DIGITAL-FIRST BUSINESS SUCCESS IS BUILT ON A STRONG INFRASTRUCTURE ECOSYSTEM FOUNDATION

Author:

Mary Johnston Turner

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Digital-First Business Success is Built on a Strong Infrastructure Ecosystem Foundation

Introduction

Digital-first business strategies are driving the fundamental reinvention of many industries and business processes. Organizations around the world are harnessing data-driven analytics, automation, mobility, and opportunities for widely distributed connectivity and collaboration to change the ways they operate and deliver value to customers.

For many organizations, the first steps in the transformation journey focus on streamlining and automating selected processes or introducing standalone DevOps initiatives — often enabled by hyperscale public cloud services. While these initiatives prove the value of digitization, they stop short of fundamental business transformation. They may improve business productivity but don't fuel the creation of new value.

Industry leaders are now going a step further to rewrite the basis of competition and fully leverage technology to reinvent their businesses and implement new digital-first business strategies. They want to take full advantage of breakthrough innovations including AI/ML, big data, 3D and advanced visualizations, blockchain, remote and hybrid work from anywhere solutions, and DevOps cloud-native software innovation, including software-defined infrastructure and advanced cloud services. Simultaneously they want to harness the power of high-performance computing, mobile services, and IoT — all while maintaining high levels of performance, security, and compliance.

AT A GLANCE

KEY STATS
- By 2026, IDC expects 40% of total revenue for G2000 organizations will be generated by digital products, services, and experiences.
- 80% of organizations believe digital infrastructure is important or mission critical to enabling digital business goals.
- 81% of organizations expect to partner with vendors and service providers for operations and infrastructure support.

KEY TAKEAWAYS
Global enterprises need savvy digital business transformation partners with global reach, complementary capabilities, and insight into the specific technologies, data, automation, and operational challenges facing their industry.

These new digital-first business efforts are reinventing customer experiences, changing the way people work and collaborate, and offering opportunities to drive revenue, reduce costs, and improve sustainability. At the same time, they are creating a new set of security, compliance, and management challenges that require organizations to adopt intelligent, automated, software-enabled approaches to digital business and IT operations.

The investments needed to achieve comprehensive digital business transformation are significant. They typically require multi-year commitments to modernizing infrastructure, applications, and data platforms coupled with a shift towards integrated shared services operations, often described as cloud operating models. Beyond core technology upgrades, IT,

line of business, and software development leaders recognize that the ways they collaborate to define policies and KPIs need to evolve to create more agile organizations that can exploit digital innovations to their fullest potential.
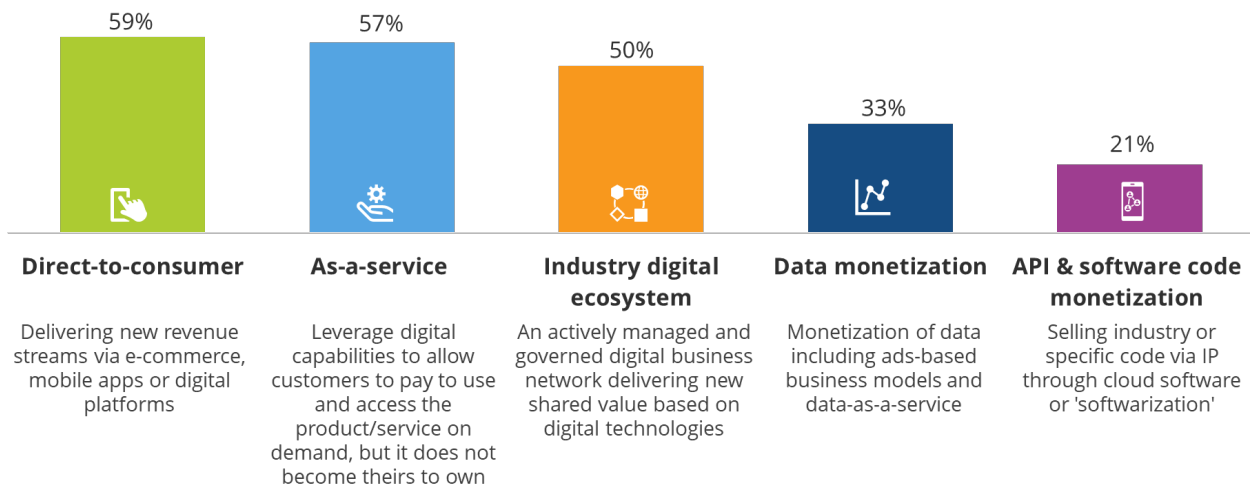
For most organizations, the process of becoming a digital-first business can be complex and challenging. Partners with deep expertise in operating model, infrastructure, and business transformation are needed to accelerate these efforts and drive fulfillment of the promise of digital business. This paper discusses the opportunities afforded by digital-first business strategies support by modern, automated, intelligent infrastructure. It also discusses strategies to collaborate with digital-first strategy and infrastructure partners and considers how Orange Business Services (OBS) is equipped to assist global enterprises make this journey successfully.

Digital-First Business Transformation is Powered by Autonomous, Resilient Digital Infrastructure

By 2026, IDC expects that 40% of total revenue for G2000 organizations will be generated by digital products, services, and experiences. These digital-first business initiatives will take many forms, ranging from the introduction of new direct-to-consumer solutions, to as-a-service offerings, to leveraging industry ecosystems, and monetizing data. (See Figure 1).

FIGURE 1
Top Priority Digital Business Models Worldwide

Q. Which of the following digital business models will be a priority for you and your board?

Direct-to-consumer	As-a-service	Industry digital ecosystem	Data monetization	API & software code monetization
59%	57%	50%	33%	21%
Delivering new revenue streams via e-commerce, mobile apps or digital platforms	Leverage digital capabilities to allow customers to pay to use and access the product/service on demand, but it does not become theirs to own	An actively managed and governed digital business network delivering new shared value based on digital technologies	Monetization of data including ads-based business models and data-as-a-service	Selling industry or specific code via IP through cloud software or 'softwarization'

Source: Worldwide CEO Survey, January 2022, n = 389, IDC #US48899122

All these initiatives depend on data, connectivity, security, and on-demand composable, scalable digital infrastructure that connect across datacenters, public clouds, edge, and campus locations and distributed mobile and IoT endpoints. In virtually every industry and geography, digital-first business leaders will apply AI/ML to vast streams of product, service, and customer generated data to create new data-rich assets that can be monetized as virtual offerings or as differentiated services and value-add solutions. Although still nascent for many organizations, the monetization of data will ultimately be vital to long-term success and differentiation (see Figure 2).

FIGURE 2

## Digital-First Business Monetization Opportunities
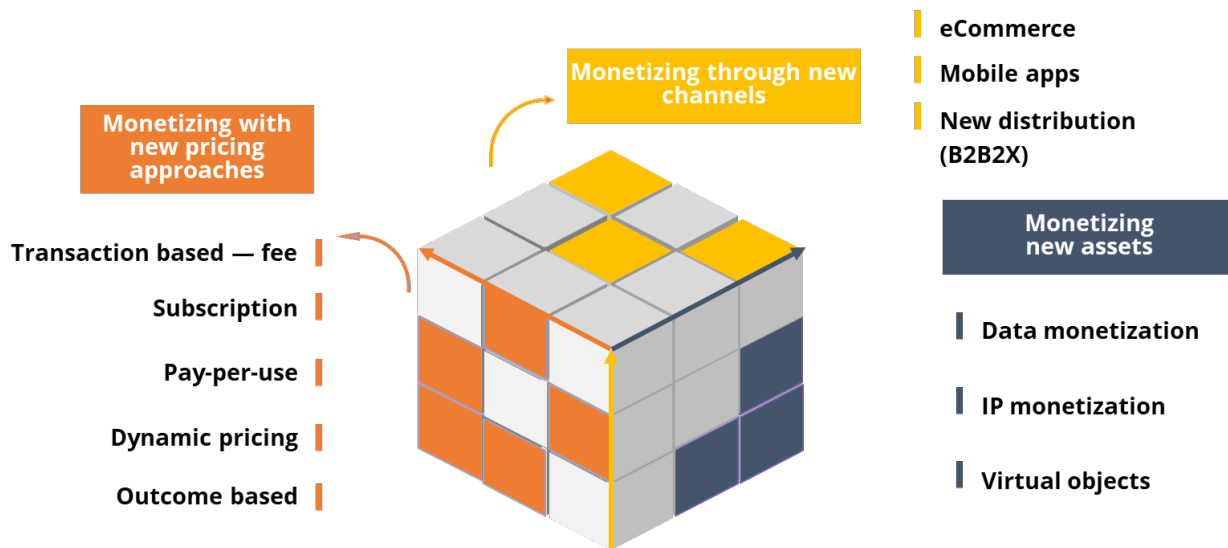
Source: Defining the Digital Business, IDC #US46842221, August 2022

IDC's Digital Infrastructure Resiliency Leadership Index assesses industry-wide levels of digital infrastructure technology and operational maturity enabled by robust digital infrastructure strategies applied consistently across datacenters, public cloud, and edge/campus resources. It reflects the powerful, positive business impacts that come from modernizing infrastructure and operating models simultaneously to help organizations better consume, scale, secure, and manage digital resources and user experiences.

This research shows that digital infrastructure resiliency leaders experience much higher annual rates of business process improvement when compared to less mature organizations. The top areas shown in Figure 3 include:

- Regulatory compliance improvement — 80% greater than less mature organizations
- Revenue and profit improvement — 67% greater than less mature organizations
- Cost reductions — 64% greater than less mature organizations
- Sustainability improvements — 49% greater than less mature organizations
- Digital business agility — 30% greater than less mature organizations
- Employee productivity improvements — 20% greater than less mature organizations

FIGURE 3

Digital Infrastructure Leaders Experience Highest Levels of Business Outcome Improvements
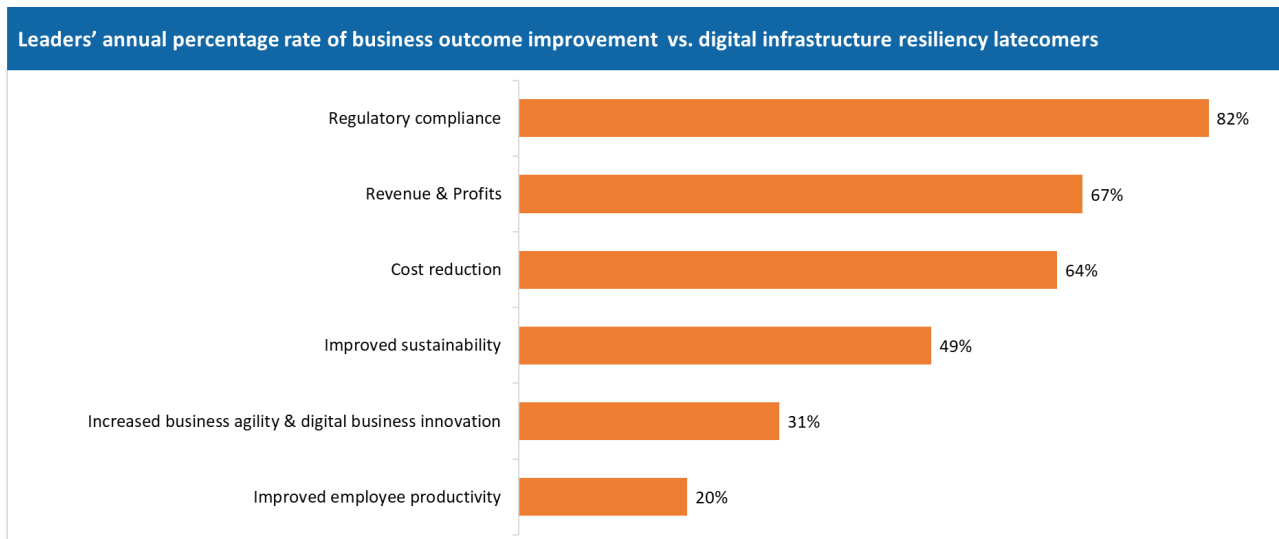
Source: Future of Digital Infrastructure 2022 Global Sentiment Survey, IDC, June 2022, n = 764 Enterprise size Digital Infrastructure Decision Makers — Worldwide

The Role of Infrastructure in Enabling Digital-First Business

IDC's Future of Digital Infrastructure research program has identified five critical dimensions that must underpin any successful digital-first business transformation journey. These dimensions consider migration to modern, composable, software-defined cloud platforms and services, adoption of intelligent, autonomous operating models, and proactive planning and design for handling vast new quantities of data and securely connecting to a myriad of endpoints and end users.

IDC Digital Infrastructure Resiliency Index leaders invest in critical technology enablers but, most importantly, position their priorities, policies, and operating models in the context of their top business outcomes. IDC's research shows that four key areas of digital infrastructure that have the greatest impact on business outcome improvements include the following (see Figure 4).

- **Autonomous Operations:** The ability of organization's digital infrastructure management and cloud operations teams, skills, processes, and tools to support future business needs by taking advantage of AI/ML enabled observability, software-defined automation, and policy driven operations.
- **Cloud Modernization:** Optimizing the deployment of production computing workloads and storage capacity across highly connected datacenters, public cloud, and edge using cloud-native containers and on-demand multicloud resources to ensure the best mix of performance, cost, security, and compliance. Connectivity is crucial to this data intensive, digital-first infrastructure environment.
- **Governance** to align spending and operations with business outcomes, policies, and KPIs. This includes such initiatives as adopting as-a-service consumption models, codifying security and compliance into automated DevOps and digital business workflows and

embracing the use of emerging security strategies including confidential computing, sovereign clouds, and zero-trust architectures.

- **Resiliency Readiness:** Proactive planning and design for secure, scalable, and high-performance infrastructure paired with operating model transformation to support new distributed edge, hybrid work, and data-intensive workloads over the next two years.

FIGURE 4

IDC Digital Infrastructure Resiliency Leadership Index Dimensions

Source: IDC 2022

There are many examples of new digital business innovations enabled by high performance data analytics, multicloud connectivity, and automation, including:

- **Improving customer engagement:** The consolidation and re-platforming of multiple customer-facing systems to be able to apply advanced cloud-based AI at scale across multiple customer experience databases and workflows. This type of innovation might enable greater levels of customer engagement, personalization, and cross-selling for organizations with multiple brands while simultaneously allowing the organization to more rapidly and cost effectively scale up infrastructure, improve and standardize security, and gain better, more fine grain insights into the quality of the customer experience.
- **Unlocking new data-driven as-a-service revenue streams:** For other organizations, the focus might be on enabling new types of digitized business services using remote

monitoring and usage tracking to offer as-a-service products and services or to provide higher levels of paid automated and proactive premium support services.

- **Radically improving employee and customer productivity:** Using predictive analytics and advanced automation to offer proactive self-service solutions and to improve the user experience with much more proactive self-healing and self-learning systems and supporting infrastructure. Edge and distributed cloud-based services might enable organizations to change where critical decision are made, streamline operational workflows, improve employee productivity, enable more customer and partner self-service, and reduce the complexity of many business processes.

Each organization will charter its own digital-first business journey depending on its industry, customer base, geographic coverage, and future business vision. For all organizations, the journey is likely to require partners that can help to accelerate and clarify digital business and digital infrastructure success strategies in ways that are collaborative and customized to the needs of the enterprise. Digital business programs and the cloud and digital infrastructure that support them, need to be fine-tuned and targeted to provide differentiated, high-value solutions and customer value. Infrastructure is no longer a commodity cost center. Rather, it is a strategic platform for digital business.

The Critical Role of Technology Partners and Ecosystems

IDC's research shows that worldwide, 81% of organizations expect to partner with vendors and service providers for operations and infrastructure support and modernization to achieve their business goals. They need partners that are more than just software development or cloud services experts. Rather, they need partners that can collaboratively facilitate ideation across business, IT, and DevOps leaders to align on a digital-first business vision — and then provide the deep technology expertise and ecosystem access needed to make the vision a reality.

The evolution of digital infrastructure platforms and services needs to be closely synchronized with changes to enterprise business solutions, go-to market-strategies, and customer priorities. Business leaders representing a wide range of functional areas including product development, sales, marketing, human resources, logistics, and others are increasingly dependent on data analytics, workflow automation, and online/remote/hybrid work strategies.

As a result, the ability of an organization to compete and grow is inextricably tied to the organization's ability to adapt and innovate quickly. Business agility involves much more than rapid software development and deployment; it also depends on the ability of the organizations to break down data silos, integrate and analyze diverse data formats and sources, protect data assets, maintain industry and governmental regulatory and data privacy compliance, and remain interconnected across customer, office, lab, factory, mobile, and home locations.

Failure to implement and maintain a scalable, dynamic, secure, and seamless interconnected digital infrastructure and cloud environment will result in an organization struggling to scale and innovate. Latecomers to digital infrastructure modernization and agility will struggle to optimize costs and to deliver on application and business process performance expectations.

For many organizations, this highly iterative and collaborative approach to working with technology, software development, and business strategy partners is a new experience. It represents a significant transition away from traditional, transactional models of engagement towards ongoing relationships that are outcome focused and centered around partner ecosystems (see Figure 5).

FIGURE 5

Partner Strategies Must Evolve to Focus on Business Outcomes and Partner Ecosystems
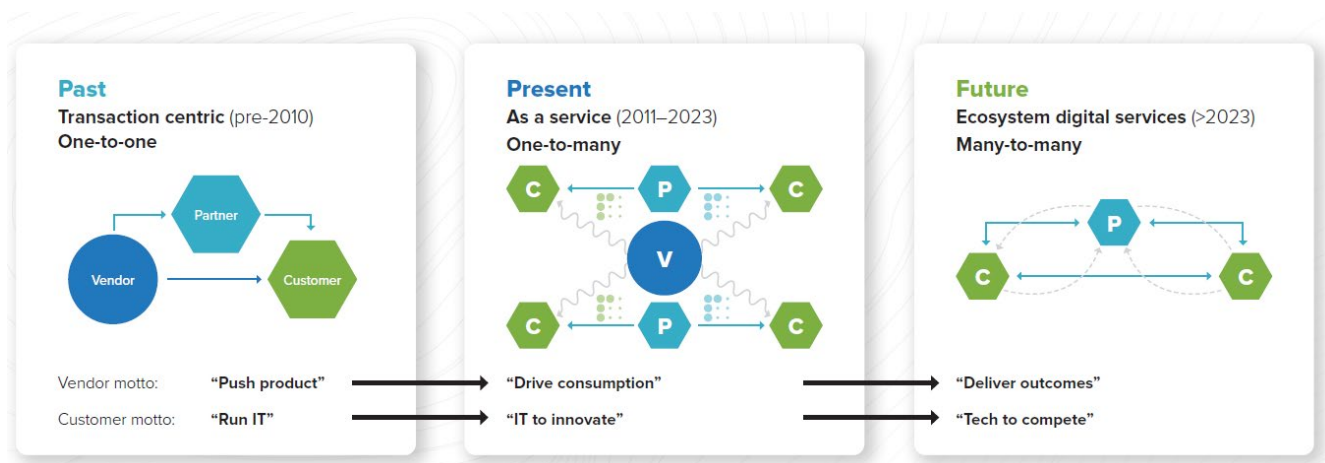
Source: The CEO Tech Agenda in a Digital-First World: Ten Strategic Imperatives, IDC #US46996021, June 2022

By shifting the focus away from individual transaction-based deals focused on specific features and functions, enterprises are better able to emphasize the business outcomes and KPIs that matter and then identify the enabling piece parts. In most cases, the full vision will depend on an ecosystem of well-integrated partners to provide the right mix of:

- Business vision
- Software development
- Big data AI
- Connectivity and composable infrastructure
- Edge and IoT platforms
- Observability and automation
- Security and compliance
- Operating model transformation
- Industry-specific technologies

To effectively participate in an outcome-focused, transformation partnership, enterprises should consider where they currently have gaps in terms of expertise but should also consider how they will structure the effort to bring together all the relevant internal stakeholders. Digital business and infrastructure transformation efforts that are undertaken by individual IT or DevOps or line of business teams are almost certainly doomed to fail. Any one team is likely to overlook critical considerations that are priorities for others. Often, security or compliance becomes an afterthought that slows or even derails projects at the 11th hour. In other cases, one group may

be unaware of the existing business relationships, API integrations, and third-party service agreements already in place.

Organizations that want to work with transformational partners to achieve comprehensive future proof infrastructure and digital business agility should consider:

- The partner's business expertise and insight specific to your business.
- The partner's processes and track record for building vision and facilitating collaboration across complex organizations.
- The partner's leadership role and investment in vendor-agnostic ecosystems. This should include strong relationships with multiple hyperscaler cloud providers, datacenter and edge platform providers, and industry leading ISVs.
- Expertise in designing and optimizing the performance of highly distributed and connected environments, including strong multinational telco integrations.
- Composable, software-defined architectural design and implementation experience.
- Operating model transformation capabilities including expertise related to observability and business and IT process automation.
- Data and infrastructure security, protection, and recovery expertise.
- Global resources and ongoing support capabilities.

For large, multinational enterprises, selecting partners that have an active ecosystem with comprehensive global coverage and interconnection agreements already in place will help to simplify and streamline complex worldwide initiatives.

Considering OBS as a Global Digital-First Business and Technology Partner

OBS offers global digital business customers a portfolio of on-demand services designed to turn digital complexity into business opportunities. Every project is approached with an explorative mindset and bespoke team. OBS offers clients a highly collaborative co-discovery process, focused on surfacing priorities across IT, Cloud, Development, and LOB teams. Once OBS has assisted the company in the ideation and strategy phase of the journey, the team is available to continue the working relationship through the architectural and operating model design stage, supporting migration efforts and providing ongoing operations and support on a global basis.

Over the last several years, the company has invested aggressively in both acquisitions and organic growth to assemble its Evolution Platform, a robust set of global capabilities in cloud, connectivity, and security that includes tools, operating models, and in-house expertise from across the OBS organization, as well as global partners. The OBS Evolution Platform is designed to ensure clients can implement and continuously operate on-demand composable, scalable digital infrastructure that enables innovation while assuring sustainability across today's digital landscape.

Key aspects of the Evolution Platform are:

- **Digital consulting**: OBS consultants assess the organization to understand its current stage of digital transformation, what challenges need to be overcome, and what goal the organization wants to achieve. OBS's 700+ business and technology consultants worldwide help the client to define a long-term transforming roadmap, orchestrate the right set of actions, and craft a plan for the best way to deliver quickly.
- **Multicloud optimization**: OBS's 2,400 cloud experts are available to work with the client's key stakeholders to design and execute the right mix of cloud applications, data, and operational capabilities that best fit and complement the client's assets for its enterprise. OBS is available to continuously optimize multicloud spending and operations. Certified partnerships with cloud experts AWS, Google, and Microsoft Azure ensure seamless integration.
- **Cloud networking**: OBS offers robust cloud hyperscale co-location peering capabilities from the OBS telco cloud platform, its global B2B backbone dedicated to businesses. By combining the expertise of 2,400 cloud experts and 5,500 SD-WAN connectivity experts, OBS can manage workloads inside hyperscaler infrastructures, including Azure virtual WAN Managed Service Providers. Support for AWS WAN is coming soon.
- **SASE**: OBS provides design, implementation, and support for modern security architectures optimized for highly distributed global networks. OBS brings the skills of 2,500 cybersecurity experts as well as deep partnerships with industry leading SD-WAN and cloud security leaders.

Ecosystem partners play a critical role in the OBS approach. The company has developed a robust ecosystem of 50+ world-leading partners that support tested integrations and shared operating models across a community of hyperscaler, infrastructure hardware providers, and software developer leaders. The company has also bolstered its in-house staff roster of experts and proven methodologies in recent years with a number of acquisitions including Basefarm, a European player in cloud-based infrastructure and services, The unbelievable Machine Company (*um), a big data, data sciences, and cloud hosting specialist, and Login, a provider of new virtual desktop infrastructure capabilities and infrastructure management services

In addition, as part of the global Orange S.A. telecom family of companies, OBS brings clients deep expertise in areas related to telco network services and interconnection, software defined network architectures, SASE, distributed edge and campus connectivity, and multicloud hyperscaler services interconnection. OBS holds over 500 certifications including global strategic collaboration with Microsoft Azure and Office 365.

OBS has designed its engagement model to meet customers where they are and work with them to create effective business outcomes while positioning the organization for near-term digital business evolution and innovation.

The company consistently brings an emphasis on operating model transformation and security and compliance improvements to all its engagements, as its experience with organizations around the world highlights the critical need to transform operating models and increase the use

of automation and observability. Examples of areas where recent engagements with OBS have helped clients achieve digital business goals include:

- Launching or expanding new digital business offerings
- Reducing the time required to deploy or update critical applications
- Assuring global governance of IT and regulatory compliance in every country
- Driving employee satisfaction with better digital experiences
- Developing a business continuity plan
- Rapidly detecting and responding to cyberattacks
- Managing digital infrastructure and cloud services costs
- Improving overall IT operational efficiency

As digital-first business becomes more distributed and data intensive, OBS continues to invest in technology, automation, best practices, and strong ecosystems for end-to-end cloud networking simplification and digital business innovation. OBS recognizes that cloud and associated digital infrastructure resources provide vital platforms for digital business. OBS has invested in developing reference architectures and operational best practices that can help clients accelerate time to value. OBS pairs its technology architecture, deployment, and operational expertise with digital business consulting and advisory services focused on the client's specific use cases and industry conditions.

Challenges

Global digital business innovation is a multi-year journey, and each customer makes its own unique business decisions. Many organizations have limited experience with developing effective vision, KPIs, and implementation plans collaboratively across IT, Cloud, DevOps, DataOps, and LOB teams. It can be challenging to align schedules and priorities and to create the level of corporate-wide urgency and funding support that is needed for these types of transformational programs to be effective.

Like many digital transformation and digital infrastructure design consultants and partners, OBS needs to navigate the landscape of existing customer relationships, contracts, and technology preferences. It also needs to continue to build out deep relationships with industry-specific technology providers and experts and continue to integrate the people and capabilities provided by several recent acquisitions. While OBS can offer its clients a recommended set of infrastructure and cloud platforms and software partners, the company needs to continue to broaden its ecosystem and to build up strategic relationships with industry-specific ISV, big data, and edge platforms around the world. As digital-first business initiatives drive more and more revenue, it will be vital to extend digital-first ecosystems to include industry-specific applications and SaaS providers, AI algorithms, monetization partners, and online distribution channels and marketplaces.

Conclusion: Next Steps for Digital-First Business Leaders

IDC's research shows that engagement with strategic digital infrastructure ecosystems and partners has never been more important to the overall success of digital-first business strategies. Across all industries, the current economic, social, and political headwinds continue to put pressure on organizations to move quickly and efficiently, even as they struggle to recruit and retain staff and drive innovation to disrupt the status quo.

As a result, over 75% of organizations tell IDC that they expect strategic vendors and partners to provide greater levels of day-to-day assistance across the full lifecycle of planning, implementation, and operations.

Partners can be particularly important for global and large regional organizations that are looking to accelerate large scale digital-first business programs in tandem with modernizing infrastructure, improving security, and reinventing operating models to be more automated and outcome driven. The widely distributed organizations typically need to maintain integrations between existing legacy systems and newer DevOps and public cloud services while ensuring consistent configurations, change control, audit reporting, and compliance. At the same time, they need to make use of telco and hyperscaler cloud services from different vendors in different parts of the world, all while keeping the existing business up and running and introducing complex yet mission critical new capabilities.

FIGURE 6
Digital-First Business Transformation Runs on Secure, Connected Digital Infrastructure
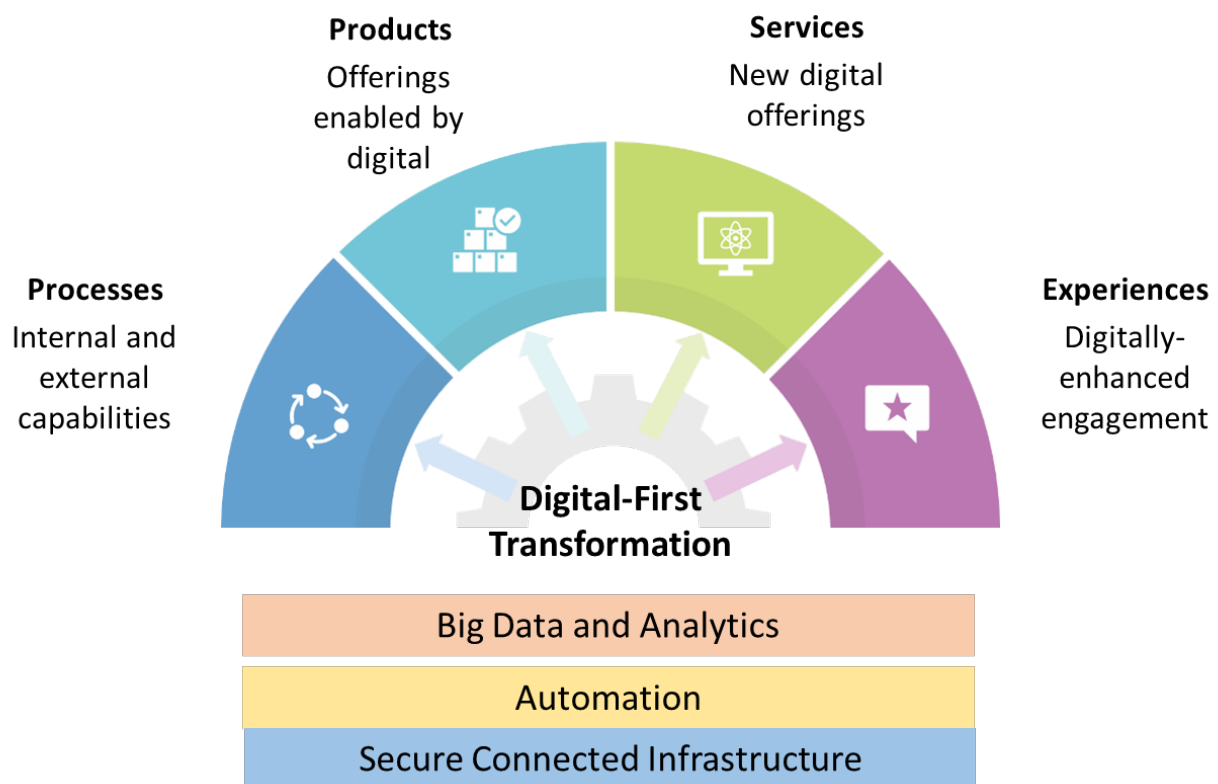
Source: IDC 2022

Lessons learned by digital business leaders around the world highlight a number of important elements that need to be incorporated into digital-first business and infrastructure transformation strategies. As is illustrated in Figure 6, these include:

- Starting with a collaborative effort to define goals, outcomes, challenges, and digital business transformation opportunities. Engage across IT, Cloud, DevOps, DataOps, security, and line of business personas. Recognize the collaboration needs to address processes, products, services, and experiences and consider the role that data, AI, automation, and connectivity will have in transforming the business.
- Aligning IT and infrastructure architectures and operating models with mission-critical business outcomes and KPIs. Ensure that architectures are designed to support the composable integration of new cloud services, computing, storage, and edge platforms, and advanced analytics and automation. Design digital infrastructure for security and resiliency from day one.
- Having the right talent is table stakes to survive in the next phase but automation, observability, and policy driven software-defined operating models can go a long way towards helping enterprises maintain their capabilities despite high rotation of personnel.
- Select partners based on their ability to help overcome future shocks/pressures. Consider new types of partnerships with access to modern architectures, operating models, and consumption offerings. Establish a healthy relationship built on trust with providers that can help you to deliver resiliency and scale across the business.

To remain competitive in the digital-first business era, organizations of all types will need to architect, deploy, operate, and scale highly resilient, secure, automated infrastructure that allows them to take full advantage of cloud services, advanced high-performance computing, cloud-native platforms, and DevOps innovation. It needs to be agile and secure and designed for full compliance and performance SLAs. Enterprises should evaluate potential partners based on their ability to collaborate proactively, focus on outcomes, and ensure that the organization has full access to the technologies and services needed to compete in emerging digital-first markets.

MESSAGE FROM THE SPONSOR

Digital-first business is on the rise; it is reinventing the way companies operate and deliver value. To succeed in this domain, customers need a solid digital infrastructure that acts as their supply chain.

With the Evolution Platform framework, we help them build their platforms by bringing together capabilities in cloud, connectivity, and security. This comes with tools, operating models, in-house expertise, and our ecosystem of world-class partners.

Evolution Platform also encompasses the transition and integration of legacy systems, making each customer unique and in need of tailored solutions.

Our goal is to ensure that our clients build a digital infrastructure that's scalable, responsive, and secure, driven by key outcomes for IT teams while directly supporting their objectives such as:

- Create ability to launch or expand new digital business offerings

- Reduce time to deploy or update critical applications

- Drive employee satisfaction with better digital experiences

- Detect and respond to cyberattacks faster and more effectively

- Improve operational efficiency of IT

For more information visit: https://www.orange-business.com/en/solutions/digital-transformation-and-business-services

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About the Analyst

Mary Johnston Turner, Research Vice President, Future of Digital Infrastructure

Mary Johnston Turner is Research Vice President Future of Digital Infrastructure, part of IDC's Future Enterprise research team. She analyzes how Enterprise IT and business strategies are taking advantage of ubiquitous, autonomous cloud infrastructure solutions deployed across dedicated data center and shared public service environments. Her practice emphasizes the voice of the Enterprise customer, based on surveys and in-depth analysis of best practices related to how Enterprises are changing the ways they source, secure, and optimize digital infrastructure solutions. Her research emphasizes consideration of how pay-as-you-go consumption-based subscriptions, cross-cloud control planes, and collaborative enterprise infrastructure governance models are enabling Enterprises to better align infrastructure investments with critical business outcomes and innovation priorities.

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IDC UK

5th Floor, Ealing Cross,
85 Uxbridge Road
London
W5 5TH, United Kingdom
44.208.987.7100
Twitter: @IDC
idc-community.com
www.uk.idc.com

Global Headquarters

140 Kendrick Street,
Building B
Needham,
MA 02494
+1.508.872.8200
www.idc.com

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