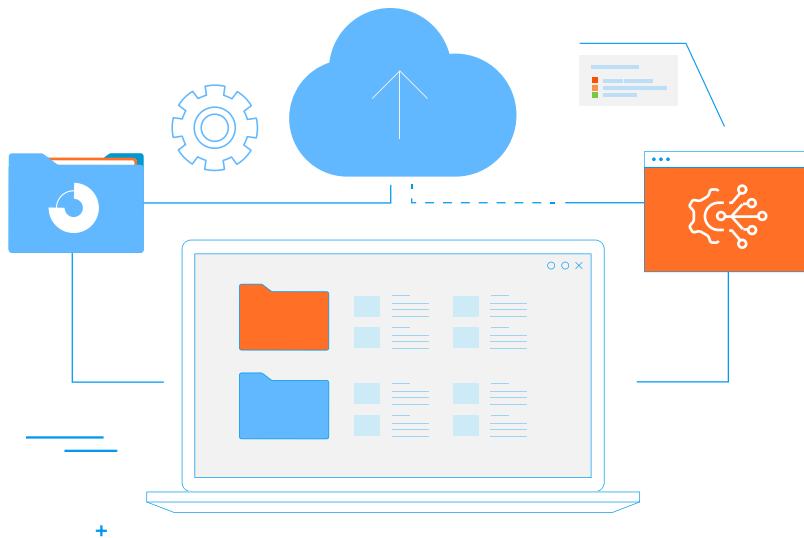


Looking Ahead for Business: The Digital-First Future



BMC's Vision

BMC envisions a future where technological, socioeconomic, and geopolitical trends converge to create opportunities in all industries. To succeed, every organization will need to follow the Autonomous Digital Enterprise (ADE) framework for business success. This perspective was developed through the collection and analysis of global research and published findings from several think tanks and analyst firms.



The Case for Change

Conventional wisdom says that companies must adapt or die. To meet today's rapid pace of change, supply-and-demand chain upheaval, heightened customer expectations, and security and compliance pressure, companies across industries are reinventing themselves around a focus on digital and analytics. Now more than ever, a "business as usual" mindset can lead to irrelevance.

Disruptive technology can dramatically change the market landscape for all businesses. As it has continued to evolve, technology has increasingly become a primary business driver and competitive differentiator. Its capabilities are now integral to anticipating, meeting, and even exceeding escalating business demands.

By adopting a digital-first perspective, established organizations can bring their financial stability, market share, and brand recognition to bear while yielding the innovation power of a start-up. This requires resourcing, organizing, and creating operational cadences around technology-enabled capabilities.

Digital-first companies:



Harvest and maximize the valuable data their organization produces to innovate for customers and optimize internal processes



Implement systems and processes driven by autonomy and agility to quickly pivot and address new markets as they arise



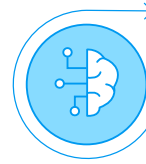
Expand their ecosystem of partners to provide faster and higher-quality innovation to customers



Find new solutions and avenues for revenue that leverage both digitally-enabled services and traditional products

Transformational Themes

Recent economic and cultural shifts, including those brought about by the pandemic, will continue. To prepare for a future of growth, companies must adapt, evolve, and reorient themselves to ensure their critical systems and technologies are prepared to deal with a changing landscape. This landscape will be driven by several themes that will have a major impact on the business model, directly influencing technology decisions in the near future.



1. The future of work

Automation, artificial intelligence (AI), and access to talent are fueling a significant shift in what we work on, who does it, and how and where it's done—changes that have greatly accelerated as companies move into a new, post-pandemic growth era. Organizations must now focus on the employee experience, talent mobility and generational shifts, and automation of the workplace.



2. Economic growth shifts

The pandemic interrupted many long-term economic growth and power trends, though some have since recovered. However, the longer-term world economy still faces potential resets and issues such as supply chain disruptions, labor shortages, and inflation due to the upheaval in consumption and work patterns. These economic shifts also include changes in the geopolitical environment. The ADE of the future will need the right technology, processes, and people to navigate in this restructured world. To that end, advanced economies across industries and around the world are experiencing the fastest recoveries and are expected to return to pre-pandemic forecast levels as early as 2023.¹

¹ [Global Economic Prospects](#), World Bank, January 2022.



3. Supply chain resilience

The pandemic revealed supply chain fragility around the world, amplifying the risks that companies face from outside influences such as labor issues, cyberattacks, extreme weather, and supplier disruptions. Optimized, resilient supply chains are a business-critical requirement. To address these issues, governments are intervening to help remove supply chain bottlenecks and businesses are pivoting, enabling scaling on demand, digital planning, and multi-supplier sourcing; leveraging data planners and data insights; and implementing robust cybersecurity, software development, and operational practices.



5. Unlocking the business value of data

Nearly every human and machine interaction leaves a data trail—an expected 181 zettabytes by 2025³—while only 15 percent of big data projects designed to maximize it successfully get off the ground.⁴ To effectively derive value from business data, organizations must enact changes that include establishing Chief Data Officers and formal data strategies and teams; adopting DataOps—the application of agile engineering and DevOps best practices to the field of data management; democratizing data to derive business intelligence; and integrating the edge and allowing artificial intelligence for IT operations (AIOps) to be applied across the IT stack.

² [Cybercrime To Cost The World \\$10.5 Trillion Annually By 2025](#), Cybercrime Magazine, November 13, 2020.

³ [Volume of data/information created, captured, copied, and consumed worldwide from 2010 to 2025](#), Statista, June 7, 2021.



4. Ever-increasing cybersecurity

Cyberattacks are the fastest growing criminal act in the U.S. and they're predicted to cost the world \$10.5 trillion annually by 2025.² To combat this threat, governmental organizations will continue advancing regulations and penalties for organizations that fail to comply with cybersecurity standards. Companies will need to modify their people, tools, and overall structures to address four trends: professionalization of cyberthreat actors; expanding enterprise attack surfaces; management of risk to third parties (such as software suppliers); and increased data and security regulations.



6. Socially responsible organizations

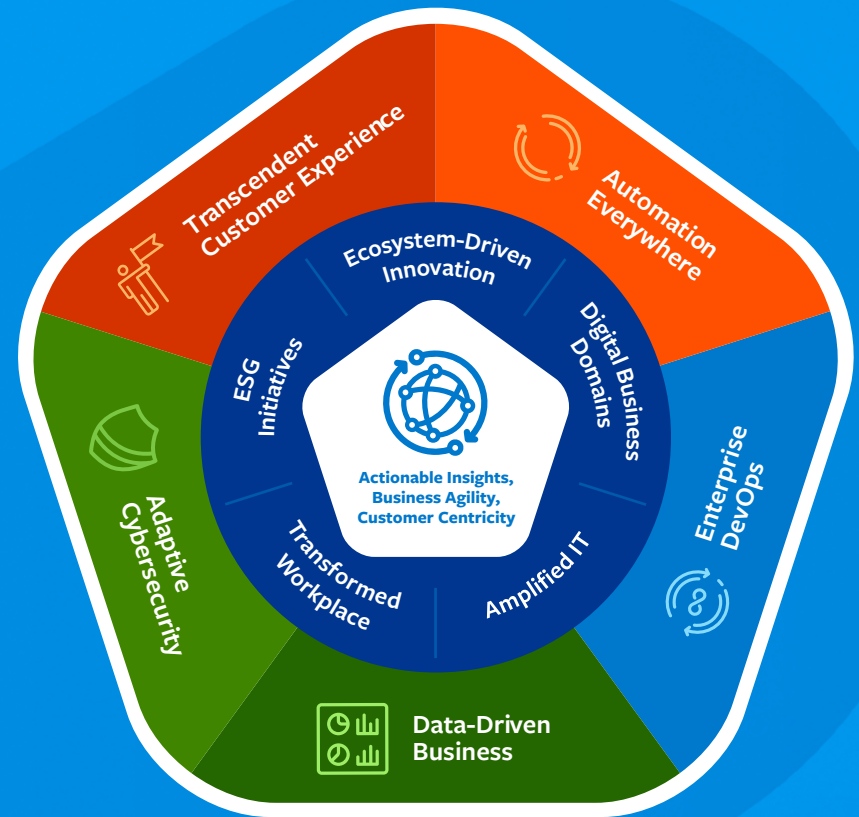
Environmental, social, and governance (ESG) programs and investments are on the rise. According to a PwC study,⁵ 91 percent of business leaders believe their company has a responsibility to act on ESG issues, and 86 percent of employees want their employer to get involved. However, around half of consumers think companies could be doing more on those issues. To demonstrate that they're not just making performative gestures, organizations will need to build a better posture around sustainability; include socially conscious decision makers among their management; bolster their diversity, equity, and inclusion (DEI) initiatives; and align on the convergence and standardization of ESG reporting requirements.

⁴ [Why 85% of Machine Learning Projects Fail—How to Avoid This](#), IIoT World, February 2021.

⁵ [Beyond compliance: Consumers and employees want business to do more on ESG](#), PwC, 2021

The Autonomous Digital Enterprise

The Autonomous Digital Enterprise is the framework for the successful future enterprise. It's a digital-first business with distinct tech tenets and operating model characteristics that support transformation through actionable insights, business agility, and customer centricity.





While most organizations today have embraced a digital-first approach, success is measured in the results. Successful ADEs are defined by these three key outcomes:

Actionable insights

The explosive growth of data and the rapid emergence of data analytics tools (heavily influenced by AI/ML technologies) has empowered leaders and employees with capabilities that didn't exist a decade ago. An ADE will leverage this technology to move beyond data correlations and business or system alerts towards true actionable insights, broader perspectives, and predictive intelligence. This can lead to faster and superior decisions to support top-line decisions and strategies.

Business agility

An ADE demonstrates the ability to respond rapidly to internal and external demands and to capitalize on opportunities as they arise. An ADE should have a holistic awareness of its markets, ecosystem, customers, and competitors, and the major factors that can impact the business. An ADE should be able to assess change and respond quickly to demands, primed by technology, processes, and data that help the organization evaluate options and act. Likewise, when market factors, customer demands, or innovation agendas surface opportunities, an ADE can gain early-mover advantages. According to McKinsey, being an agile organization boosts efficiency, customer satisfaction, employee engagement, and operational performance by 30 percent, makes an organization five to ten times faster, and turbocharges innovation.⁶

Customer centricity

All organizations recognize the need to understand and serve customers, stakeholders, and partners, etc., yet many struggle to live up to those aspirations. An ADE uses technology to meet customers where they want to be met, often by providing an omnichannel experience around products and services. Customer-facing employees, customer-serving processes, and technology options all must be integrated to reduce friction for every customer interaction and provide a superior experience for customers. According to Boston Consulting Group, companies with the highest customer satisfaction scores return double shareholder value over ten years.⁷

⁶ [The impact of agility: How to shape your organization to compete](#), McKinsey & Co, May 25, 2021.

⁷ [CEOs Need a Customer Experience Revolution—Not an Evolution](#), BCG, August 2, 2021.

We believe these five key areas within the corporate operating model can have profound effects on a company's success as an ADE:



And these five tech tenets will enable an ADE:





Conclusion

The coming years will change the fundamental questions that all companies ask themselves as they think about success. Considerations around the shifting workforce, technology investments, which market adjacencies will offer growth, and where and how to best deploy new or reinvested resources will coexist with questions about efficiency and cost savings.

Organizations that embrace constant tech-enabled disruption and continuously adapt and evolve amidst changing global socioeconomic and geopolitical factors will be the dominant players as they follow the Autonomous Digital Enterprise framework for future success.



FOR MORE INFORMATION

To learn more about how you can start your journey, visit bmc.com/ade.



About BMC

BMC works with 86% of the Forbes Global 50 and customers and partners around the world to create their future. With our history of innovation, industry-leading automation, operations, and service management solutions, combined with unmatched flexibility, we help organizations free up time and space to become an Autonomous Digital Enterprise that conquers the opportunities ahead.

BMC—Run and Reinvent

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