

What does digital transformation means for the future of local businesses?

By [Tony Walt & Kevin Pillay](#)

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Modern businesses know that digital transformation is no longer a "nice-to-have", but rather a "have-to-have" if they want to survive. This is why many businesses have started investing extensively in their transformation journeys in the last few years.

How far along the process these organisations are is another matter, but there can be no doubt that businesses are going to need to prioritise their digital transformation as an imperative if they want to continue to be relevant in a constantly evolving landscape.

The challenge facing most organisations is finding a profitable pathway between long-term sustainability and investment into solutions that will allow for growth and scalability.

The juggle between staying in business and staying relevant has never been more complex. Harnessing the capabilities of digital has become critical as it allows for the organisation to compete for customer attention and differentiate from the noise, but it comes at a cost. However, which cost is higher – being left behind or managing the bottom line?

In an environment where the pace of change is rapid – and getting faster as the rate of technological advancement increases – the digital transformation has the power to act as an enabler and help businesses transform more quickly. In effect, then, the technology used to drive digital transformation is the horsepower that allows the engine to speed up and respond agilely to this change.

The speed of this evolution is increasing the magnitude of processing power, bringing down the cost of computing and making it more accessible, which indicates that all companies are effectively going to have to become software-powered to remain competitive.

Making the move towards being software-powered

Being software-powered means essential business processes are driven by software, as opposed to people – and in a software-powered future, companies are going to need to reimagine the business model and processes to ensure that they can streamline and support the fundamental operations of the organisation.

Cloud, which can deliver computing services over the internet, has changed the playing field significantly. This is especially the case within South Africa, now that the local infrastructure and connectivity challenges are being addressed. For those that want the benefits of digital without the heavy hardware investment, the cloud mitigates many of the challenges for cost and investment.

Hybrid cloud is proving to be an effective solution for businesses pursuing digital transformation. It combines private cloud, public cloud and on-premises infrastructure and shares data and applications between them. This enables



Tony Walt, chief solutions and operating officer at Internet Solutions.



agility and fluidity, as well as the ability for organisations to scale their computing resources and IT infrastructure according to their business needs – with economies that make sense for the business model. Kervin Pillay, chief technology officer at Internet Solutions

Changing the face of traditional competitors

Introducing solutions such as hybrid cloud to facilitate the move to becoming a software-powered, digitally transformed organisation present another interesting shift in the business landscape: businesses crossing the traditional boundaries of the sectors they operate in and, as such, needing to become agile enterprises to adapt to the pace of change. Telcos, for example, are branching out into financial services and vice versa – all facilitated by technology, which is lowering barriers to entry.

What this all means is that an organisation's biggest competitors are no longer the traditional players in that industry. Being software-powered means businesses can play in different spaces much more easily than in the past. This is going to become increasingly common.



Source: pixabay.com

The ability to adapt to this new norm is going to require a change in how businesses fundamentally approach what they do. Businesses typically strive to be learning organisations when it comes to adopting software and technology, when in fact they should be focusing on becoming more of a “teaching” organisation to “teach” the Machine Learning and AI “bots” what needs to be done in a software-powered world.

This will result in significantly different and non-traditional skills. Ultimately, people are going to have to be cross-functional to ensure that businesses can truly become teaching organisations.

The fact that businesses need to implement these kinds of changes indicates that digital transformation requires an entire ecosystem to be achieved – and that once businesses have begun investing in their digital transformation to make the move towards becoming software-powered companies, they will be able to streamline their business models and processes to become more agile.

Ultimately, digital transformation must be tied to a strategy and allow for the organisation to optimise those processes that fit within this strategy. Random investments will do little more than add unnecessary bulge to the budget. Technology must do something for the business and it must be integrated throughout the business.

ABOUT THE AUTHOR

Tony Walt, chief solutions and operating officer; Kervin Pllay, chief technology officer at Internet Solutions (IS)

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