IT TRANSFORMATION:
THE PATH TO BUSINESS SUCCESS

Looming before every organization, across every industry, is the need to undergo transformation. With the likes of Uber and Netflix disrupting entire industries seemingly overnight, organizations must transform to not only stay competitive but also to remain viable. Whether or not organizations are prepared or have a desire to transform, they have no choice but to venture forth down this path—and the sooner, the better.
DIGITAL transformation puts technology at the heart of an organization’s products and operations, to help the business gain first-to-market advantage and competitively differentiate itself in order to improve the customer experience. That means that IT is no longer relegated to the back seat, where it supports processes and business operations. Instead, IT is at the wheel—driving the differentiation for your products, the pace of your business, and the ability to meet customer and market needs before your competitors.

There are three key imperatives on the digital transformation journey: IT transformation, workforce transformation, and security transformation. While most organizations find that IT transformation is the best way to jump-start the shift to digital transformation, the road to IT transformation isn’t always clear. Moreover, one path doesn’t necessarily fit all. The purpose of this paper is to help you determine which direction is right for your organization as you undergo an IT transformation.

Understanding the Need for Transformation

It’s no secret that market dynamics are driving business transformation. Entire industries are being redefined due to the advent of the application economy, the ability to mine big data for business insights, and the increasing interconnectedness of our world. As a result, technology is now a business differentiator. Nearly three-quarters of the organizations surveyed by Dell EMC and IDG cite business transformation as a critical or very important objective of IT modernization. Technology enables organizations to capture incredible volumes and various types of data, and then correlate that data, analyze it, and deliver results on demand. Technology enables organizations to connect multiple devices and sensors, and data-intensive applications. And it’s technology that enables organizations to create a business model based entirely on ones and zeros.

Brian Shield, vice president of information technology for the Boston Red Sox, agrees. “As we continue to grow our baseball environments and business environments, it’s critical for us to realize that the underpinnings of our technology are a competitive advantage for us.”

The challenge, however, lies in the very definition of the word transformation, which implies a pre-existing state. In order to make a dramatic change in form or appearance you must start from something. For organizations born prior to the digital age, that “something” is legacy IT. Legacy IT is built on scale-up architecture, and resiliency is based on hardware redundancy and a rigid change management process, such as ITIL. Overhauling these technologies and associated operations and processes is, by itself, a significant challenge, but that’s not the only issue organizations are up against.

Every Company Needs to Transform in One Way or Another

Companies born in the digital age may not need to undergo an IT transformation. They often operate in the end state, and therein lies their competitive advantage. Today, a startup can acquire the same IT capabilities “as a service” that organizations would once have had to purchase with massive amounts of capital. The next generation of IT is cloud native. Resiliency is built within the application itself, allowing organizations to be agile and responsive to business needs. As a result, some barriers to both entry and success for new businesses have vanished, and established businesses can’t protect themselves—that is, unless they undergo an IT transformation.

Digital transformation helps organizations grow market presence and customer loyalty by delivering differentiated products to customers before the competition. These organizations tend to enhance the customer experience and engagement, and deliver more relevant solutions through the use of data-driven insights.
into customer needs and market opportunities. They also improve their organizational speed, agility, and effectiveness through the use of modern technology, the Internet of Things, and automation to remove process bottlenecks. Finally, these organizations gain customer trust by protecting the organization’s and the customer’s data through integrated security.

All organizations must undergo digital transformation, otherwise they will fail to keep pace with the competition and fail to meet customer demands. A key imperative for digital transformation is an IT transformation. While IT transformation is a requirement for every organization born before the digital age, no two organizations will approach it the same way. Most organizations find that while they've made some progress, they've also gotten a little lost—and for good reason. The path to IT transformation is not a straight line. It is more of a cycle consisting of three synergistic elements and depending on where you are today, you could start at any one of them. These elements are: Modernize, Automate, and Transform.

Modernization: Bringing the Infrastructure into the 21st Century

Organizations often find themselves in various states of modernization. Such was the case for Express Scripts, a pharmacy benefit management company. When Senior Director of Information Technology Brian Gregory joined Express Scripts in 2015, the company was trying to find its way forward through a virtualization effort. A complicating factor was the unintentional consequence of a series of mergers and acquisitions. Bringing together systems allowed the company to excel in some areas, but generated technical debt in others. Reconciling these areas added challenges.

An inability to scale or deploy new systems seamlessly impacts IT’s ability to respond to business needs in a timely fashion.

The objective of modernization is to use modern infrastructure to support new workloads and improve the performance and cost-efficiency of existing systems. Modernization helps organizations optimize management, increase the speed of deployment and scalability, and improve responsiveness and agility.

Organizations are exploring software-defined technologies—cloud-enabled and converged infrastructure—to achieve modernization. According to IDC, converged infrastructure benefits include lower operating costs (44.7%), greater IT staff productivity (43.7%), greater resource utilization (43.4%), and improved business agility (41.4%). These efforts help organizations maximize the return on their IT investments and route savings into digital transformation. They also lead to cost savings and longevity.

Of course, organizations can’t simply rip and replace legacy infrastructure. Modernization is a process that must be approached one piece at a time. The Boston Red Sox underwent a technology refresh to support data analytics and performance requirements. To ensure that it has the most reliable data as well as the necessary performance, reliability, and ease of management, the Major League Baseball sports franchise migrated to a Dell EMC All-Flash solution.

The all-flash storage array enables the Red Sox to process 500 million rows of data “extremely quickly,” says Shield. “We could never have done that before.” In addition, all-flash enables the Red Sox to run an efficient business and understand its fans to create a digital experience in the ballpark that complements the game.

Automation: Improving Efficiencies and Time to Market

Manual tasks tend to create bottlenecks, increase the risk of human error, and lengthen the time to market. A lack of automation made it difficult to keep up with business demands.

The objective of the automate phase is to automate tasks and reduce bottlenecks to accelerate the speed of business. Sixty-three percent of organizations surveyed by IDG Research say that improving the quality of service is their top business priority with respect to automation. By removing the human element from routine tasks, automation also reduces risk and delivers greater reliability of the infrastructure. This, in turn, empowers the IT staff to focus on higher-value business initiatives versus keeping the lights on.

Automation is often achieved via the cloud. According to IDC, cloud benefits include more effective use of infrastructure and data resources (46%), enablement of big data/analytics (42.2%), improved business agility (41.9%), and
higher service availability (41.5%). Hybrid cloud enables organizations to benefit from the cloud’s automation and flexibility while keeping sensitive data on-premises.

Automating the delivery of IT resources from a hybrid cloud also helps improve resource and data utilization. Self-service capabilities plus API-driven management and operations enable lines of business to work faster and therefore stay competitive in rapidly evolving markets. There’s no need for lines of business to deploy shadow IT. Instead, they can easily self-provision the services needed to deliver applications faster, while preserving the integrity of the data and keeping risk at bay.

Express Scripts realized the benefits of automation by deploying Dell EMC’s hybrid cloud solution. Provisioning time was reduced from six months to mere minutes, performance was increased by 15%, service levels improved, and the company was able to drive an increase in home-delivery prescriptions. What’s more, deploying the hybrid cloud enabled Express Scripts to look at how the company can continue to innovate and improve the customer experience.

Transformation: The People and Processes to Deliver IT as a Service

IT transformation doesn’t come from technology alone. It requires a transformation of IT operations, which is all about transforming the people and processes that deliver value to the business. Skills and processes must be modernized to support and understand modern data center priorities. The goal is to emulate the IT-as-a-Service model, which involves both a process change as well as cultural change. Only when these objectives are achieved is IT able to uncover new cost efficiencies, and deliver differentiated business models and capabilities to customers.

Many organizations choose to transform themselves, while others choose to redirect existing human capital toward driving new business innovations. Because staffing is often a finite resource, many organizations engage managed services to execute such tasks as the management of traditional applications and their movement to enterprise-class public and private clouds. These guarantee enterprise SLAs for current work streams, while shifting existing human capital toward innovating and driving new business value.

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According to IDG Research, 40% of organizations are deploying core IT team members into business units to encourage a digital culture and mindset. Professional services, combined with training and data analytics, can help organizations establish an environment that seeks continual improvement for itself and the business.

As Express Scripts deployed Dell EMC’s hybrid cloud solution, the IT organization had to demonstrate that the role of IT is to help the business. Through automation, the hybrid cloud solution enabled IT to consider the end user’s needs. The very act of being able to ask, “What are we going to do next?” facilitated a change within the culture.

What’s more, deploying the hybrid cloud solution has helped Express Scripts attract employees who are excited about the future of technology and want to work at a company that seeks to disrupt the market and innovate. In the year following the hybrid cloud deployment, Express Scripts’ Gregory grew his team by 11 people. The team began building out a Pivotal Cloud Foundry platform, as well as other automation tooling for a CI/CD pipeline on the new cloud.

“I could sell them on the vision of what we are doing,” Gregory says. “The tooling we chose for an enterprise hybrid cloud proves that technology is the future of this company. True technologists see the value and want to be a part of it.”

Conclusion

Digital transformation is a non-negotiable business reality in order to stay viable and maintain a competitive advantage. Understanding what that means and where to start can be difficult. For most companies, the answer is to start with IT transformation; the starting points we’ve described can help point you in the right direction.

However, if you’re still unsure of where to go next, Dell EMC can help. Dell EMC provides the essential infrastructure to enable digital business and IT transformation. The company’s unprecedented capabilities power real transformation for people and organizations everywhere—so you can embrace the next big opportunity and innovate faster.

To learn how Dell EMC can help you, visit www.dell EMC.com/ITtransformation