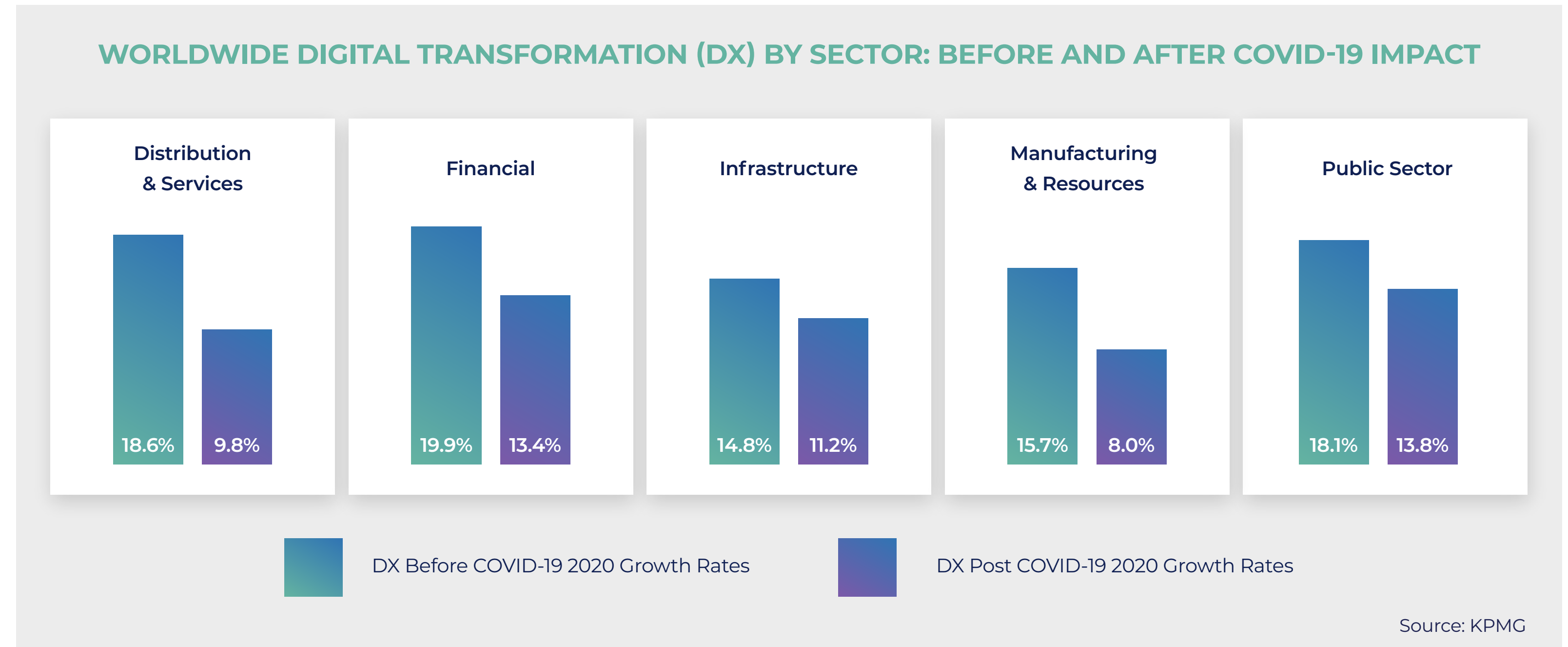


Those decoupled layers are crucial to understanding what makes digital acceleration different from the other 2 processes. That's because digital acceleration uses 2 different and simultaneous subprocesses to provide value from day one without losing sight of the finish line: the complete reimagination of the business processes and practices.

The New Approach to Tech

There's no doubt that 2020 was a hardship-filled year for virtually everyone. But digital acceleration showed the way for many of them to see the light of day. In fact, in a year when companies slashed their spending in almost every possible way, spending on digital transformation technologies and services continued to be strong. One figure is enough to prove it: that spending grew 10.4% in 2020, amounting to \$1.3 trillion.

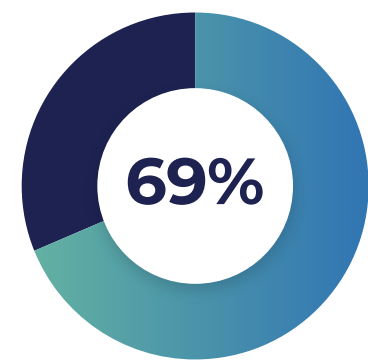
Naturally, the growth would have been greater if it hadn't been for the pandemic. Also, it wasn't similar across industries, as some of them suffered the blow with more intensity than others. Yet, overall, the investments in digital acceleration stood strong.



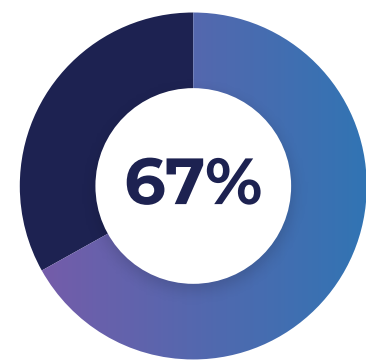
Why did that happen? On one hand, because there was no other choice. The pandemic forced governments everywhere to issue mandatory quarantines and stay-at-home orders, so for most companies, the choice was to go digital or close doors. Given that many of them weren't digitally driven yet, the investments in digital technologies were sustained, especially because many executives already believe in the transformative power of digital solutions.

The New Approach to Tech

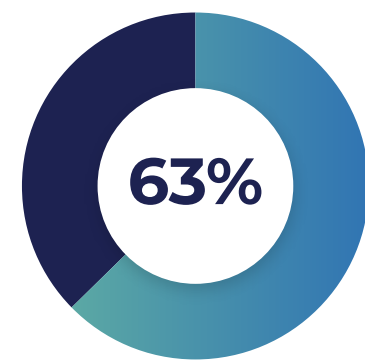
SURVEY OF 780 DIGITAL TRANSFORMATION STRATEGY LEADERS



of respondents say their digital transformation strategy was a "high" or "top" priority prior to the pandemic.



say they've accelerated their digital transformation strategy since COVID-19.



say they've increased their digital transformation budget since COVID-19.

Source: KPMG

But there's also a hidden component to digital acceleration that made it possible for executives to invest in it: its new approach to tech. Rather than focusing on one big win down the line (the complete core IT overhaul promised by digital transformation), digital acceleration is about the small victories along the way that lead to that final win.

In other words, digital acceleration doesn't see itself as a single process, but rather as 2 intertwined processes that move forward simultaneously through decoupled layers. Thus, you can see digital acceleration as the combination of a core IT transformation and a digital business transformation with cloud computing serving as an assistive layer.



- **Core IT transformation:** updating core systems and enriching digital infrastructure with new tools.
- **Cloud computing:** intermediate layer assisting the business transformation, which gives time for the core IT transformation to thrive.
- **Digital business transformation:** a data-driven process that provides agility and insights to deliver quick value

Using those 3 layers provides companies with the 2 things they need from such a process: on one hand, the more traditional goal of updating underlying processes and operations through the adoption of new technologies, and on the other hand, the fast -value generation businesses need to tackle the challenges the new normal is facing them with today.

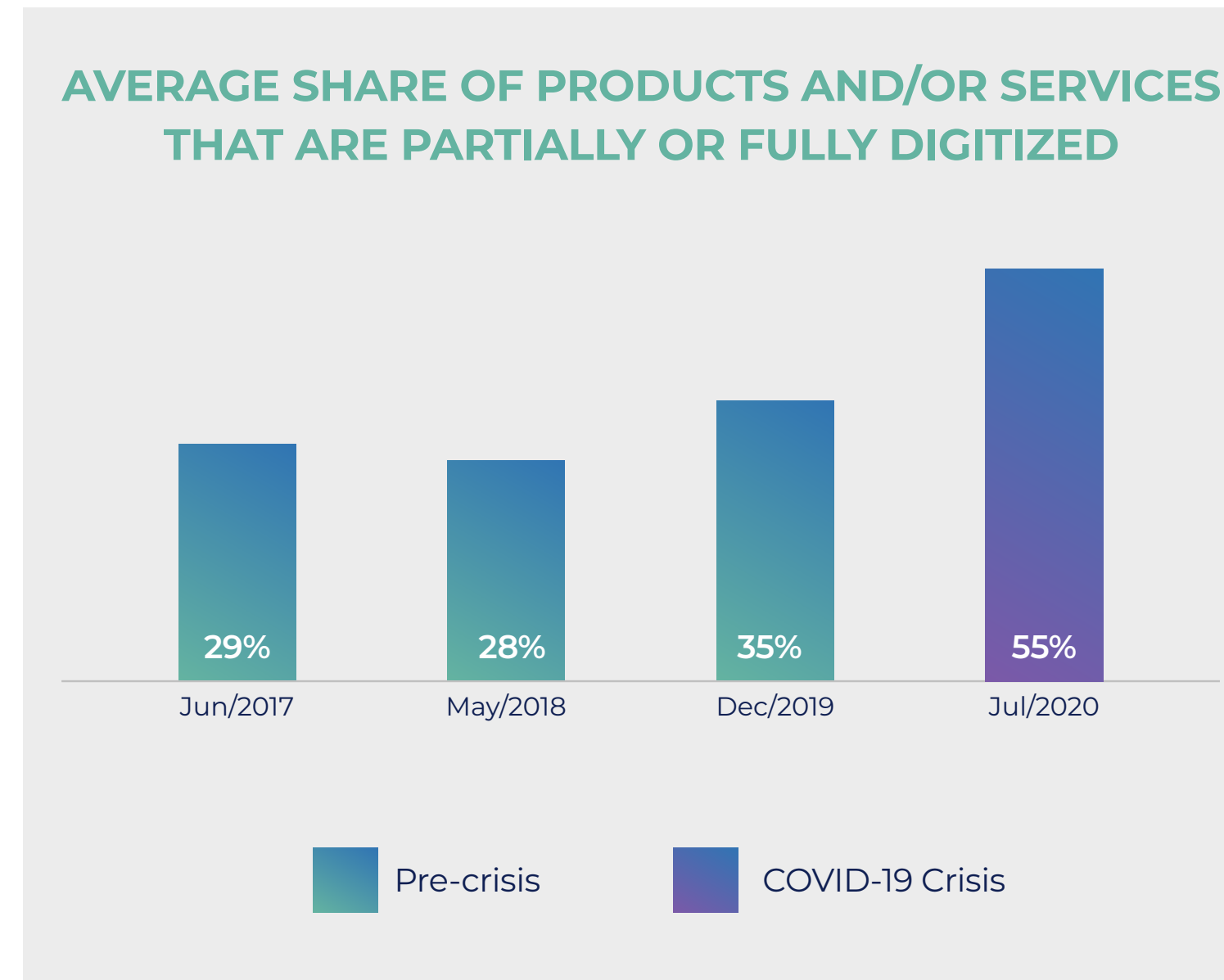
In that context, cloud computing is the perfect assistant, as companies can leverage cutting-edge technologies (AI-powered algorithms, big data analytic tools, etc.) to reimagine their processes right now while they work on the (admittedly slower) process of updating the core IT infrastructure. Balancing these 3 layers provides instant value but also lets businesses meet their mid- and long-term goals surrounding technology without having to sacrifice their short-term goals.

The New Approach to Tech

Using cloud-based platforms for data-driven initiatives that support the business transformation has a couple of notable advantages:

- Allows businesses to **tap into massive datasets quickly with tools readily available**, which prevents them from rushing their IT development efforts while getting the insights they need to meet customer and market demands now.
- Increases the number of **innovation opportunities**, especially for digital laggards to leverage to catch up with the rest

Know it or not, companies that have accelerated their digital transformation initiatives during 2020 have surely seen the positive impact of these advantages. In fact, using this approach resulted in a huge leap forward for companies around the world, with companies reporting that they have highly accelerated their digital or digitally enhanced offerings. Numbers show that companies have leaped 7 years forward on average, with Asia making the biggest leap (10 years).



This goes to show that companies that invested in digital acceleration have developed their digital or digitally enhanced offerings faster and are enjoying projects that might have taken up to 10 years to be completed in pre-COVID-19 times. That wouldn't have been possible without the new approach to tech that combines the 3 layers of core IT transformation, cloud computing, and business transformation.

Benefits of Digital Acceleration

The fact that digitally driven companies are the only ones capable of meeting the ever-evolving needs of customers and markets should be enough reason for companies to embrace digital acceleration right now. But there might still be some executives on the fence about it. For them, here are some benefits of embarking on a digital acceleration process.

IMPROVED EFFICIENCY

One of the most tangible benefits of embracing digital acceleration is the increased efficiency that results from it. The process can automate or streamline key tasks across the board, reducing the need for human intervention and increasing the speed at which those tasks are completed.

IMPROVED DECISION-MAKING

The data explosion we've witnessed over the last few years offers countless opportunities for companies. The caveat? They have to know how to capitalize on it. Thankfully, a digital acceleration process can provide businesses with the tools they need to get actionable insights from large datasets. That leads to more in-

formed decision-making, which can multiply the opportunities for growth. In fact, 84% of executives surveyed by Harvard Business Review said that they saw new business opportunities appearing as their organizations digitally transformed.

IMPROVED AGILITY

The pandemic has shown us that we can't expect the business landscape to remain relatively stable for long periods of time. Now markets are shifting almost on a weekly basis, so companies need to be flexible enough to pivot with them in a matter of days. That's why digital acceleration is so important—it equips companies with the tools they need to make those quick changes while also providing them with the right mindset to tackle new and fluctuating challenges.

Benefits of Digital Acceleration

IMPROVED CUSTOMER SATISFACTION

Some time ago, the whole business world shifted to a new focus: providing the best possible experiences for customers across industries. It's no surprise that the perfect path to do so implies technology, which is why a digital acceleration process brings an increased customer satisfaction. On one hand, because technology allows to reimagine the whole customer experience to make it more simple and seamless. On the other hand, because it provides customer insights to better serve diverse audiences. That's far from being a perception—a McKinsey report found that a digital acceleration process can generate a 20% to 30% increase in customer satisfaction.

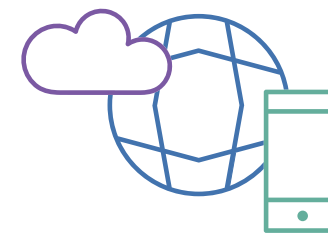
IMPROVED PROFITABILITY

All of the improvements above converge in such a way that digitally accelerated businesses see significant increases in their profits. A Deloitte report found that 45% of companies that went through a digital transformation process have higher net revenue growth, while McKinsey speaks of economic gains of 20% to 50%. It makes sense. If a business is more organized, gets automated, and better understands its customers and market, it'll likely make more profits.

SYSTEMS OF INTELLIGENCE



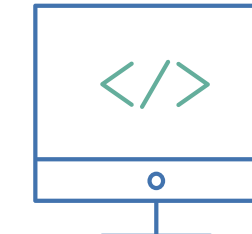
Empower Your
Employees



Engage Your
Customers



Optimize Your
Operations



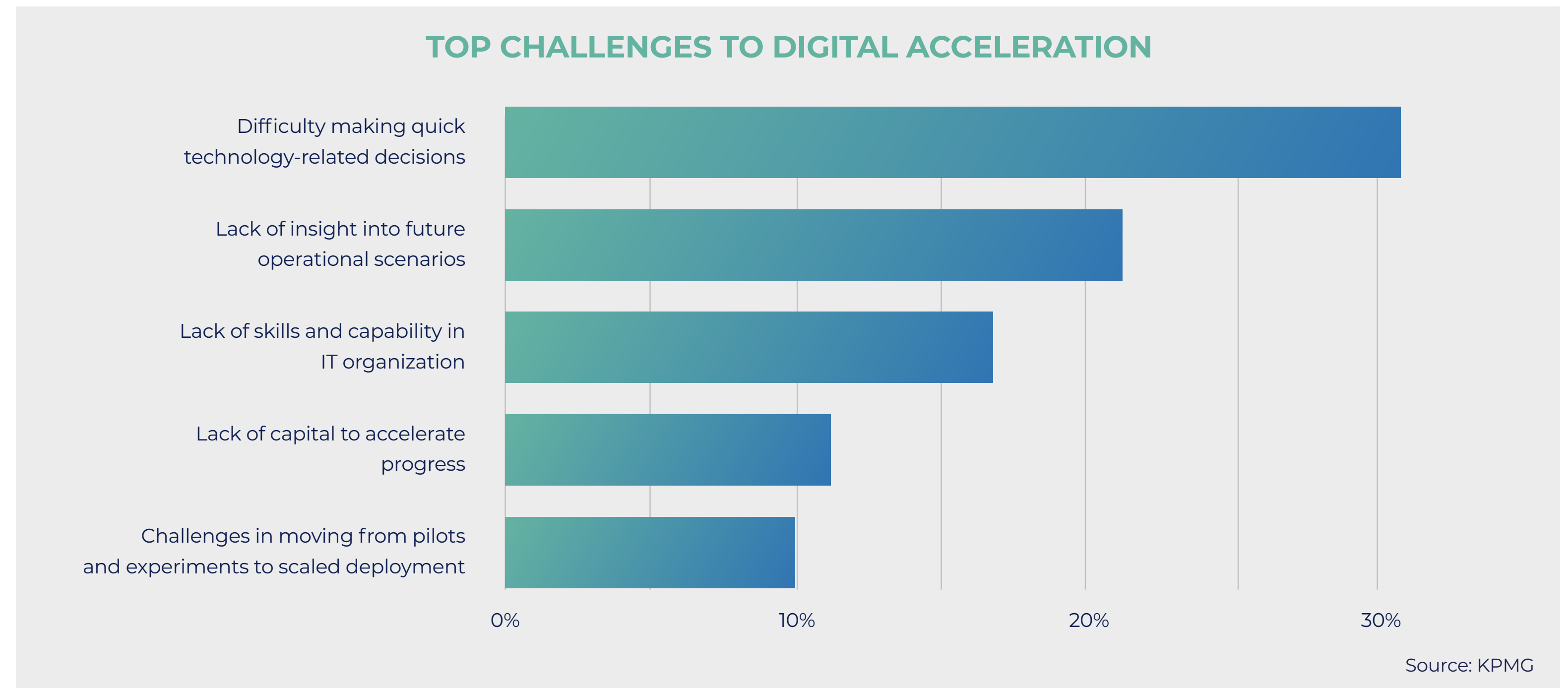
Transform Your
Product

Digital Acceleration Challenges

The digital acceleration benefits have long been top goals for any company, regardless of its industry. In fact, they've all been the reason why businesses of all sizes and verticals embarked on digital transformation processes in the past. However, those processes were often slow and very careful, because there were significant concerns about the impact of the large changes that come with digital transformation.

After the pandemic hit, companies understood that they had to push those concerns aside and accelerate their tech adoption. Of course, that doesn't mean they don't have worries about digital acceleration—quite the contrary. The inherent speed of the process has many executives worrying about it, with some of the top concerns including lack of IT capabilities to lead the process and challenges when making tech-related decisions.

As per a recent KPMG survey, executives say that these are the top challenges involving digital acceleration:



All of those challenges carry out risks that can derail any digital acceleration effort and pose a serious threat to any company. That's why companies tackling a digital acceleration process have to address them individually to make sure they don't become larger issues. Doing so can be a challenge in itself, which is why it's important to strategize, budget, and hire external resources to get successful results.

How to Manage Digital Acceleration Risks

If those challenges can quickly lead to risks, then managing those risks is an essential part of any digital acceleration strategy. That's especially true when considering that most people think of digital acceleration as quick digital tech implementation to meet new demands, boost productivity, and provide fast value. That focus on speed can end up in rushed implementations that multiply risks, hence the importance of risk management.

Seeing as the business landscape as a whole is running to be the first to market, the chances of companies sacrificing certain aspects to "win" are high. All in all, doing that can lead them to make mistakes that can end up being risky and costly, from a minor bug in an interface to a major vulnerability that opens up the door for attackers to capture sensitive data, both of which can stem from a rushed development process.

The sense of urgency most businesses are feeling ever since the pandemic hit is understandable, as they all want to evolve to meet the new demands of customers and markets. Yet, doing so necessarily calls for risk management initiatives that control all the potential threats not only during the digital acceleration process

but also beyond it. While far from being exhaustive, the following 4-point list can better prepare companies to manage their digital acceleration-associated risks.

1. EMPOWER TEAM WITH DATA

Everyone involved in a digital acceleration process needs to make informed decisions and the only way to do so is by using relevant data. Gathering information related to operations, team members, and technologies is key to monitoring if the process is moving forward as expected or if there's a need to adjust something before it creates bigger issues.

2. BE AWARE OF THE DIFFERENT KINDS OF RISKS

A digital acceleration process can expose a company to many risks of which the technical ones (those that come from system vulnerabilities) are the most well-known type. The other risks involve the operational risks (those stemming from outdated processes or poorly implemented workflows) and the external risks (risks coming from supply chains, the industry as a whole, or general regulations). Understanding these risks is essential to protect a business from them.

3. MONITOR ALL TECH IMPLEMENTATIONS

As a business moves forward with the digital acceleration process, there will be new tools, platforms, and technologies throughout the company. For all of those to work properly, leaders need to establish control protocols that make sure they are responding as expected. Thus, a company going through a digital acceleration process has to monitor all new tech implementations covering aspects such as maintenance, updates and upgrades of software as well as real-time security solutions to strengthen the system's protection against cyberattacks.

4. INVEST IN THE LONG RUN

While using current needs to strategize a digital acceleration is a given, companies need to also account for future needs and scenarios. That means considering the scalability, security, future innovation, and value of all the new systems. The goal is to make sure that all new tech implementations can grow and improve as the business grows and not limit itself to meeting current needs.

Must-Do Tasks of Digital Acceleration

Research is very clear about digital acceleration processes—they have a tendency to fail. That's mostly because the companies embarking on them have poor strategies, lack clear objectives, don't have the proper resources, or have misplaced or mistaken expectations about those processes. To prevent all of those things, businesses about to embrace digital acceleration need to have a clear roadmap moving forward.

At BairesDev, we have a list of 5 tasks we see as mandatory for a digital acceleration process to be successful. They are as follows:

1. DEVELOP A STRATEGY AND IMPLEMENT AN IMPROVEMENT PLAN

We said it above—a digital acceleration journey is more than just adopting new technologies through gut-led decision-making. It involves building a comprehensive strategy that uses a thorough understanding of the business's current infrastructure and workflow state as a foundation for the road ahead.

By beginning with a complete analysis of the processes in place, a company can better identify improve-

ment opportunities that can be tackled through an iterative process that enhances part after part of its core workflows. The idea is to focus on quick wins (leveraging the cloud computing layer) while working on the larger improvements of the core systems. Since there are 2 simultaneous processes at play, planning the whole development is a must to get the best results.

2. CONSIDER THE CULTURAL CHANGES THAT COME WITH THE PROCESS

Any business revamping its workflow will see impacts beyond the merely operational. While it's easy to focus on the technical aspects of digital acceleration (especially as it improves metrics involving costs and delivery), the reality shows that the cultural shifts that come out of it are equally important.

As the business's employees will be the ones using the new technologies, it's important to take into account how they feel about the changes brought about by digital acceleration. In fact, a proper digital acceleration process needs to be developed including employee feedback from the planning stage to the deployment stage—and beyond. Doing that can provide new

improvement opportunities and information about needed adjustments that can make sure the digital acceleration offers better results in the end.

3. INVEST IN TRAINING AND SKILL DEVELOPMENT

Executives shouldn't expect their employees to know how to handle the new technologies they implement. In fact, they should plan for the opposite and move forward with the digital acceleration process with the belief that their team members don't know anything about the new technologies implemented throughout their workflows.

Putting themselves in that mindset should lead executives to institute training and skill development programs to make sure all team members can leverage the new technologies. It's important to understand that those programs shouldn't be a one-and-done effort, but rather a continuous process that doesn't just prepare employees to use the new tech now but that also provides them with the necessary skills to grow with the tools as they are enhanced.

Must-Do Tasks of Digital Acceleration

4. FOCUS ON RESOURCE MANAGEMENT

A digital acceleration process brings new technologies that can totally revamp business services and operations. But to make sure they are all orchestrated accordingly (both during the implementation and deployment phases), leaders need to properly manage all of those resources, ensuring they have visibility and guarantee accessibility throughout the company.

In other words, a proper digital acceleration process uses a central system to ensure that files, documents, operations, and other relevant assets are all in one place and readily available for anyone who needs them (be that an employee going through training or a third-party developer working on the digital acceleration itself). That system won't just support the transformation but will also work moving forward as a centralized hub for all digitally driven operations.

5. TAKE INTO ACCOUNT THE CUSTOMER EXPERIENCE IMPACT

Revamping internal operations is one of the sides of digital acceleration. The other essential side involves the customers, which is why companies need to consider tech adoption because of the benefits they can bring to both in-house teams and clients. That can mean several things that will depend on the current state of the business going through the digital acceleration process. It can take the form of a mobile app, a reimagined communication, or a new CRM implementation.

It's important to keep that in mind, as customer needs and wants should be among the main drivers of the initial strategy, development, and deployment. When defining metrics for success, customer-focused KPIs should be among the most important ones, because there's no true digital acceleration without a successful revamp of the relationship between the digitally accelerated business and its customers.

Some Final Words

In 2021, there's no better move for businesses than to embrace digital acceleration. Gone are the days when companies could take their time with their digital transformation processes and carefully implement new technologies as needed. The massive shift in the customer demands and the markets as a whole that took place after COVID-19 hit has forced businesses to adapt or perish.

Even when a lot of executives would love to think of the pandemic-related disruptions as temporary symptoms that will go away when the disease is gone, the truth is that they are changes that will likely stay with us for good. In fact, the crisis fostered such a level of digital adoption throughout the business landscape that all of it has already made a huge leap forward that's impossible to undo or ignore.

That's why we can safely say that digital acceleration is the defining phenomenon for the coming years, as it's the only path that can ensure the flexibility and resilience businesses need to face the unpredictable challenges that are popping up almost daily.

Naturally, that's a complex path that needs to be taken carefully, following a well-thought-out roadmap that helps sort out the obstacles that lie ahead.

The insights in this paper are intended to help you with that. They aim to help you understand what digital acceleration is, its associated benefits and challenges, and the necessary steps you need to take to get successful results out of such a process. If you're to take something out of it, then that should be that there's no possibility of success without a complete understanding of what the process entails. That means you should inform yourself as much as possible before embarking on a digital acceleration and even get help if you see that it goes over your head.

The other important thing you should take is that there's no time to wait. Any day you don't embrace digital acceleration, your competitors take a step ahead, leaving you further behind. Hopefully, this paper convinced you of the importance of taking action now and will get you on your way to success.



About BairesDev

The Top 1% of Tech Talent is the backbone of our business. We deliver end-to-end technology solutions created by the most highly vetted, expert-level teams in the business.

