

An executive's guide to reimagining the enterprise in the digital age





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Introduction

In today's mobile-first, cloud-first world, enterprises are reimagining their products, services, and even entire business models. Businesses are exploring what's possible in an all-digital environment where information and intelligent systems are available anytime, anywhere, on any device.

What is behind this change?

The mobile-first, cloud-first enterprise

In many respects, change is being driven from the outside in. Today's pervasive use of connected technology has changed customer expectations dramatically. Customers expect answers to their enquiries at any time, from anywhere. They expect to be able to view their information and manage their relationships with businesses in any number of ways and from mobile devices in particular. They expect personalized customer service, wanting to be known and understood whenever they engage with a business. This, in turn, is both forcing companies to provide the experiences that people expect and creating an opportunity to compete in new and different ways. It's little surprise that enhancing the customer experience has emerged as a top priority for both business and IT executives in enterprises. As The Conference Board reports,

"Engaged employees and satisfied customers dominate thinking of CEOs in 2014."¹

The key to meeting—and exceeding—customers' expectations in this highly competitive technological environment is digital transformation. Transforming to a digital business is now considered a requirement by virtually every enterprise. In fact, Gartner makes a direct connection between digital readiness and future potential business success in the digital age:

"the CEO's digital savvy is one of the best indicators of IT and business performance."²

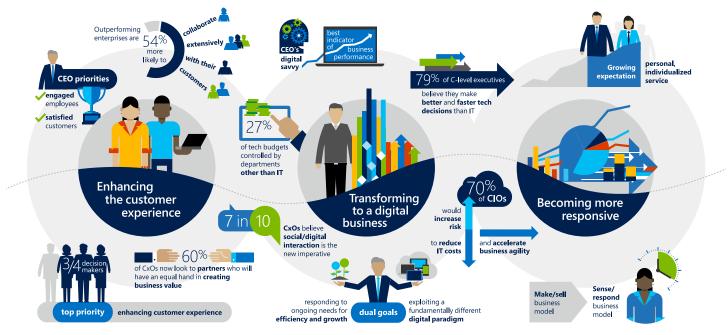
The digital business is far more than a rethinking of individual business processes for digital efficiency. It is a ground-up reimagining of everything that defines a business, tapping into the possibilities represented by digital connections between the people, devices, and systems that make up our world.

A natural outcome for companies that design customerfirst products and processes and effectively transform into

¹ "CEO challenge 2014." The Conference Board. January 9, 2014.

² Aron, Dave, and Graham P. Walker. Taming the digital dragon: the 2014 CIO agenda. Gartner, Inc. December 31, 2013.

What's on the mind of enterprise leaders in 2014?



** Insights based on Microsoft analysis of third-party research

digital businesses is that they become more responsive. As the flow of information increases, companies can gain competitive advantages by shifting focus from efficiency to their ability to learn and respond rapidly to new information. IDC describes this as a shift from "make-sell" to "sense-and-respond":² essentially, tapping into the wealth of customer data in real time to drive business decisions and strategy.

Data, or perhaps more accurately the connected systems that bring data together, are at the heart of it all: personalized customer experiences, empowered workforces, responsive service, and the overarching transition to the digital business. But with the trillions of digital connections now possible, where should a business start? The opportunity—and the challenge—can seem overwhelmingly complex, but it doesn't need to be. This is not a futuristic, aspirational technology trend. It's here today, in the devices, sensors, cloud infrastructure, and data and business intelligence tools that you already use. The key is to think about how one piece of data can provide value to your business, rather than about the massive amount of data being produced. It's to take advantage of the systems you have in place already, building on your investments to easily create one truly flexible intelligent system.

Microsoft delivers the most integrated approach, allowing enterprises to capitalize on these connections by gathering, storing, and processing data—from PCs, tablets, and mobile devices, to developer tools and backend systems and services, to a diverse partner ecosystem. Read on to learn more about our vision for reimagining enterprises in this digital age.



Delighting the modern, connected consumer

For the 2014 Sochi Winter Olympic games, NBC Sports published and streamed all 98 events to more than 100 million viewers. Recognizing that in today's world, people want immediate access from virtually anywhere, they made digital "business as usual." They supported streaming to practically any device, tapping into the power of the cloud to deliver more than 6,000 hours of high-definition live and on-demand streaming from five broadcasters across 22 countries on four continents.



Fostering a culture of business innovation

For leading companies, innovation is no longer a responsibility that lies only within research and development, but one that pervades the organization. In the digital age, **technology has become the great equalizer—giving voice to customers, partners, and employees** and enabling businesses to listen and become more responsive to needs and opportunities. No function is untouched—digitization means democratization of ideas, of insight, of innovation. Consider the opportunities that this new era is creating for four key functions in every business:

- Marketing
- ► Finance
- Human resources
- Sales

Marketing

The influence of changing customer expectations is seen perhaps most significantly in the marketing organization. The brand-centric approach of yesterday is quickly being replaced by customer-driven everything, where customers are dictating the style, quantity, and mediums that marketers must use to reach them and win their business and loyalty. Marketers are searching for devices and services to transform their business into one that activates around the customer and empowers people to be responsive to customer needs.

For the modern marketer, this means:

Bringing the customer into focus. Connecting with customers on a personal level is critical to delivering the right marketing messages to audiences. By uniting customer information from multiple channels, today's marketers can create a single view into each customer's journey. Self-service

tools and dashboards are helping them cost-effectively analyze individual behaviors and marketing insights in real time to discover what uniquely motivates customers. Predictive analytics and modeling services help anticipate customer needs and proactively respond to them.

- Creating amazing campaigns with real impact. To build a customer-responsive organization, marketing operations must work together effortlessly. Marketing teams need to be able to connect and collaborate from anywhere to increase marketing creativity and efficiency. A mobile-first, cloud-first environment is also helping marketers speed up campaign creation and quickly deliver advertising that resonates.
 - n creation and quickly have **customer engagement** narketing today, reaching the customer with the right message at the right

15%

of Global 1000 organizations

- Being in the moments that matter. In marketing today, reaching the customer with the right message at the right time is more important than ever. Every second counts. High-engagement advertising, coupled with robust targeting, is helping marketers today to reach their audiences at work, at home, on-the-go, and at play. Being in the moment means bringing advertising to life across platforms, devices, and applications.
- Innovating along the journey. To transform customers into loyal brand advocates, marketers need to deliver immersive, social experiences that make customer needs and interests the top priority. Marketers are using connected marketing solutions to tune marketing campaigns for maximum customer engagement. Customer relationship management tools are helping them deliver rich, social experiences. By connecting with customers across both physical and digital worlds, they are delivering experiences that are bigger, more immersive, and more rewarding.



Uniting insights to drive customer satisfaction

Marketers at Great Western Bank used data insights to get a 360-degree view of their customers. To gain insights into customer needs, Great Western Bank analyzed customers' online behavior and compared that activity with the products those customers used. These analytics enabled Great Western Bank to determine their customers' satisfaction level with products and assess additional products or features to further improve customer experience. As a result, the bank

developed a reliable system for anticipating current customer needs and predicting the future behaviors of potential customers, while identifying which activities increased the bottom line.





Finance

The role of the CFO or finance leader is changing. Today's finance executives are increasingly focused on how they can also be IT and operational leaders. Their goal? To capitalize on today's technology tools to address business challenges and stay ahead of the competition. At Microsoft, we see our finance customers identifying four areas in which technology can help them reimagine finance operations:



of IT organizations now report to the CFO

• Converting data into visual insights in minutes. With familiar tools that can

pull together data from a range of sources and make short work of data analysis, finance teams are moving from "controllership" to "stewardship." They are empowering their people with data visualization tools that they can access from anywhere and use collaboratively to drive corporate performance. They're growing revenue with the ability to evaluate and respond to market opportunities in real time by mashing up internal data with external data.

Assessing and controlling risk. The massive amounts of corporate and customer data available to finance executives delivers great opportunity if it can be collected and very securely accessed digitally from across the organization—something the cloud makes possible. A unified view into the business gives finance executives better visibility into organizational risks. Self-service tools that reach all employees can help further control risk by automating processes.



- Driving corporate strategy through greater business agility and efficiency. To compete, companies today need a technology platform that allows them to keep up with changing market conditions without the need for major capital expenditures every time a new initiative is started. A hybrid cloud solution can provide the flexible platform needed to boost corporate agility, while connected enterprise resource planning (ERP) can help finance manage complexity and streamline processes.
- Accelerating a culture of innovation and collaboration. In finance and across the company, results require collaboration. Finance leaders are adopting technologies that let their people cost-effectively connect and collaborate from anywhere—with the high security required in the world of finance.

Drive corporate strategy with a connected workforce

Manhattan Associates was looking to build a culture of innovation and collaboration. Enterprise social networking provided the means for people and regions to connect, foster diverse ideas, and build effective cross-functional relationships. As Dennis Story, Executive VP & CFO of Manhattan Associates (Atlanta, GA), put it, "it's changing our culture and making it a whole lot easier to solve our clients' complex problems. It has the

greatest utility and usability of any application in our enterprise."





Human resources

Technology alone won't drive innovation. It's the backbone to another critical ingredient: employee enablement. To stay agile and competitive in today's fast-paced digital world, businesses need to breed innovative thinking and creativity into the culture of the business and make it part of every employee's mandate. HR should be a key strategic partner in fostering that culture of innovation and be a leader in digital transformation. At Microsoft, we see three key opportunities for today's HR organization:

Driving business impact through real-time insights. HR can use both internal and external data to drive results. When HR leaders are able to get the right data at the right time, they can transform workforce data into actionable

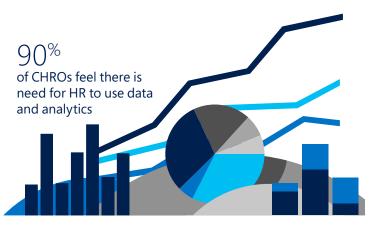


Top HR priority: Fostering innovation in the workforce

insights and improve results across the organization. By uniting internal and external data, they can get a unified view of the business and the industry at large and use that information to boost talent acquisition and retention.

Engaging employees with a responsive culture. Today's employees want to work from pretty much anywhere, anytime. HR organizations that take advantage of emerging mobile and social capabilities to meet their changing expectations can help the workforce feel connected. At the same time, they can improve HR's own reach and make change management easier.

Accelerating productivity through digital innovation. What does this look like? Providing familiar, consistent devices and services to employees to help them stay productive on the go. Delivering personalized information and training that puts the information employees need at their fingertips. And centralizing human capital management to make sure that you are getting the most from your workforce without wasted effort.





Aligning employees to succeed as one

Toyota wanted to create a workplace of the future. By using technology to bring disparate silos of the company together as "One Toyota"—achieved by deploying cloud productivity software, upgraded PCs, and mobile devices—Toyota improved efficiency and productivity throughout the company. They created a single platform to provide employees with all the information they need to work in real time.



Sales

The way people buy has fundamentally changed. Today's customers are better informed than ever. They are connected from everywhere and anywhere through their mobile devices—plugged into their social network and doing their own research.

What does this mean for sales teams? Sales professionals need to adapt to this new world. They need to embrace mobile tools and social platforms while taking advantage of the wealth of customer and market data now available to enhance the customer selling experience. In particular, they need to invest time where it counts-with the customer. They must understand each customer's unrecognized needs, not just sell stock "solutions."

Microsoft sees two priorities for sales teams today:

► Improving sales force effectiveness. Winning in sales today means maximizing responsiveness by reaching customers where, when, and how they want. To offer customers the most targeted experience and make every customer conversation more relevant, valuable, and productive, sales professionals need real-time access to customer insights. They also need to work like a network to stay as agile as possible. Industry-leading productivity tools that they can access from their smartphone or tablet can help them stay connected while making it easy to share best practices across their team.



73% of sales people using social media to sell outperform those who don't

▶ Making faster, smarter sales decisions. A unified view of actionable customer information can help sales professionals keep a pulse on customer account health and make the entire customer journey engaging, impactful, and seamless. It can help them focus on advancing the best leads while personalizing every customer interaction for smarter selling. The combination of better customer insights and access to the right people, information, and content empowers sales professionals to turn insight into closed deals and revenue.

Building a one-stop shop for customer data

Trek Bicycle knows that it can take years for a new sales rep to rebuild rapport with local bike shops. The company rolled out a new cloud-based customer relationship management (CRM) solution combined with enterprise social networking to give their distributors, retailers, and sales reps a complete view into customer information and enable sellers to easily communicate and collaborate with colleagues. In their words, "All of a sudden, it was like, BOOM—all of this information is all in the open, transparent, things were getting done because everyone had a new kind of awareness."





A culture of business innovation requires a modern technology platform

Marketing

.. Human resources

····· Sales

inance

• IT leadership

From concept to business results...



nend ends UP **10**%



collaboration



Nedbank, a leading South African bank, shows what's possible when a business is able to tap into a modern technology platform to deliver results quickly. Nedbank worked with Microsoft to revolutionize

the customer experience. They launched an integrated channel sales strategy focused on client-centered banking, the pinnacle of which involved creating a video banking channel built on their existing communications and collaboration platform. Within two weeks, nearly 40 percent of branch inquiries shifted from branch to video banking. With this new channel, Nedbank is providing customers with a more convenient, personal way to reach the bank, while delivering a consistent, seamless customer experience.

Building a technology platform for the future

The consistent theme that ties virtually every business function across the enterprise together is the significant role that technology plays as a competitive differentiator. No longer does a single IT solution represent a silver bullet. Selecting a specific technology for a specific purpose provides limited long-term advantage and may ultimately be a disadvantage if it doesn't integrate well with future investments. **Platform choice has become the true enabler of business agility and speed**.

It's about taking a strategic approach to connecting enterprise technology and enabling the seamless flow of data around the business.

Devices & mobility

Transcend time, place, context, and device

At Microsoft, we believe that the next wave in enterprise mobile will be about enabling a fluid, seamless mobile experience for users. "Going mobile" is no longer about

carrying a single mobile device. It now means that any user can pick up any device in the context of what they are doing and have instant access to all of their "stuff"—settings, data, and applications that follow the user and flow seamlessly from device to device.



Our aim is to help you transcend time, place, context, and

device. For your people, this means empowering teams to be productive anytime, anywhere. Untethering your workforce can help you become more agile as an organization, enabling people to collaborate with each other from anywhere and at any time—without the need for or cost of travel—and speeding decision making. Smart, connected devices can provide real-time, anywhere access to business tools and information. Proactive, strategic enterprise solutions can also boost agility and protect valuable information.

Forward thinking leaders are also employing mobile strategies to build new products and services, connect with customers in new ways, and respond faster to changing market conditions. Delighting customers with smart, contextual, helpful mobile experiences can help you engage customers and create loyal advocates. Whether through a compelling B2C mobile app, equipping a bank teller with a tablet that enables them to step out from behind the counter to be more engaged with the customer, or enabling a field seller to deliver exceptional real-time service when with a customer, mobile can help you deliver experiences that people want.



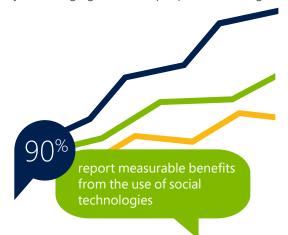
of office workers say they work at least occasionally on weekends or outside of normal business hours

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Cloud productivity & enterprise social

Work like a network

What if you were able to tap into the people, conversations, and knowledge you need—no matter where they reside—to make better decisions and move the business faster? What if you and every person in your company could work together like a network? Suddenly, you're plugged in to everything that matters to your business. You're social and collaborating in new ways, exchanging ideas with people across the globe.



You're always listening to your employees, partners, and customers. You spot new opportunities and make change happen. You share documents and information in real time and make decisions faster than ever. When you're working together as one connected network, you can grow your business. You understand your customers. You build better products. And you deliver the best experiences. At Microsoft, our vision for cloud productivity and enterprise social is to connect individuals to a dynamic network of people and information, enabling seamless new ways to discover, share, and work together across the familiar applications they already use and lovewith an enterprise-grade platform, so you don't have to worry about compliance and security. With this kind of a modern workplace, you can be wherever your employees, customers, and partners are, so you can listen to and learn from their changing needs. When social technology is woven into your day-to-day tools and process, it can also help you adapt and make smarter decisions based on the needs of your customers, partners, and employees, helping you guickly adapt to change. It enables teams to self-organize, focus, and collaborate more efficiently-and smart decisions and better collaboration inevitably lead to business growth.



Employees at $63^{\%}$ of companies can access enterprise social from a mobile device

Business insights





Deliver greater business value

In the emerging "data economy," companies will compete on how they use data. We believe that *any* data has the capability to deliver significant business value—whether it's big data or small, structured or unstructured, streaming or stored.

At Microsoft, our vision for the data-driven enterprise is to empower everyone by delivering a complete data platform. With comprehensive, connected, and easy-touse analytics tools, people in your business can make smart, insightful decisions more quickly. By giving people the power to share insights and discover them anywhere, your organization can be more responsive to market changes and customer needs and stay ahead of the competition. However, this can't be done without a complete, flexible, enterprise-grade data and analytics platform—one that grows with your needs and meets all the necessary security, privacy, and regulatory requirements of your industry.

This kind of data platform can help your organization make smarter, faster, data-driven decisions. How? It can give your organization the tools to discover, explore, and combine any data, no matter the size, type, or location inside the walls of your business, in public data sources, or on the web. It can give everyone in your organization

the tools to easily visualize and analyze data to make better, more informed decisions faster, without extensive additional training. And it makes it easy to quickly share insights across the enterprise and use it to decide—in partnership with your colleagues—how to move forward based on your findings.

42% of businesses are developing **new products** and **business models** using big data

23[%] are monetizing information directly

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Cloud platform

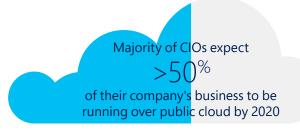
Get global-grade scalability

The cloud can help you comprehensively address business needs, both for IT at the foundation and for your business functions. For IT, you gain cost advantages—you can shift capital expenses to operating expenses for budget predictability, free up capital for strategic investments, and align costs with when you start to realize benefits from your IT initiatives. You also gain instant scalability for a more responsive IT backbone to the business. Your developers can develop and test applications more quickly, as they won't face delays to build a development environment. And greater efficiency overall means less burden on your IT staff.

For business, the opportunities are nearly endless. You have the opportunity to reimagine the customer



experience and deliver more personalized experiences and services. To open up new channels to reach new customers. To boost productivity with no limit on when and where your employees can access productivity tools, business data, and communications capabilities. To create or enter new markets by reimagining your existing products and services and coming up with digital alternatives. To get those products and services to market more quickly. And to rethink and redesign business processes for greater efficiency.



Microsoft provides a hybrid infrastructure that's designed to reduce complexity while enabling you to move to the cloud at your own speed. You can build a software-defined foundation to help reduce complexity and cost by pooling resources for storage, networking, and compute. Unified and simplified management across your datacenter and the cloud will help you automate and secure your infrastructure. You can also extend to the cloud on demand to scale your infrastructure, while keeping costs low.

Developing your enterprise strategy

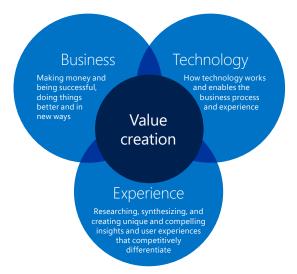
Today's businesses don't have the luxury of extended project timelines for technology initiatives. A successful enterprise strategy is one that permits rapid evaluation and implementation, without compromising on due diligence. You need to act fast—but with the technology landscape more complicated than ever, how?

At Microsoft, our field sales and delivery teams provide advisory services by working with enterprise customers to find new and better ways to apply technology for business advantage. Our Microsoft Services Enterprise Strategy Program (ESP) team also engages with customers to help them realize the full potential of their investments in the Microsoft portfolio and to accelerate technology adoption and usage. Through these engagements across many domains, industries, and geographies around the world, we've developed a multidiscipline approach built on extensive knowledge and experience. Applying this approach to your own business, you can accelerate business performance by identifying the most innovative and productive uses of technology.

A structured approach to reimagining your enterprise

ESP uses a rapid, iterative approach to helping businesses reimagine their enterprise through the intelligent use of technology to gain a





business performance improvement. This approach helps spread risk across the lifecycle of a digital product or service from conception to creation—to increase the likelihood of achieving breakthrough potential. This structured and practical five-step approach is focused on accelerating time to value and delivering outcome-based solutions.

Based on the five-step approach used by the ESP team, the following list of suggested activities provides ideas on how your senior leadership team can reimagine your enterprise in the digital age. How you define value will be specific to your business, whether your goal is to grow revenue, streamline operations, optimize assets, enhance employee productivity, or accelerate time to value. With a repeatable structure, this process is designed to generate solutions based on outcomes—rapidly. And just as importantly, it can help you to integrate the four components of a modern technology platform: devices and mobility, cloud productivity and enterprise social, business insights, and cloud platform.

Research

The first step is about conducting qualitative and quantitative research and analysis—using techniques such as anonymous studies, heuristics, scenario planning, and environmental analysis. It's about understanding and documenting what your organization has done so far and what ideas and processes it's currently investing in. It's important to consider every situation from all angles: who the people are, what they want to become, what stories they are telling today, and what they want to be saying in the future.

- Engage employees, customers, and partners in multidisciplinary research.
- Evaluate what the competition is doing.
- Analyze the marketplace.
- Determine relevant trends.
- □ Identify key pain points and value drivers.
- Use relevant strategic models, where appropriate, to frame the context, potential tactics, and alternatives.

2 Envision

The second step is about envisioning the potential.

- Generate ideas, by asking questions such as "what if...?", "How could we...?", and "Wouldn't it be incredible if...?"
- □ Apply scenario-planning techniques to help build the target state and identify events that are likely to have an impact on your organization and what you want to do.
- Identify underlying assumptions to develop potential solutions to your business problems or unlock new business opportunities.
- Determine priorities that align to each scenario and key performance indicators (KPIs) that your organization currently has in place and wants to improve or wants to implement.
- Validate and compare your organization's capabilities with industry-proven practices. Identify people, process, and technology capability improvements and anticipated business benefits.
- Uncover new opportunities for immediate, near-term, or longer-term value creation.

3 Design

During the design step, the goal is to design the solution from business, technology, and experience perspectives in parallel. Designing from all three of these perspectives simultaneously can help you realize sustainable breakthroughs.

- Formulate strategic direction by determining the right performance levers and key tactics. Set strategic vision and direction based on your business goals and success factors.
- Develop the building blocks to get to the desired state—the key people, process, and technology capability changes that are required for the target vision.
- Create a structured plan outlining the required activities to execute the strategy, including businessjustified investments, key tactics required to implement the improvements, recommendations, and a roadmap.

4 Prototype

The fourth step is one of experimentation. The end goal is to deeply understand your organization's current challenges and opportunities, the barriers to change within it, and how you can realize the current and future potential locked up in your business.

- Rapidly prototype the technology-enabled solution.
- Determine the commercial viability and business feasibility, while exploring the end-to-end experience.
- Determine what works and what doesn't work, prove the potential, demonstrate the vision, and begin to plan for change.

5 Industrialize

And finally, it is time to bring the solution to market—effectively and profitably.

- Adopt and operationalize the strategy.
- Monitor the strategy with KPIs, critical success factors (CSFs), and any other significant criteria.
- Establish the right governance to manage and monitor performance, tracking, and value realization.
- Provide the oversight to help drive effective change and organizational adoption and usage of the solution.

Summary and additional resources

Organizations that understand their customers' real needs are in the best position to consistently deliver value. Customer knowledge is key to removing major service barriers and dramatically improving the experience for customers. With digital capabilities that let your employees orchestrate the resources of the organization, they will be able to scale customer engagements for even more impact. Furthermore, when you have the means to turn new insight into intention, you can significantly improve business performance. By centering your enterprise technology strategy on value, you can help ensure that you have an iterative and sustainable approach for consistent delivery and endurable success.

Microsoft and our partners would be pleased to work with you in your digital transformation. Your Microsoft representative can help connect you with the right people and resources.

Find fresh business perspectives

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Microsoft ESP excels at addressing complex business challenges through the application of Microsoft technologies. Drawing on unparalleled expertise with the Microsoft portfolio, ESP practitioners—often in partnership with Microsoft partners—can apply unique insight and experience to help customers improve business performance. They use a proven, multi-disciplinary approach for consistent delivery, focusing on accelerating business value and outcomes-based solutions while supporting successful technology-enabled business change.

Learn more at **microsoft.com/goesp** or contact **goesph@microsoft.com**.



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