

THE DIGITAL IMPERATIVE

Finding the way to take IT further



**An interview with Sharm Manwani
Executive Professor of IT and Digital Leadership
Henley Business School**

From a DECISION magazine report
commissioned by



Introduction

If technology is inevitably going to continue to be the driver of significant change, then is IT infrastructure up to speed or falling behind?

In The Digital Imperative initiative commissioned by Foundation IT, organisations which are really focused on their relationship with their people, customers, and suppliers will be talking about what they consider to be the mission-critical issues to get right, and how they identify ways of taking IT further.

Their views will form a series of papers leading up to the preparation of a digital book. This is one of the interviews to be included.

Appying the operational word is a necessity

“The difference between IT and Digital?” Professor Sharm Manwani, executive professor of IT and digital leadership at Henley Business School, smiles at the rhetorical tone of his question.

“It’s in the eye of the beholder,” he suggests. “I would say IT often viewed as the internal operational delivery mechanism; digital has an analytical and external focus as in where it is applied.

He has an explanation for the ‘what’s in a name’ conundrum. “Technology watchers are good at relabelling,” he says. “Remember we used to talk about data-processing?”

“It’s the label that becomes old hat, not the purpose. Data processing initially supported the finance functions before moving on to manufacturing and the supply chain, usually with disparate systems. The reason ERP took off three decades ago is because those systems had been put in individually and ERP unified the data; it brought alignment.



Professor Sharm Manwani

“The start of the millennium saw a further wave with the growth the internet and e-Business. Then about a decade ago digital came to the fore. The IT research consultancy Gartner promoted it with the acronym SMAC – social, mobile, analytics, cloud – reflecting its diverse applications. Later an ‘I’ was added for the internet of things as virtually every device can now have a chip in it.

“Each IT evolution has opened up business transformation opportunities and challenges because we’ve moved from delivery

systems providing enhanced business operations and equilibrium to what will make a real difference as to how society functions. What capabilities can be enhanced by technology? What technology resource can be enhanced by people? Finding the answer will give an organisation its value proposition, its competitive edge, which should deliver value to all its stakeholders.

“Strategy for me is about locating your value. The business model is how to create and capture it. The operating model is how to deliver that value. Technology is the enabler for those three elements. In today’s environment IT and digital, or whatever label you want to apply, enables you to create, develop, and deliver that value. IT is now so core that if a company isn’t putting technology at the heart of its business, it is unlikely to succeed.”

The former European CIO at Diageo and at Electrolux, Professor Manwani is a Fellow of the British Computer Society and an authority on strategic alignment and transformation and recently co-authored a new book ‘Business Design in a Changing World – Align and Design Enterprises for Value’.

Alignment is something of an operative word. Professor Manwani explains the context. “It wasn’t that long ago that the parameters of how business worked meant that stakeholders were more fixed in terms of being customers, suppliers, and competitors,” he explains. “Now everything is much more volatile; in today’s commercial eco-system, a competitor can also be a supplier.

“What executives have to do now is align their IT with a fluid eco-system as well as stakeholders they don’t connect with directly. The basic premise of alignment has been with us for decades. So what has changed with digital? Well, the process is now continuous, moving at an unprecedented faster pace.

“There was a time when a company could put in a system and expect it to be functional for many years because while the world was changing, it wasn’t at such a dramatic pace and so impactful that we had to alter infrastructure and mindset.

“What has also come about is that technology has never been so pervasive. IT is no longer confined to back office support functions, undertaking specific often unrelated tasks.

“And research has found that organisations often struggle to articulate strategy. Now change is happening so fast, they really need dynamic, strategic alignment, linked to a holistic business design, which is about thinking through the impact of something on all of the component parts of the business and taking into account the possible knock-on effects of a particular change. And that’s tough.

“Which brings us back to IT, because again it’s about alignment, having the right technology in place with the skilled people you need to make it happen, coupled with the required financial resource.”

“Covid-19 is a recent example of an agent for disruptive change, and what it did was to put technology leaders in the limelight. Fortunately most responded by enabling full virtual working in record time.

“That’s a platform for them to become more influential and co-lead the way in transformation, and my ongoing research at Henley with McKinsey is finding they are doing just that.”

But organisations aren’t going to be addressing the digital imperative with a blank sheet of paper in front of them. “It’s likely that sitting somewhere will be a legacy system,” notes Professor Manwani, “ and legacy is perpetuated every time we add more technology as a layer. It creates technical debt and makes digital transformation more complex. A decision has to be made on how we transform – can we re-start from scratch, or do we evolve?

“Maintaining legacy at the same time as innovating with new technology has constrained traditional industries, while newcomers to the market aren’t fettered in the same way. Established companies are responding by taking an evolving path, such to the big high-street banks which have chosen to expand with technology as they wind down their branch networks.

“So what comes next? Transformation requires looking at what’s happening around us and then evaluating consequences with an open mind. We are now in the latest evolution of digital which is embracing advanced artificial intelligence.

“Some futures can seem more akin to science fiction than research. How do we relate to a robot digital twin which learns more than we can assimilate, stores the results in a huge memory which won’t fade, and makes decisions based on connections we couldn’t imagine? It’s still data processing but now it’s worlds apart.

“What this means is that no enterprise leader can stand still. The digital imperative journey can be summed up with a simple analogy. Are you going to be the driver of the bus, a passenger, or someone trying to catch up with it because they didn’t get on in time.”

Business Design in a Changing World

<https://amzn.eu/d/j5Vkht2>

Henley Business School

www.henley.ac.uk

About Foundation IT

Providers of a managed IT infrastructure service (IaaS) that helps creates and enables growth in uncertain times.

Our solutions include Managed Infrastructure, Secure Cloud Storage, Disaster Recovery, Managed Desktop & VDI, Managed Backup, Incident Management, Compliance Management and Security Managed.

A sample of the clients who trust our safe-hands infrastructure service include Enstar, Rackspace, Russell & Bromley, St John Ambulance, Cynergy Bank, Bam Nuttall, Applied Weighing International and Zoological Society of London.

www.foundation-it.com

01635 203700

info@foundation-it.com

About DECISION magazine

First published in 1988, DECISION magazine reflects the business lifestyle, the trials and tribulations, the hopes and aspirations of business owners and directors responsible for businesses with a turnover of £5million and above across the south of England.

07737 308371

mail@decisionmagazine.co.uk

www.decisionmagazine.co.uk