



---

Digital platforms are becoming the go-to foundation for ensuring innovation, agility, and an exceptional customer experience.

# Digital platforms drive business success

---



**A**cross industries, geographies, and business models, organizations today are all essentially in the same business: delivering an exceptional customer experience. While fast innovation, agility, and data-driven intelligence are all integral to meeting this goal, many organizations are stuck with data siloed in multiple internal and external systems, outmoded and slow development processes, and the need to reinvent common best practices for their industries.

In response, leading businesses are turning to digital platforms, which not only unify data to provide greater intelligence to customers, employees, and partners but also enable connections to enterprise applications and access to cutting-edge analytics and development tools.

The need for digital platforms is “coming from finance, supply chain, manufacturing, HR, and more and more,” says Vinzenz Kremer, global managing director at global professional services company Accenture. The reason, he says, is their ability to help organizations deliver unique and differentiated experiences by infusing intelligence in all front- to back-office business processes, based on data and insights. “Experiences are more memorable than services, products, or paychecks,” Kremer says. “Experiences create differentiation in the hearts and minds of customers, business partners, employees, candidates, and influencers.”

### The making of an experience

Case in point is Bumble Bee Foods, a leading global packaged food producer and one of the largest seafood brands in the U.S. Bumble Bee recently began giving consumers more insight into the fish they buy, including where and how it was caught, the type of fish and whether it is Fair Trade Certified™. The data is captured when the fish is sold, and then deployed on a blockchain distributed ledger that’s part of a digital platform that also enables advanced analytics. Data on the blockchain also helps every other member of the company’s complex, far-flung supply chain better manage its business.



## Key takeaways

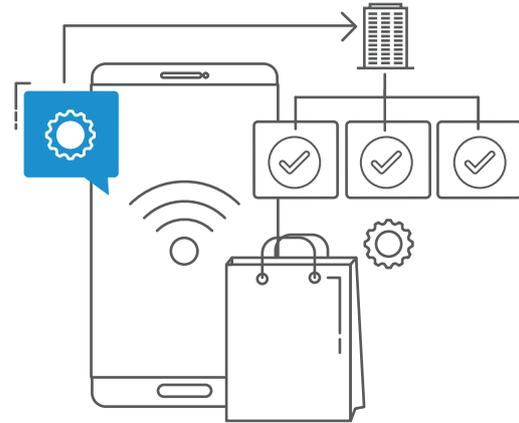
- 1 **By enabling fast access to data,** advanced analytics, industry-specific processes, and innovative technologies, digital platforms can help businesses deliver an exceptional customer experience.
- 2 **A strong customer experience** goes well beyond direct customer touchpoints and involves systems and data throughout the organization.
- 3 **Successful digital platforms** start with a clear understanding of the business case and the needs of the users they will serve.

“Experiences are more memorable than services, products, or paychecks. They create differentiation in the hearts and minds of customers, business partners, employees, candidates, and influencers.”

Vinzenz Kremer, Global Managing Director, Accenture

In addition to assuring customers of food safety and quality, and that the fish was sourced in a sustainable way, “The blockchain will help everyone from fishermen to processors and retailers better track metrics such as supply chain performance and quality,” says Bumble Bee senior vice president and CIO Tony Costa.

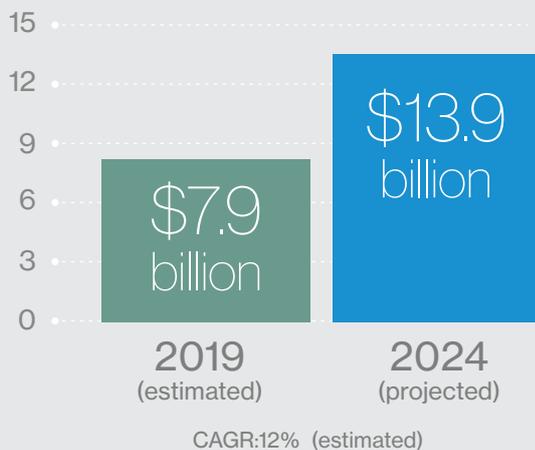
This demonstrates that a strong customer experience goes well beyond direct customer touchpoints and actually requires integrating data from systems across the organization. This is especially true in the hyper-competitive digital economy that has emerged. “If the HR system is not assigning employees to the right projects, and if they’re not happy, then they’re less likely to provide customers with excellent service. If the accounting system is inefficient and restrains your ability to hire talent at the right time, you will be late to satisfy your customers and will likely lose. And if you don’t have enough visibility into your production, inventory, and shipping systems to provide two-day delivery and accurate updates about delivery times to customers, your competition is going to



## A strong customer experience goes well beyond direct customer touchpoints and actually requires integrating data from systems across the organization.

### A growing market for digital platforms

The global market for digital platforms is due for high growth—major drivers include understanding the immediate needs of the customer and reducing the customer churn rate, as well as the growth in cloud-based solutions and the rising demand for big data analytics.



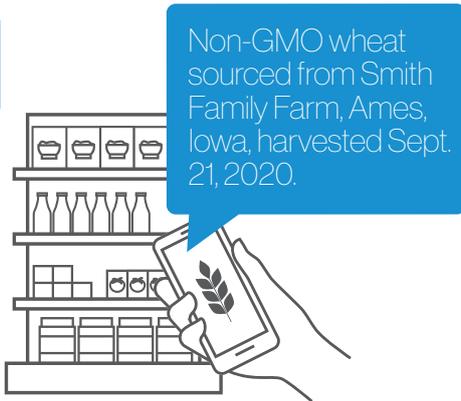
Source: MarketsandMarkets, “Digital Experience Platform Market,” June 2019.

provide a better buying experience and eventually force you out of business,” says Jordan Jewell, research manager for digital commerce and enterprise applications at IT research firm IDC.

The need for a digital platform extends to the employee experience, as well. NetApp, a \$6 billion provider of storage systems and services, needed to rethink the user experience for its internal sales reps and external partners as a result of more customers choosing cloud-based versus on-premises storage. Its highly customized sales system, however, was rigid and inflexible. Using a digital platform, NetApp could more easily define workflows and user roles that aligned with its new sales needs. This new-found agility became apparent when, following a training session, it asked reps to identify one account in which they would apply the new approaches they were taught. Because this was as simple as adding a field to an online screen with a list of the rep’s current accounts, the response was immediate. “Within three days, over 80% of the reps responded, and before long, it was in the 90% range,” says Steven Cox, the company’s global sales tools leader and transformation strategist.

## Three ways digital platforms improve the user experience

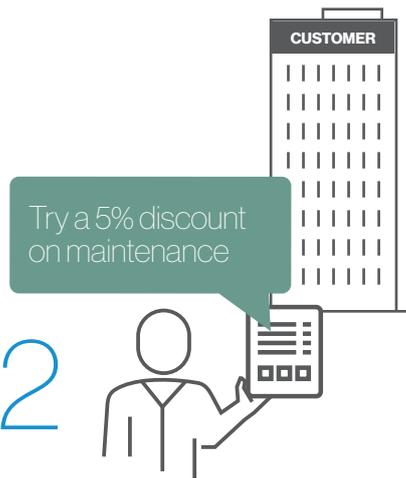
1



### Improving the customer experience

Assuring customers of the quality, source, and ethical production of products.

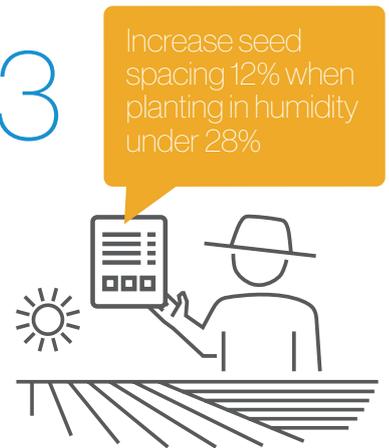
2



### Improving the employee experience

Current, contextual information about actions customers take and why they take them, leading to predictions about the products, services, or terms that customers might want.

3



### Improving the business-to-business customer experience

Detailed technical information to improve product performance or ROI or to reduce maintenance costs of products after purchase.

## Digital platform must-haves

A key driver for improving the customer experience is shifting consumer behaviors. Brand loyalty, for example, is far less important for today's consumers than convenience, value, and status, says R. "Ray" Wang, principal analyst, founder, and chairman of Constellation Research.

Delivering on these new expectations requires a digital platform with an array of capabilities. At the heart of the platform is the ability to manage and understand data from multiple internal and external sources. These data sources may include existing enterprise resource planning and manufacturing systems, a partner's inventory system, social media comments, internet of things sensors, and more.

By bringing this information together, the digital platform helps organizations "understand not only the customer but also the context, such as their location and the weather when they made a purchase decision," Wang says.

To make that data actionable, businesses need to employ artificial intelligence and machine learning, which can generate intelligent suggestions about the next product or service the customer might choose, and to learn from their actions in a continuous feedback loop, says Bill Murray, a senior researcher and advisor at the Leading Edge Forum, an independent think tank.

Data management and quality assurance are essential, says Wang, because more than half of the required data comes from outside the organization and "is not vetted; it's a mess." Organizations need access to curated data from weather feeds, for example, to determine hours of operation, staffing levels, and the impact on supply chains and product availability, he says.

Another requirement, says Murray, is "abstraction components" that allow companies to manage their infrastructure and applications as services, along with

To speed delivery of business applications, some organizations are making use of microservices accessible through data platforms, which allow them to stitch together prebuilt “services”—such as a service that provides an attractive user interface or links to a legacy database.

robotic process automation (automating common business and IT processes), augmentation (simple algorithms to speed decision-making without human intervention), and autonomic capabilities that allow platforms to fix themselves to reduce downtime and troubleshooting costs. By reducing the need for manual intervention, digital platforms can help businesses meet their goals of greater speed and reduced costs.

To speed delivery of business applications, some organizations are making use of microservices, which accelerate application development and deliver value more quickly. Such prebuilt “services” might, for example, provide an attractive user interface or link to a legacy database.

IDC’s Jewell warns that microservices are still in the early days in terms of adoption and that only tech-savvy organizations with skilled IT departments will be able to

use them. “It’s not the same as a monolithic application that comes as a single, pre-integrated piece of software running on the same database,” he says. Instead, when implementing microservices-based applications, you need to do the internal wiring to link individual microservices together “because each microservice is essentially its own individual application, with its own database, and can run in isolation.”

### Implementation tips

With all the capabilities that digital platforms offer, finding the highest impact areas for improvement can require extensive trial and error, and a long process of listening to users. That was the experience of the National Hockey League when it designed a mobile application that accesses real-time data in a digital platform, enabling coaches to make better decisions that improve the quality of play.

## What does “digital business” mean to organizations?

Enable worker productivity through tools such as mobile, data access, and AI-assisted processes

52%

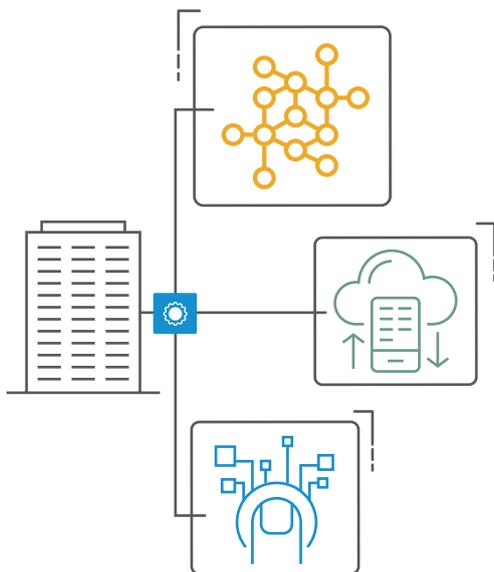
Ability to better manage business performance through data availability and visibility

49%

Meet customer experience expectations

46%

Source: IDC, “2018 State of Digital Business Transformation,” 2018.



Choose technology “not just because it offers the most functionality, but also for how well it integrates with your entire technology stack” and helps your employees deliver a better customer experience.

Jordan Jewell, Research Manager for Digital Commerce and Enterprise Applications, IDC

The 15-month development process “was the first part of a journey” that will continue as developers learn what data is most useful, says Chris Foster, the league’s director of digital business development. “You need fluidity in your roadmap. We don’t put it into the coach’s hands until it is right, until we have a product we feel adds value.” Even if it means missing a deadline, he says, “sometimes you have to hold the line and make sure the product is as good as it can be.”

Companies can also find their starting point by asking themselves what the most important process in their organization is. That’s what Dominique Tessaro, CIO of VINCI Energies, recommends. “In our case, it was project management,” he says of the €12.6 billion energy and IT services provider. The company built its digital platform around the need for clear, consistent information across the business about everything from invoices and goods received to time sheets and costs.

Because digital platforms often do extend across business functions and regions, NetApp’s Cox recommends adhering to high levels of standardization across geographies and business units so the platform can scale across the business. “It’s easy to get trapped into wanting to treat [one geography] as special,” he says, “but the payoff of standardization is massive” because it makes it easier to change platforms without having to undo or replicate years of customization.

In all cases, and particularly for cross-enterprise efforts, it’s critical to assign responsibility for the digitization effort to a C-level leader, IDC’s Jewell says. He also recommends choosing technology “not just because it offers the most functionality but also for how well it integrates with your entire technology stack” and helps your employees deliver a better customer experience.

Lastly, understand your business model and what that means for the customer experience, recommends Constellation Research’s Wang. “Start thinking about the experience and outcome you want, then focus on building the digital DNA inside your organization, understanding how people use data. Once you have the business model down, you can figure out how to reinvent those experiences with the right technology.”

While each business may take a different path to becoming a “digital business,” delivering a strong customer experience is an essential element for all. This is true whether you’re a packaged food provider catering to new customer preferences, a tech services organization enabling sales teams to respond to changing consumption models, a professional sports league optimizing the fan experience, or an energy company delivering data transparency to employees at all levels. In all cases, a digital platform lets businesses access the data and full array of technology tools they need to compete in an ever-changing and increasingly digital world. ■

*Digital platforms drive business success* is an executive briefing paper by MIT Technology Review Insights. It is based on research and interviews conducted in mid 2019. We would like to thank all participants as well as the sponsor, SAP. MIT Technology Review Insights has collected and reported on all findings contained in this paper independently, regardless of participation or sponsorship.

## About MIT Technology Review Insights

MIT Technology Review Insights is the custom publishing division of *MIT Technology Review*, the world's longest running technology magazine, backed by the world's foremost technology institution – producing live events and research on the leading technology and business challenges of the day. Insights conducts qualitative and quantitative research and analysis in the U.S. and abroad and publishes a wide variety of content, including articles, reports, infographics, videos, and podcasts. And through its growing MIT Technology Review Global Panel, Insights has unparalleled access to senior-level executives, innovators, and thought leaders worldwide for surveys and in-depth interviews.

## From the sponsor

As the Experience Company powered by the Intelligent Enterprise, SAP is the market leader in enterprise application software, helping companies of all sizes and in all industries run at their best: 77% of the world's transaction revenue touches an SAP® system. Our machine learning, internet of things, and advanced analytics technologies help turn customers' businesses into intelligent enterprises. SAP helps give people and organizations deep business insight and fosters collaboration that helps them stay ahead of their competition. We simplify technology for companies so they can consume our software the way they want – without disruption. Our end-to-end suite of applications and services enables more than 437,000 business and public customers to operate profitably, adapt continuously, and make a difference. With a global network of customers, partners, employees, and thought leaders, SAP helps the world run better and improves people's lives. For more information, visit [www.sap.com](http://www.sap.com).



---

### Illustrations

Illustrations provided by Shutterstock. Cover & page 2 and back cover: kuroksta. Page 3: StudioG; VoodooDot. Page 4: Left: Art StudioG; Aygun Ali; Djent. Center and Right: VoodooDot; Page 6: kuroksta; VoodooDot. All illustrations composed by Scott Shultz Design.

*While every effort has been taken to verify the accuracy of this information, MIT Technology Review Insights cannot accept any responsibility or liability for reliance by any person in this report or any of the information, opinions, or conclusions set out in this report.*

© Copyright MIT Technology Review Insights, 2019. All rights reserved.



## MIT Technology Review Insights

 [insights.techreview.com](https://insights.techreview.com)

 @techreview @mittr\_insights

 [insights@technologyreview.com](mailto:insights@technologyreview.com)