Leading in a
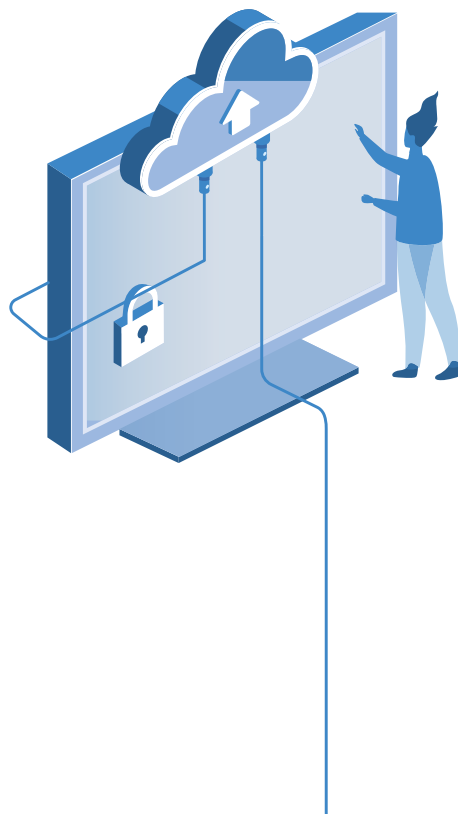# **Digital-First World**

Enabling success with the right mindset, ecosystem and trust

Table of contents

Foreword

The tectonic plates of our world are shifting!

As we dawn into a new world, we see ourselves at the threshold of reimagining a new future. A future we are fast forwarding at warp speeds into hyper-connectivity with heightened digital adoption across industries.

For me, personally, I see digitalisation as an exponential growth catalyser for enterprises, economies and ecosystems. We are already witnessing signs of huge shifts with digital adoption fuelled by the recent pandemic. These trends will further mature and push the world into immersive interactive environments, enormous advancements and interdependency. Increasing people power of individuals and enterprises will bring forces forward raising voices about privacy concerns and governance. As a result, I am certain security and trust will become an even more critical topic, as will sustainability, with climate change gaining centre-stage.

To thrive in the new world order, responsible enterprises need to evolve in their digital transformation. It is essential to assess the scale of digital adoption and affinity among enterprises today and help them realign their business strategy and resources. A digital future forward is a must!

Interestingly, our research report, as the name suggests, '**Leading in a Digital-First World; Enabling Success with the Right Mindset, Ecosystem and Trust**' highlights three aspects. First, the digital-first advantage for enterprises of how they enhance experiences and innovations. Second, the hyperconnected ecosystem that is enabled by connectivity and collaboration to deliver productivity and efficiency. And third is digital trust whereby technology will assist in developing a sense of security in digital interactions across employees, customers, partners and suppliers.

Within this, we are witnessing interesting trends in the revenue growth of digital first adopters. However, despite the tremendous digitalisation over the past year, we still see pockets of digital adoption worldwide. Through this report, we sought to better understand usage patterns to categorise enterprises based on their digital transformation journeys, in addition to defining a digital maturity model, empowering enterprises to fast-track with agility.

Digital Trailblazers, Digital Migrators and **Digital Aspirants** are the three evolution stages helping enterprises understand how far they have embedded digitalisation within their ecosystems.

Enabling enterprises swiftly adopt secure and integrated digital customer experiences, we developed the Secure, Connected Digital Experience proposition which is fast becoming the cornerstone of new ways of business. Such transformations within enterprises are a journey, inducing digital behaviours across an enterprises' ecosystem to help it advance to the next level of productivity and efficiency. I believe digitalisation will become the value generator for enterprises as we collectively embark into a new world.

To affinity, adoption, agility and acceleration...

Amur S Lakshminarayanan
Managing Director & CEO
Tata Communications

Executive summary

Crisis can be a catalyst for innovation. The Covid-19 pandemic forced businesses to overhaul traditional operating models and adapt to a new environment. Confronted with rapid change, many businesses have raced to establish a digital-first operating model that connects employees, customers, partners and suppliers in a secure, seamless and trusted way.
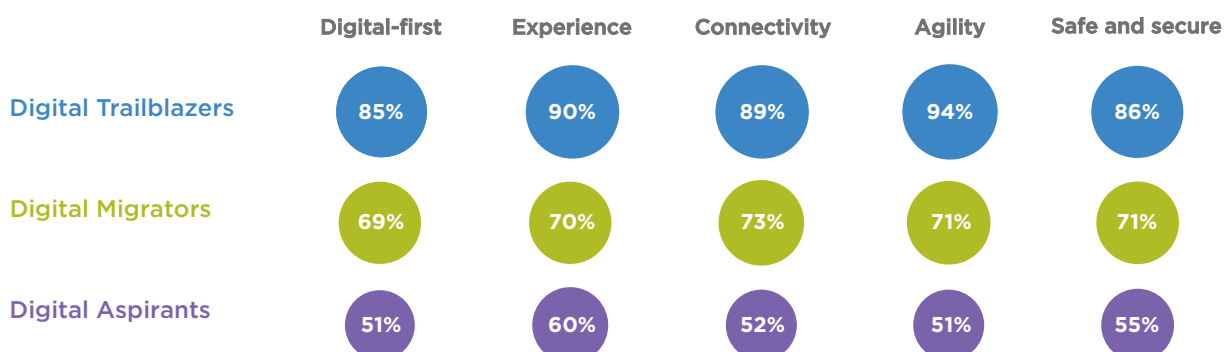
Some organisations have struggled with this transition, while others have made faster progress and are already benefitting from their digital advantage. In its global survey of 750 C-suite executives, conducted between February and April 2021, Tata Communications reveals how organisations are progressing towards becoming digital-first organisations – and why the leaders are performing better than the rest.

The research highlights three distinct groups of organisations who have had varying degrees of success with their digitalisation programmes:

- **The Digital Trailblazers**, which have established mature digital-first operating models

- **The Digital Migrators**, which have made partial progress to digitalisation

- **The Digital Aspirants**, which are still at the early stages of the journey

Where do the Digital Trailblazers outperform their rivals?

1. Digital Trailblazers consider all aspects of operations

The Digital Trailblazers have invested not only in advanced digital platforms, but also in the skills and strategies that allow them to exploit the opportunities of new technology.

They also understand the importance of safe, secure and trusted interactions with every stakeholder connecting with the business.

The areas where Digital Trailblazers outperform Digital Migrators and Digital Aspirants include:

- **Digital-first capability:** The Digital Trailblazers have optimised their processes to take advantage of digital: 85% say they are highly successful at delivering a digital-first operating model for their ecosystem, compared with 69% of Digital Migrators and 51% of Digital Aspirants. Inevitably, some sectors have greater challenges here: transport and logistics, for example, often lag behind; financial services companies, on the other hand, typically do better.

- **Quality of user experience:** 90% of Digital Trailblazers provide high-quality digital experiences for their customers, employees and business partners, far ahead of Digital Migrators and Digital Aspirants. The ability to collaborate across the ecosystem enables Digital Trailblazers to boost productivity, despite the disruption caused by Covid-19.

Digital Trailblazers versus the rest

More digitally mature firms outperform their peers

	Digital-first	Experience	Connectivity	Agility	Safe and secure
Digital Trailblazers	85%	90%	89%	94%	86%
Digital Migrators	69%	70%	73%	71%	71%
Digital Aspirants	51%	60%	52%	51%	55%

- **Business agility:** Of the Digital Trailblazers, 94% score themselves highly in delivering an agile operating model, compared with only 71% of Digital Migrators and 51% of Digital Aspirants. Their digital-first operating model allows these organisations to innovate and adapt faster than the competition, while allowing them to drive decision-making across the value chain much more quickly.

- **Business outcomes:** The Digital Trailblazers are much more likely to be achieving high levels of revenue growth than the Digital Migrators and Digital Aspirants. Despite the disruption caused by Covid-19, for instance, 63% grew their revenues in 2020, compared with just 33% of Digital Aspirants. Healthcare is a good example of this where 14% of companies in the sector are classified as Digital Trailblazers, compared with just under 10% of the sample overall. In line with this, 65% of healthcare companies grew revenues during 2020, compared with 44% overall.

Revenue growth was greater in 2020 for Digital Trailblazers

Digital maturity correlates to stronger returns for organisations globally

63%
Digital Trailblazers

51%
Digital Migrators

33%
Digital Aspirants
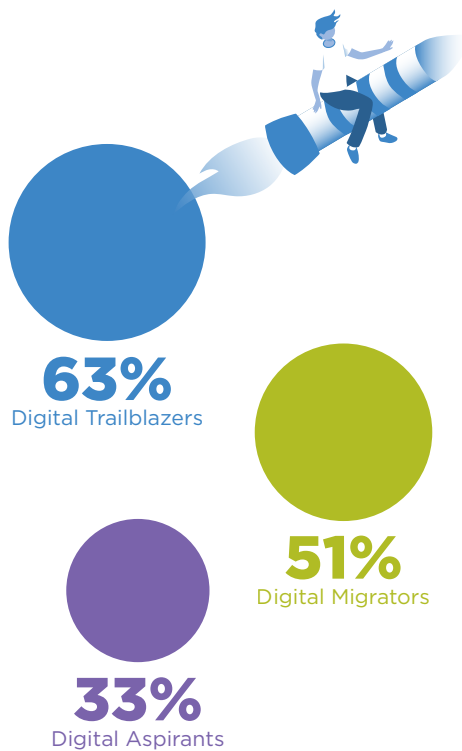
Share of organisations that reported revenue growth in 2020 (%)

2. Digital Trailblazers have a more connected ecosystem

In a borderless world, poor connectivity threatens productivity, so the ability to connect employees and stakeholders in a seamless and secure way – no matter where they are – is vital. In addition, new ways of working require companies to upskill their existing workforces.

Companies are disadvantaged if they cannot leverage the right platforms and skills to support the remote/hybrid work model: 45% of firms in the survey admit that employee productivity has been adversely affected as a result of unstable or weak connectivity platforms in their business.

The Digital Trailblazers are able to link together a complex ecosystem of internal departments, employees, suppliers, partners and customers in ways that are increasingly collaborative and productive. Almost all (90%) say they can deliver high-quality experiences to their customers.

3. Digital Trailblazers are more secure and trusted

Customers want to do business with companies in a safe and secure environment, and mature digital businesses understand the importance of establishing trust in the way they manage and exchange their data. Cyber security emerges as a top concern in the survey for all respondents.

Once again, the Digital Trailblazers show much greater progress in this area: 81% say they can access applications and data securely and legitimately from any location, compared with only 30% of Digital Migrators and 25% of Digital Aspirants. In general, automotive and healthcare do better on providing safe and secure access, whereas transport and logistics tend to lag behind.

The Digital Trailblazers are also better at handling trust across their ecosystems. For instance, they can handle their customer interactions in a safe and trusted way: 74% are successful in establishing secure and trusted relationships with customers, compared with just 28% of Digital Migrators and 23% of Digital Aspirants. Meanwhile, 75% of Digital Trailblazers are able to successfully establish secure and trusted digital interactions with their partners and suppliers, compared with just 23% of Digital Aspirants.

Who are the Digital Trailblazers?

Digital Trailblazers are marked out primarily by their size and the number of external partners they work with.

The majority are very large companies – 78% had turnover of at least $20 billion in the past year, compared with just 7% of the overall sample – and 74% work with more than 500 partners, compared with 14% of the overall sample.

There is also a greater prevalence of Digital Trailblazers in developed markets, such as the US, the UK, Japan and France. And from a sector perspective they are most commonly represented in healthcare, automotive and banking.

How we assess digital maturity

In this report, we assess the characteristics and performance of companies at different stages of the journey to becoming digital-first organisations. Our findings are based on an international survey of 750 senior executives.

We asked respondents to score their organisations' progress and capabilities in three areas:

1
How mature are they in delivering a digital-first operating model?

2
How successful have they been in creating a hyperconnected ecosystem?

3
How successful have they been in ensuring safe, secure and trusted interactions across the ecosystem?

Our analysis of the research identifies three groups with different levels of digital maturity and performance:

The Digital Trailblazers
Companies with the most advanced digital operating models, connectivity platforms and strategies that ensure secure and trusted operations.

These are the companies that scored the overall performance of their digital operating model either 9 or 10 out of 10.

The Digital Migrators
Companies that have already digitalised many areas of their business, but still need to improve in several areas of digital capability.

These are the companies that scored the overall performance of their digital operating model either 7 or 8 out of 10.

The Digital Aspirants
Companies that are still at an early stage in digitalising their operating models.

These companies scored their digital operating models 6 or less out of 10.

About the research

The survey included a range of sectors: automotive, banking, financial services, healthcare, insurance, IT and IT-enabled services, manufacturing, retail, travel and aviation, and transport and logistics.

The markets it covered were: Austria, France, Germany, Hong Kong and China, India, Japan, the Nordics, Singapore, Switzerland, the United Kingdom, and the United States.

Acknowledgements

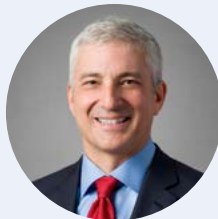Thank you to the following experts for the insights they gave us in interviews:

Nikhil Batra
Associate Research
Director, IDC

Que Thanh Dallara
Chief Executive,
Honeywell Connected
Enterprise

Anil Rai Gupta
Chairman and Managing
Director, Havells India

Eric Hansotia
Chief Executive,
AGCO Corporation

Vineet Jaiswal
Chief Digital Officer,
JSW Group

Duncan O'Rourke
Northern Europe
Chief Executive, Accor

Ajay Vij
Chief Information Officer
and Head of Supply Chain
Management, Fortis Healthcare

The digital-first advantage

The digital-first advantage

The Covid-19 crisis sped up many companies' race to go digital. The idea of digital transformation had been popular for at least a decade, but progress was hindered by disparate approaches to digital strategy. The Covid-19 crisis changed this.

Companies that relied for years on in-person transactions suddenly found themselves in a frantic scramble to digitalise. Now, more than a year on, it has become clear that the way ahead will demand more from the digitalisation programmes being drawn up.

Transformation programmes expected to take years to implement were truncated and rushed into action. This approach has delivered mixed results: 46% of the Digital Migrators in our survey say they have had limited success in digitalising their physical operations over the past year. A similar proportion say that a lack of digital readiness left their organisation struggling to properly service customers.

A minority of the companies in our research have proven to be much more adept at handling change. These are the Digital Trailblazers, which have taken a digital-first approach to running their businesses. Unlike the less digitally mature companies in our research, the Digital Trailblazers have been pursuing a digital strategy for several years. When the crisis came, their investments in digital strategies and strong communication networks helped to ensure their success and resilience. Not only have these companies emerged from the crisis in a position of strength, but they are also taking the steps required to dominate their industries in the post-pandemic world.

The Digital Trailblazers go digital-first

If there is one factor that characterises the Digital Trailblazers, it is their comprehensive plans to re-engineer every aspect of their business as a digital-first organisation.

In the survey, 85% of Digital Trailblazers report the highest levels of success in delivering a digital-first operating model for their ecosystems. This compares with 69% of Digital Migrators and only 51% of Digital Aspirants.

Being digital-first means rethinking every aspect of your operating model in three ways:

1. A clear strategy for transforming every aspect of the business – technology systems, people and processes.

2. The digital-first business leverages platforms that enhance experience, communication and collaboration between employees, customers and business partners.

3. The digital operating model is designed to be safe and secure, ensuring trusted interactions with all stakeholders.

There is a big difference between shifting a few traditional processes online and redesigning the entire operating model to be digital-first.

A lot of organisations start by trying to replicate legacy processes, and it is a piecemeal approach. Many of these companies are still running their core businesses on pre-digital policies and the old ways of working. This substantially reduces their opportunity to drive real innovation and value from the adoption of digital technology.

Such a far-reaching transformation is not easy – particularly for traditional brick-and-mortar companies that were not born digital. However, the rewards are too compelling to ignore.

Big benefits for digital-first organisations
Companies with an advanced approach to digitalising their businesses have emerged from the pandemic with some powerful advantages. As the table below illustrates, their digital-first operating model underpins the Digital Trailblazers' success in other areas that are vital to running a competitive and agile business.

These leaders consistently outperform the less digitally mature companies in the survey when it comes to:

- The ability to be more agile in responding to new market opportunities or threats in their ecosystems

- Delivering more advanced connectivity by leveraging platforms for customers, employees and business partners

- Better digital experiences for customers, employees and business partners that foster collaboration

- Strategies that ensure a safer and more trusted business

Digital Trailblazers: a digital-first mindset

Success reinventing processes for a digital-first approach as opposed to digitalising in silo

75% Digital Trailblazers
30% Digital Migrators
25% Digital Aspirants

Digital Trailblazers are more effective than others on business-critical matters (% effectiveness)

Proficiency in digital elevates businesses across the board

- Digital Trailblazers   - Digital Migrators   - Digital Aspirants

Digital-first
(whereby each critical interaction can be delivered digitally)

85%   **69%**   **51%**

User experience
(how customers and partners would rate the experience of interacting digitally with your organisation)

90%   **70%**   **60%**

Connectivity
(whereby multiple stakeholders in a deal/operation/ process/project are able to establish contact with each other seamlessly)

89%   **73%**   **52%**

Agility
(interactions can be initiated and progressed swiftly when needed)

94%   **71%**   **51%**

Safety and security
(The security and privacy of users and to ensure trust)

86%   **71%**   **55%**

What is a digital-first strategy?

Digital transformation needs a clear and comprehensive vision. That seems obvious, but a lot of companies have been taking a piecemeal approach to going digital.

For example, almost half (47%) of Digital Aspirants admit to having a patchwork of different digital strategies and processes across their organisations, rather than a cohesive strategy and digital platform. "Digitalisation, in my opinion, only works if you have been preparing as a digitalised organisation," says Anil Rai Gupta, Chairman and Managing Director of Havells India, an electrical products company based in India. "You can't just become digital-first in one month."

A digital-first strategy is not just about creating an advanced network to deliver digital connectivity. It is also about how this can be combined with technologies that drive efficiencies, such as artificial intelligence (AI). It includes having the right technologies and policies to support a workforce that increasingly needs to be able to work anytime and anywhere. And it requires the use of digital to establish better channels of communication and collaboration with the wider ecosystem of customers, suppliers and business partners (see Section 2: The Hyperconnected Ecosystem).

The research shows how vital this kind of strategy is to remaining competitive in the post-pandemic world: 41% of survey respondents say that without a shift to digital-first operating models over the course of the pandemic, they would have lost significant market share.

Yet half of executives in the survey do not have full confidence in their organisation's strategy to deliver a digital-first business. That will need to change if more organisations are going to remain competitive with the Digital Trailblazers in their industry.

"Digitalisation, in my opinion, only works if you have been preparing as a digitalised organisation"

ANIL RAI GUPTA,
CHAIRMAN AND MANAGING DIRECTOR OF HAVELLS INDIA

Do not neglect your people and culture

Companies also need to invest in their people – or risk wasting their digital technology investments. One-third of executives in the survey say that a lack of digital skills is one of the biggest issues holding them back.

"A lot of firms don't have the right people," says Vineet Jaiswal, Chief Digital Officer at JSW Group, an Indian industrial conglomerate.

What skills are they lacking? Important skills gaps to address include training employees to get the most out of new digital tools, and helping them to set up or support digital interactions.

Skills are a key issue to address

People and skills are just as important to consider as technology

32%
lacked relevant skills/experience internally to design and plan adjustments for digital-first interactions

32%
faced challenges helping employees get the most out of new digital tools

31%
faced fundamental challenges adjusting to "work from anywhere set-ups" and collaboration with industry

31%
had difficulties integrating the complexity of their business/supplier/partner ecosystem

Fortunately, some firms indicate that they are willing to make a serious investment in the improvement of skills to drive performance. About one in three identify as their three most important performance drivers going forward:

- Upskilling talent to manage a greater aspect of digital operations

- Improvements to organisational culture

- The prioritising of skills that align with their broader digital strategy

Addressing the skills gap goes beyond investing in tools and training. For one, success with digital will only come about when there is a digital culture. Research from McKinsey, for example, finds that a quarter of firms report a culture afraid of risk and experimentation as the biggest challenge to digital success.[1] This highlights how execution of carefully planned digital strategies depends on cultural leadership.

Companies also need to use technology in a way that enhances employee welfare and engagement: 45% of companies in the survey say that without the right tools and systems to support new ways of working, they risk employee burnout in the longer term. A third of companies also intend to improve their organisational culture by delivering improved connectivity for a distributed workforce.

[1]https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/the-strategy-and-corporate-finance-blog digital-success-requires-a-digital-culture

## The Digital Trailblazers improve users' digital experiences

Organisations with a digital-first strategy and culture in place can also provide better user experiences. Digital-first organisations deliver better-quality interactions not just to their customers, but also to their employees and business partners. In the survey, 90% of Digital Trailblazers claim success in offering a better-quality user experience, compared with 70% of Digital Migrators and only 60% of Digital Aspirants.

The ability to deliver an exceptional customer experience is one of the most powerful ways that a digital-first strategy can help companies win and retain customers. Unfortunately, a lot of firms are falling short in this area: only 46% of CEOs and COOs in the survey think that their organisations are strong at offering a high-quality user experience across the value chain.

As we have seen, the Digital Trailblazers have developed digital-first operating models, where investments in advanced technology are combined with innovative processes and the ability for teams to collaborate in a seamless, secure and highly productive way. In the next section, we look at how these advantages extend to the way Digital Trailblazers can collaborate across the extended business ecosystem.

Digital maturity boosts user experience

Trailblazers drive better experiences for customers and partners in their ecosystem

90% — Digital Trailblazers

70% — Digital Migrators

60% — Digital Aspirants
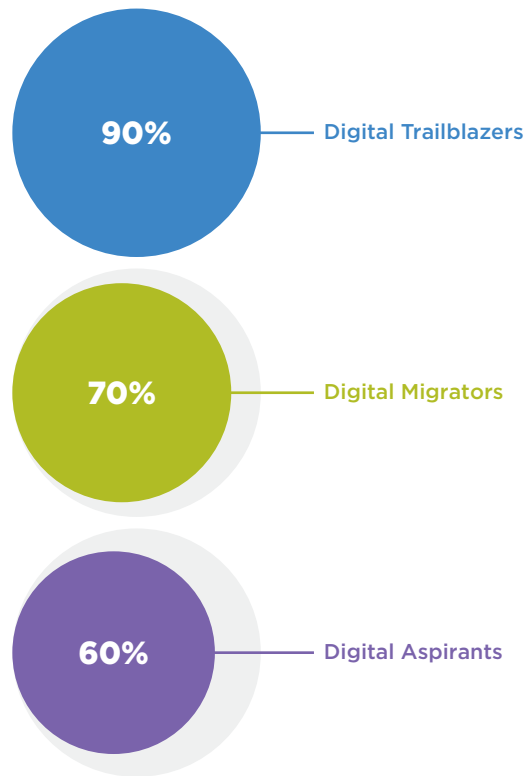
Becoming digital-first: The Tata Communications perspective

In a digital-first organisation, digital is at the core of organisational strategy. This entails a transformation of the entire operating model and has implications for organisational structure, culture, and mindset. This approach requires an agile operating model, an organisational structure that helps break silos through cross-functional teams, and a workforce that is skilled with various digital tools and platforms. Adopting an agile cross-functional approach is not easy and this change needs to be led by not just IT leaders but the other business leaders in the C-suite as well.

A digital-first approach is also underpinned by IT agility and requires an IT infrastructure that is agile, scalable, and secure. A lot of organisations we work with have accelerated their IT infrastructure transformation efforts through multi-cloud adoption, internet-first network strategy, and zero-trust architectures.

Another critical enabler of a digital-first approach is the right digital skills. Almost one-third of executives surveyed by Longitude on behalf of Tata Communications say that lack of digital skills is the biggest challenge hampering their progress. As the competition for digital skills heats up, businesses will need to re-evaluate their talent strategy and leverage the larger ecosystem of technology vendors and expert partners to address these skill gaps. As CIOs navigate this transition, they need an IT ecosystem strategy that can help realise the full potential of new technologies and enable digital partnerships and agile operating models.

Case study: Havells India digitalises its value chain

A digital-first approach has been vital for Havells India, an electrical goods company in India. Operating at the centre of a retail ecosystem, its well-designed digital channels and processes have been developed over many years to improve the experience of its customers.

Havells India has also developed a digital strategy to help solve some of Covid-19's challenges for the tens of thousands of small businesses and direct dealers that depend on the firm. "We are one large business, but there are many small businesses associated with us," says Anil Rai Gupta, Chairman and Managing Director.

One of Gupta's priorities over the past year has been to ensure that every transaction in its ecosystem is digitalised to allow businesses to make and receive payments despite lockdown measures.

"Ninety percent of our orders from our distributors and dealers were already handled online before the crisis – but there was still a physical system of order input from small retailers to our distributors," says Gupta. "During the crisis, we digitalised the entire process with what we called the retailer app. Every order was placed on the app, and it was visible to the company, as well as to the distributor."

"Digital-first has evolved beyond an enterprise's IT strategy, pivoting now to delivering a powerful play between business growth, innovation and acceleration. We are witnessing technology becoming a true enabler of collective collaboration championed by cross-functional leaders. A digital culture must be intentional and influence the enterprise to embrace agility, experimentation, risk-tolerance and collaboration with a relentless focus on its stakeholders' experience."

SRINIVASAN CR, CHIEF DIGITAL OFFICER AND HEAD CLOUD, HOSTING, SD-WAN AND SECURITY, TATA COMMUNICATIONS

The hyperconnected ecosystem

The hyperconnected ecosystem

Companies around the world have had to make an almost overnight transition to remote working and digital channels. It is hard to overstate the scale and speed of the change: before the pandemic, Americans spent 5% of their working time at home; by spring 2020, that figure had risen to 60%.[2]

Hybrid working is here to stay. A recent survey of thousands of US citizens and employers concluded that the average employee would like to work from home almost half the time. And employers, impressed by the benefits of having a workforce that can work anywhere, at any time, are adapting.[3] For example, 43 of the UK's biggest employers (out of 50 firms questioned) have said they will embrace a mix of home and office working, with staff encouraged to work from home two to three days a week.[4]

"Most companies are going to have to think about some hybrid work environment, and you need the right connectivity technology to support that," says Que Thanh Dallara, Chief Executive of Honeywell Connected Enterprise.

When it comes to hybrid working, many benefits have been identified, but it is also placing a strain on many organisations' ability to support communication and collaboration between employees, customers and partners. Some companies have had to patch together solutions for remote teams and shift physical processes to digital channels. Others fared much better, using digital-first tools and practices to shift their physical processes online and get distributed teams collaborating more effectively.

Hybrid working is one issue that requires companies to invest in connectivity. But the challenges extend beyond communicating between people. Increasingly, digital organisations need to connect to the Internet of Things (IoT): a vast number of embedded sensors and machines that are used to capture data, or to automate and optimise key business processes. This trend is set to accelerate, with the global market for IoT solutions set to explode: research suggests the value of the IoT sector will reach $1.4 trillion by 2027.[5]

IoT solutions proved vital for some organisations during the crisis. Companies have used sensors and connectivity technologies to monitor and run factories in their supply chains, at a time when sending people to visit was not an option.

The very best companies, as represented by our Digital Trailblazers, are using state-of-the-art digital resources to provide better ways of working across a complex ecosystem of employees, partners and employees.

The hyperconnected ideal

This brings us to the hyperconnected ecosystem. An ecosystem encompasses all the interactions that need to take place across your organisation's value chain: between employees, from the business to its customers, and with the business's suppliers and business partners.

It is important here to think beyond the traditional office roles that are often associated with remote working. Needs vary by industry – think of the different connectivity tools that might be required to support doctors and nurses, versus restaurant workers, or engineers operating in the field. And it is not just about connecting people. As mentioned above, many businesses now depend on a constant flow of data from millions of sensors that are part IoT.

A truly hyperconnected ecosystem has the ability to support the needs of the full workforce, allowing them to communicate and collaborate from anywhere and at any time, with the support of a dependable network.

In our research, we investigated how close Digital Trailblazers, Digital Migrators and Digital Aspirants are to achieving this vision. And once again, the Digital Trailblazers substantially outperform the less-mature companies. For example:

- **They are connecting the workforce:** 79% of Digital Trailblazers score themselves highly for their ability to connect stakeholders in the ecosystem so they can work collaboratively and productively on common goals. Only 23% of Digital Aspirants and 31% of Digital Migrators say the same.

- **They are collaborating across the ecosystem:** 79% of Digital Trailblazers score themselves highly for providing good digital collaboration tools for engaging with external partners and suppliers, compared with just 21% of Digital Aspirants.

- **They are boosting productivity:** Nearly half (45%) of survey respondents overall say that their firms lost productivity during the crisis due to problems staying connected. By contrast, Digital Trailblazers achieved a productivity boost: 67% report productivity improvements since the pandemic began. The impact on productivity has been less severe for Digital Trailblazers, with just 33% blaming unstable network conditions as the reason for any hit on productivity they have suffered, while 47% of Digital Aspirants place the blame on networks.

Digital Trailblazers do acknowledge that they still have areas of improvement: 38%, for instance, say there are fundamental challenges in adjusting to an anytime, anywhere way of working. However they are more likely to have deployed the platforms, processes and digital-first strategy they need to address these challenges in the long term. By investing in advanced connectivity solutions, these firms are already delivering improved collaboration and productivity right across the value chain.

Three steps to the hyperconnected experience

In practice, many organisations need a plan to help them transition from a patchwork of legacy networks and point solutions to the kind of hyperconnected, agile and responsive operations that will drive success for the organisations of the future. Here are three key steps they can take:

1. Extend connectivity to support work anytime and anywhere

At its best, a modern network combined with tools like Microsoft Teams allows people to interact securely and without friction. However that experience is radically undermined as soon

as the network becomes unstable, and audibility problems, screen freeze and dropped connections are frustratingly common for many. Just under half of the organisations in the survey say their employees have experienced significant connectivity problems when working remotely.

If these impaired experiences become business as usual, productivity and collaboration could be seriously damaged as organisations embrace hybrid working. Companies need to provide connectivity that goes far beyond the boundaries of the traditional workplace. They need a platform that is sufficiently robust and future-proofed to support anytime, anywhere work practices across the entire ecosystem of employees, customers and business partners. With the right platform in place, teams can focus on getting the job done – rather than simply trying to get themselves heard.
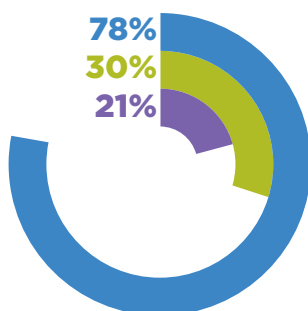
2. Don't just communicate – collaborate

The ability to communicate is just the first step towards creating a hyperconnected ecosystem, and it is not enough to simply cooperate across teams to get tasks done. The goal is to drive more collaboration and creativity between employees, customers and business partners across the value chain.
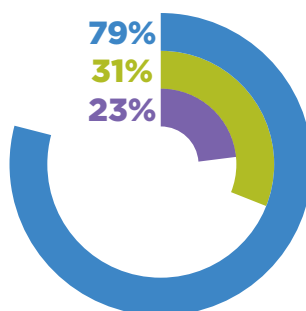
Connectivity drives productivity

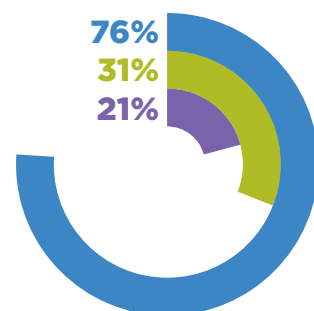■ Digital Trailblazers ■ Digital Migrators ■ Digital Aspirants

Enable workforce to work productively from anywhere	Connect stakeholders to drive productively	To provide effective digital collaboration capabilities for all your employees and teams
78%	79%	76%
30%	31%	31%
21%	23%	21%

This includes helping teams within the organisation to collaborate on ideas, documents and visualisations in real time during meetings. However it is also about collaborations with customers, suppliers and business partners outside the organisation.

Over half of all companies in our survey agree that collaboration with other businesses has become more important as a result of the pandemic, but this is an area where a lot of organisations struggle.

For example, 46% of Digital Aspirants say their organisation is siloed from its external partners because they lack common digital engagement models. This drops to 38% for the Digital Trailblazers in our survey, which are more confident about their ability to collaborate with business partners thanks to their investments in improved tools for digital collaboration. The smaller gap in success between these two groups is a sign that accelerated change as a result of the pandemic in 2020 was driven by all, but there is still some way to go.

Network connectivity remains a challenge for many

Workforce has encountered network connectivity problems

48%
Agree

52%
Disagree
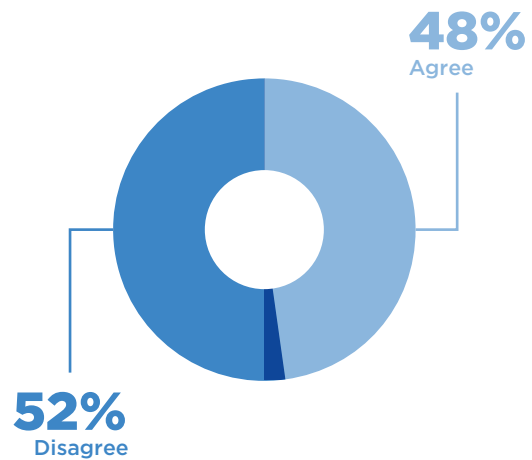
3. Train teams to collaborate digitally

Technology is the foundation that enables hyperconnectivity across the ecosystem, but it is not enough to change how we work for the better.

The most effective teams will be confident using a range of collaboration tools, and their companies will have trained them in how to make the best use of new technologies. For example, the sales team is trained to make a real impact using virtual selling techniques, or managers in how to run meetings that encourage respect and open participation across a remote workforce.

At the organisational level, it is important to set the right policies and protocols to encourage secure and productive communication and collaboration across the enterprise. It is the bedrock of a digital culture that drives a successful digital strategy.

The research shows how important it is for organisations to hyperconnect their ecosystems. It is more than just getting the right technology in place. It means updating their strategies for communication and collaboration to support the new ways of working – between employees, with customers and with a complex value chain of suppliers and partners. It is also vital that these interactions are secure and trusted – a topic we turn to in the next section.

Hyperconnected ecosystems: The Tata Communications perspective

A hyperconnected ecosystem really means connecting people, data, and assets, anywhere, anytime. The success of a hyperconnected ecosystem is dependent on enhanced agility, resilience, and efficiency across the entire value chain. Connectivity is a foundational enabler of this ecosystem as employees, partners, customers need fast, secure, and reliable ways to connect to the enterprise.

However, digital leaders go beyond connectivity and focus on creating compelling experiences that are based on an ability to communicate, engage and collaborate anytime, anywhere, across any channel. These experiences in turn drive employee productivity, customer engagement and loyalty, and supply chain efficiencies. We believe that these experiences are enabled by an integrated approach where intelligent multi-channel communications and collaboration platforms are delivered as-a-service and collaboration and network transformations are all underpinned by a robust security foundation.

How two companies connected their ecosystems

Connected agriculture at AGCO Corporation

For US-based agricultural machinery manufacturer AGCO Corporation, connectivity is a huge issue in an industry where millions of farmers work in remote rural locations. "There are still large parts of the world, especially in the farming business, where connectivity is a problem," says CEO Eric Hansotia. "The machines can communicate, but there's no network to be able to carry those transmissions."

AGCO recognised this problem early on, with Hansotia leading the company's push into smart farming solutions, and responded by building connectivity solutions into AGCO's products.

"We believe connectivity is a really big deal, because there are more and more areas where real-time feedback is important," says Hansotia. "We have all of our large agricultural equipment – tractors, combine harvesters, sprayers, and so on – leaving the factory with all the technology they need to be connected."

Hospitality goes digital at Accor

Digital is also transforming the hospitality industry. For hotel group Accor, a journey in transformation that began five years ago around mobile technology has helped to create the best possible experience for guests who check in to the company's hotels. A digital check-in service now operates across the company's network of hotels, allowing 280,000 employees in 110 countries to engage with customers.

"It's about offering a different experience to our guests," says Accor Northern Europe Chief Executive Duncan O'Rourke. "It's about speed, it's about efficiency, it's about staying relevant, it's about guest experience. We know guests will increasingly seek light-touch hotel experiences. With this augmented hospitality, we're set to drive that forward."

"Digitalisation is fuelled by a hyperconnected ecosystem enabling man, machine and materials to allow seamless collaboration and productivity across an enterprises' stakeholders – customers, employees, partners, and vendors."

"An integrated approach to digital infrastructure helps bring all facets together – connectivity, communication and collaboration, all underpinned by a robust security foundation."

MADHUSUDHAN MR, EXECUTIVE VICE PRESIDENT, COLLABORATION AND CONNECTED SOLUTIONS, TATA COMMUNICATIONS

Trust in the digital domain

Trust in the digital domain

Recent years have seen trust become a major issue for the digital economy. There are three main reasons for this:

First, cyber crime surged during the Covid-19 crisis because bad actors were looking for ways to exploit vulnerabilities in companies' rapidly expanding digital ecosystems. Technology market analysis firm Canalys has reported that 30 billion data records were stolen in 2020 – more than in the previous 15 years put together.[6]

Second, the penalties for data breaches are increasing. Regulations impose steep fines on companies for failures to ensure that their stakeholders' data is safe and secure. GDPR, for example, imposes a maximum fine of €20 million or 4% of annual global turnover – whichever is greater – for infringements. In the EU, €272 million of fines have been imposed for a wide range of GDPR violations, according to international law firm DLA Piper.[7]

Third, regulation may provide a 'stick' to encourage organisations to invest in data security and privacy, but there is also an enticing carrot: customers, employees and investors are attracted to businesses they trust. And as organisations seek to accelerate and improve processes across their digital ecosystem, trust and security become vital to ensure that business transactions can flow without friction.

Trust and the Digital Trailblazers
Trust is another key area where the Digital Trailblazers markedly outperform the Digital Migrators and Digital Aspirants.

- **They have trusted access for customers:** About 3 in 4 (74%) Digital Trailblazers are confident in their ability to deliver safe and secure connections and experiences to all their customers – a figure that drops to 28% for Digital Migrators and 23% for Digital Aspirants.

- **They provide trusted access for employees:** 81% of Digital Trailblazers say their employees have safe access to data and applications from any location. This compares with just 30% for Digital Migrators and 25% for Digital Aspirants.

- **They have safety controls across the ecosystem:** Three-quarters (75%) of Digital Trailblazers are confident that they can deliver secure and trusted interactions with partners, compared with 31% of Digital Migrators and 23% of Digital Aspirants.

- **Their businesses are more resilient:** Meanwhile 94% of Digital Trailblazers express confidence in their ability to continue business-as-usual in the face of major disruption, compared with just 57% of Digital Aspirants.

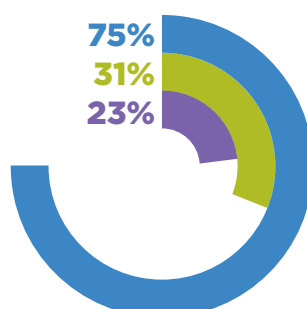### Digital Trailblazers are trusted
For both their workforce and stakeholders, trailblazers are more successful on trust

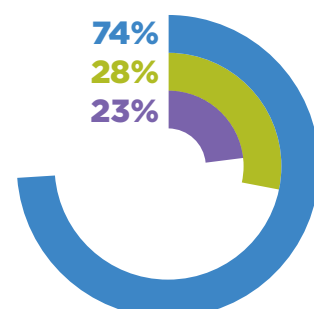Digital Trailblazers · Digital Migrators · Digital Aspirants

Workforce can access apps and data securely
81% / 30% / 25%
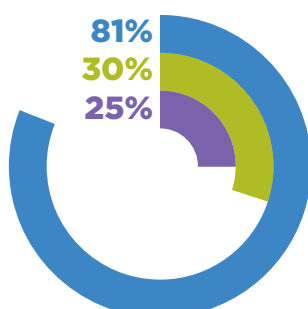
Establish secure and trusted interactions with partners
75% / 31% / 23%

Establish secure and trusted interactions with customers
74% / 28% / 23%

Taken together, these advantages allow Digital Trailblazers to benefit from rapid digitalisation of the business model, while defending themselves against rapidly evolving cyber threats and protecting their stakeholders' personal data.

Cyber security is a priority for improvement

The Digital Trailblazers outperform on digital trust issues as they do in other areas of the research. However, even the Digital Trailblazers agree that as hybrid working evolves, and as cyber threats increase, this will be an area for continued investment and improvement.

For example, just under half of all respondents (49%) indicate that cyber security is by far the most important area of the digital strategy for their organisation to continue to improve.

One priority for improvement relates to securing end devices in a 'work-from-anywhere' environment. For now, only 48% of survey respondents agree that there has been sufficient investment in cyber-security solutions and practices to ensure the safety of end devices and home networks for employees.
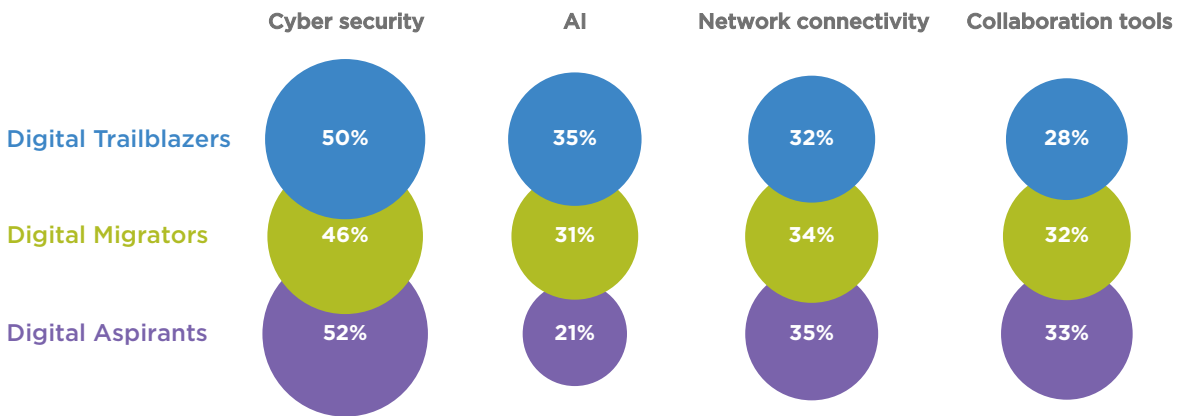
Fortunately, investment in securing end devices is expected to rise rapidly in the next two years. "By 2023, we expect the budgets for software-defined, secure access solutions to quadruple, as flaws in legacy VPNs [virtual private networks] and remote access solutions, for example, become more illuminated by this massive work-from-anywhere migration," says Nikhil Batra, Analyst at marketing intelligence firm IDC.

The Digital Trailblazers are more likely than other companies to be working to improve digital safety and security for their employees. In the survey, this group say that improving digital trust in a work-from-anywhere environment is their top priority for making changes to the organisation. By contrast, this is only the seventh most important priority for change among the Digital Aspirants.

The ability to assure trusted relationships and interactions across the ecosystem is vital to the success of any business today. This is a priority as organisations embrace hybrid working, while also adapting to a constantly evolving mix of cyber threats and regulatory demands. This is yet another area where the Digital Trailblazers will have a competitive advantage in the years ahead.

A top development priority: cyber security

To secure their future, organisations are ready to prioritise development of cyber security'

|	Cyber security	AI	Network connectivity	Collaboration tools
Digital Trailblazers	50%	35%	32%	28%
Digital Migrators	46%	31%	34%	32%
Digital Aspirants	52%	21%	35%	33%

Cyber security is lagging despite being a priority

Respondents highlight significant weaknesses in cyber security despite placing great importance on it

■ Strongly disagree ■ Disagree ■ Neutral ■ Agree ■ Strongly agree

There has been sufficient investment in cyber security

- 2%
- 25%
- 25%
- 40%
- 8%
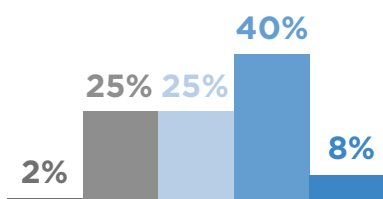
There is a robust system in place to vet ecosystem interactions

- 2%
- 19%
- 27%
- 41%
- 11%

21
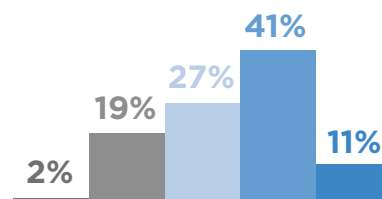
Digital trust:
The Tata Communications perspective

All business relationships are anchored in the concept of trust

Changes in strategies that prioritise 'digital-first operating models', 'secure remote workforces', and 'cloud and mobile driven customer engagement' are driving the digital trust imperative across the business value chain. Digital trust will influence experience across ecosystems, commerce, and governance in the digital era.

Multi-dimensional businesses have multiple critical relationships across customers, partners, and employees and will need to inculcate trust across the ecosystem by ensuring the privacy of user identity, security of data and infrastructure, data integrity, and risk mitigation. In today's digital-first environment, should trust fail across any of the elements or relationships, businesses will certainly lose money or even grind to a standstill in a worst-case scenario.

Trust is built on a strong foundation of risk management, security, and compliance, and on top of it sits the C-suite skills to ensure it has become corporate culture. Enterprises need to adopt a pragmatic approach on implementing cybersecurity practices to enable and sustain digital trust. Examples include building a trust zone, intelligent analytics-driven SecOps, and establishing a managed security framework for controls mapped across user, entity, access, device, and threat.

Case study:
Fortis Healthcare

One organisation that has thought carefully about digital trust is Fortis Healthcare. The Indian operator of private hospitals oversees vast amounts of patient data – widely recognised as being among the most sensitive data sets of all. So when the pandemic prevented many patients being able to see their doctors in person, the organisation had to enable digital channels for healthcare services that were secure and robust. "The most important thing for us is to provide the most secure environment," says Ajay Vij, CIO and Head of Supply Chain Management at Fortis Healthcare.

Fortis began rolling out an enhanced information security strategy two years ago. This meant that when Covid-19 struck, the company had the right detection and monitoring tools to ensure safe and secure transactions with patients stuck at home as a result of lockdown restrictions. VPNs and multi-factor authentication and deep security were quickly deployed to vet who was accessing its networks, for example. It is a clear case of how a Digital Trailblazer operates, using cyber security to ensure experience of the highest standard is maintained for patients.

The company has also taken stringent measures to safeguard patient data being shared both internally and externally and make sure no data is leaked that could mistakenly identify a person. "We are ensuring that any form of data sharing is encrypted," says Vij. "We are identifying from different stakeholder perspectives which data needs to be masked. Even internally, we don't want to share personal data which does not need to be shared."

Despite being well-positioned to deal with the opening up of its networks as a result of the pandemic, Vij recognises that Fortis, like all other Digital Trailblazers, will need to do much more to evolve and ensure resilience. "With the new landscape that is coming, we are further strengthening our cyber-security measures," he says.

"Trust needs to be built and perpetually sustained. Hence, a 'set it and forget it' model does not apply. It requires continuous assessments and enhancements, and cybersecurity teams need to partner effectively with other functions to deliver on this core business value. Digital trust needs a strong enterprise security foundation."

AVINASH PRASAD, VP, MANAGED SECURITY SERVICES, TATA COMMUNICATIONS

Conclusion

Becoming a Digital Trailblazer

The past 12 months has accelerated digital transformation programmes. Many companies do not have the advantage of being born digital, so they have to transform themselves from a legacy business to a digital-first business. That is a major undertaking: it requires advanced technology capability and platforms, and investment in the right digital strategies, culture and skills.

The Digital Trailblazers in our study are already far ahead in this shift, but how can the others catch up? To remain competitive, they must:

Commit to a digital-first operating model
The real benefits of digital transformation require organisations to go far beyond shifting some business processes online. They need a coherent digital operating model that over time reimagines every core channel, process and service offering in order to take full advantage of the digital opportunity.

Build a hyperconnected ecosystem
It is not enough to move communication online. And it is not enough to be good at enabling collaboration between employees while relying on legacy processes to interact with your customers or suppliers. Being hyperconnected means delivering high-quality, secure and frictionless collaboration for the workforce of the future across the entire ecosystem.

Put security and trust at the heart of the digital business
Trust is the bedrock of productive collaboration between business, customers and suppliers in the digital value chain, and customers will seek out businesses they can trust to protect their data.

As cyber threats and regulatory demands continue to evolve, being a Digital Trailblazer means staying vigilant and investing proactively in the policies and technology that will keep all stakeholders safe.

The current shift to digital-first operating models is a defining moment in the evolution of business. Success will determine which organisation thrives in the world of hybrid working and which organisation rapidly falls behind. The sooner organisations start to accelerate their journey up the digital maturity curve, the more likely they are to emerge as Digital Trailblazers of a new era.

Find out how organisations in India, APAC, Europe and North America plan to become digital-first.

Explore regional reports

TATA COMMUNICATIONS

TATA COMMUNICATIONS