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Seven Tenets For Building A Digital Enterprise Of Future

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While every business is running war against the digital disruption wave, there is no fixed winning strategy for this war. However there are certain pointers that one can keep in mind



Category Jumptlist ↑

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Doing business in this era has become like a Space Mountain ride. Unlike normal rides, in Space Mountain everything is in pitch black darkness; similarly future of business is concealed by clouds of uncertainty. Businesses are changing every minute - new technologies are transforming the way they operate, new business models are posing threat to the established ones. To throw light on it, let's consider the example of the automotive industry. A few years back the market was dominated by car OEMs like GM, Honda, Jaguar, Toyota, and Audi, and they were vigorously competing among themselves to be the market leader. Now competition profile has changed to include IT companies like Google and Apple who have disrupted the traditional auto business with the concept of driverless cars. Not only that, aggregators like Ola and Uber also pose threat to automobile sale and have turned the vehicle from an "Object of Desire" to "Object of mobility". Ecommerce companies are changing the way we used to sell our cars.

The automotive industry is just an example. At present, there is no sector left where technology has no role to play. Education, healthcare, FMCG, agriculture even governance, technology is pervasive. Machine learning, analytics, IoT, bots etc. are transforming the way the world operates. No organization can survive this VUCA world without the support of it. So unless the business embrace digital disruption, their future will be no longer secured. You decide - do you want to just go with the flow

and face the future or bring something new to the table and ace the future.

While every business is running war against the digital disruption wave, there is no fixed winning strategy for this war. However there are certain pointers that one can keep in mind-

" **Disrupt yourself before anyone else does**

Technology is changing at a faster rate. As a result, we have ever more Fortune 500 companies vanishing from the list at a faster rate. So, if a company has to survive the next 5 years, it cannot do what it has been doing. It has to change dramatically and adapt faster; otherwise by the time you will be ready to embrace a new technology, it will be already obsolete. This reminds me of Kodak. They were the inventor of digital camera much before the actual digital camera came to market. However they did not pursue the project further fearing the downfall of their film business. They treated digital as a distant possibility. The rest is history everyone knows. In order to stay ahead of competitors, businesses need to identify future opportunities and be ready for wave of changes that will be coming towards them. They should not hesitate to make big bets and be the innovation driver themselves else their competition will go ahead.

" **Redesign your business as digital business model**

Digital transformation calls for a change in the business model as well. The traditional linear business model (from supplier to consumer) will not work anymore. At present, platforms have dominated the business scenario, where technology is the main driver instead of resource and cost as in the case with traditional models. If you are still functioning in the linear fashion, it is time to rethink the business model. In Mahindra & Mahindra Ltd., we have understood the importance of this tenet quite early and launched many such digital business models that disrupt the conventional way of doing business. We had launched SmartShift - a technology enabled load exchange platform in 2015, and became one of the first large corporate groups in India to have a digital mobility platform. In 2016, we forayed into agricultural equipment rental business with the announcement of Tringo - a digital enabled tractor rental service. Through our e-commerce platform M2ALL, we are bringing brick and click together and creating an enhanced digital experience for automotive customers. All these are examples of how we have challenged our conventional thinking and be prepared for a future digital business, consequently creating a unique value proposition for customers.

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Treat IT as an investment rather than an expense

I may use conventional ROI to calculate returns from a financial proposal, but when it comes to technology I treat it as a business expense. Conventional evaluation methodology will not be applicable for a technology investment. If I must stay ahead of the competition, I cannot hesitate to make massive bets on technology.

" **Play to win - do scenario planning**

Another methodology I will propose is that of Scenario planning with our counterparts. Create scenarios around business moments while keeping an eye on the larger picture. We are playing at "unknown- unknowns". So projection and planning may not work as we have visualized. The mantra is to keep calm and unravel it one by one.

" **Fire bullets before firing cannon balls - focus on affordable experimentation**

Many CXOs are apprehensive about the possibility of failure. Their fear is justified as we are dealing with the unknown. I believe in the philosophy of firing bullets before firing cannon balls. So that if we fail, then the damage will be less. And if it works, then we can proceed on a larger scale. Take blockchain for example which has the potential to disrupt any industry we know, however there are still certain uncertainties attached to the future applicability of it. While many businesses are experimenting with this technology, the question lingers around whether we should jump the bandwagon or wait and watch first. Mahindra Finance has started with supply chain financing with blockchain, the success of which will give rise to many more use cases across businesses.

" **Collaborate and synergize -**

Collaboration can be both internal as well as external. Creating a digital organization is not the responsibility of one department. Internally all functions, marketing, finance, HR etc., should come together to create a digital mindset within the organization, bring good practices and lessons from failures from one team to other.

Externally, plan to create 360 degree collaboration with other technology players, bring lessons and learnings from some of the industry who has gone through the pain of digital transformation.