Designing an integrated digital ecosystem: Understanding the building blocks of an effective digital framework

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With the term digital transformation on the lips of every C-level executive, it has become a strategic priority for most companies. The digital transformation journey can take several paths but one consistent goal is to achieve an integrated solution that provides the maximum return on investment. For many, the effort necessary to embark on a transformation journey can be overwhelming; this keeps them from taking the first step. The goal of this article, therefore, is to provide you with a head start to achieving an integrated digital ecosystem.

One of the most important goals of digital transformation is to address the disjointed processes and technologies within many organizations. This condition leads to inefficient operations, higher operating costs, lower customer satisfaction, employee frustration and many other negative issues that affect business metrics. An organization with well-integrated processes and enabling technologies can achieve lower operating costs, be more nimble with market adjustments and maintain margins while scaling the business.

The process of designing and creating an integrated digital ecosystem should always start with a clear business strategy as outlined in our previous paper "Defining a clear digital transformation strategy and thorough road map." Having a clear understanding of the value that the effort will return to the business as well as some guiding principles for how decisions will be made provides a solid foundation to begin your digital transformation journey.

Once that strategy is established, achieving an integrated digital ecosystem begins with taking a process-centric view of the business. Defining the business along primary processes, such as quote-to-cash, record-to-report and acquire-to-retire, provides a cross-functional view of the business, which is key to identifying critical integration points.

Be sure that you include both internal and external entities that are involved in the process during this effort. External integration points can be some of the most critical areas in transforming a process. These integration points can be translated into focus areas for consideration when designing and selecting your digital enablement technologies.

When selecting an enabling technology, it is very common to focus narrowly on the function that the technology is going to enable and then pick the best solution for the specific function. However, this approach is how many organizations end up in disjointed processes and technology architectures. By starting with a process-centric view first and understanding where cross-functional integration exists, you can incorporate these key interaction points into your method for designing your digital technology ecosystem.

Once you have your process view of the business and identified functional integration points, the technology integration design can begin. The team should start working its way across the processes to evaluate if technology enablement is needed within the specific function. If enablement is needed and there is a solution in place, then it should be evaluated for its ability to support the strategic goals of the transformation.

If no enabling technology is in place, then a set of selection criteria should be defined. In fact, some of the strategic alignment criteria used to evaluate the existing technology would also be applicable to the selection of a new platform. During the evaluation of the enabling technologies, the solutions should be reviewed for their ease of integration with the planned digital ecosystem.

The key to this evaluation is the functional integrations point mentioned previously. The integration points can be the place where two technologies will need to work together and thus they can help you evaluate if a solution is a fit for your ecosystem. After evaluating and selecting the digital technologies, the stage is set for implementation, the next stop on the digital journey, and the topic of our next article.

As you begin your digital journey, remember these key steps to help you achieve an integrated digital ecosystem. First, define your strategy and the goals of taking the journey. Second, understand your business processes and where cross-functional integration points exist. Third, evaluate your enabling technologies for both their ability to optimize the function as well as their ability to integrate easily with your broader digital ecosystem. By applying these three steps you will achieve an integrated digital ecosystem, limit risk and better enable growth without increasing cost.

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