Unwrite your future

Free will or technological determinism?

A new perspective on
the past and present of IT.
And why you can decide
what happens next.

Virgin media

BUSINESS

Cosy-up to change

Who owns the future?

Our Digital Opportunity Report[1] revealed the pace of digital change is so rapid that at least a quarter of you reading this will be unsure of what your industry will look like in a year's time.

By and large the themes of the future are being written by relatively recent startups that have taken the Silicon Valley approach to conquering the universe. They embrace digital in all its forms.

But there are also more mature organisations – small and large – that have put their minds to unlocking the joys of digital.

Collectively, we call them 'digital leaders'. It's a club that includes not only the usual suspects – Google, Amazon and Facebook – but also online food retailer, Ocado, and high street specialist, Game.

Just behind them is a convincing surge of British organisations. Blockchain, with its digital currency wallets, is probably chief among them, as well as brands like BrewDog, LendInvest and Alphasights.

Our Virgin Media Business / Sunday Times Disruptor 10 list highlights a bunch more.

But for many larger enterprises and organisations, digital disruption isn't a natural state of being. In fact, our YouGov survey found that 28% of IT leaders feel their organisation's infrastructure isn't ready to support digital transformation.[2]

And that's what this opening piece in our 'Unwrite your future' series looks at.

Because, while your digital future might seem inevitable, it's entirely possible to rewrite it, starting today.
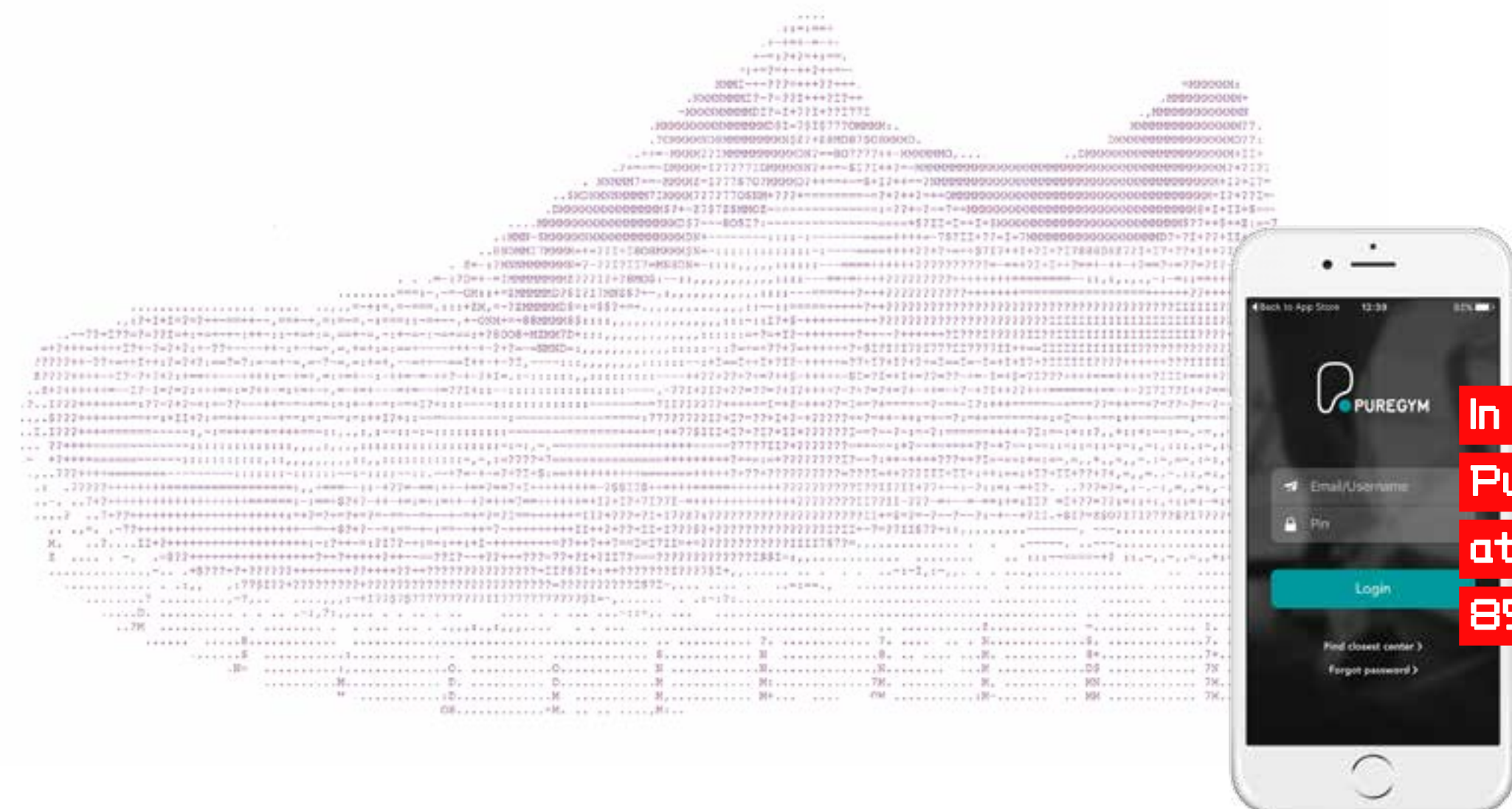
[1] The UK's £92bn Digital Opportunity, October 2015, Oxford Economics and Virgin Media Business

[2] SDM in Private and Public Organisations, 2017, YouGov and Virgin Media Business
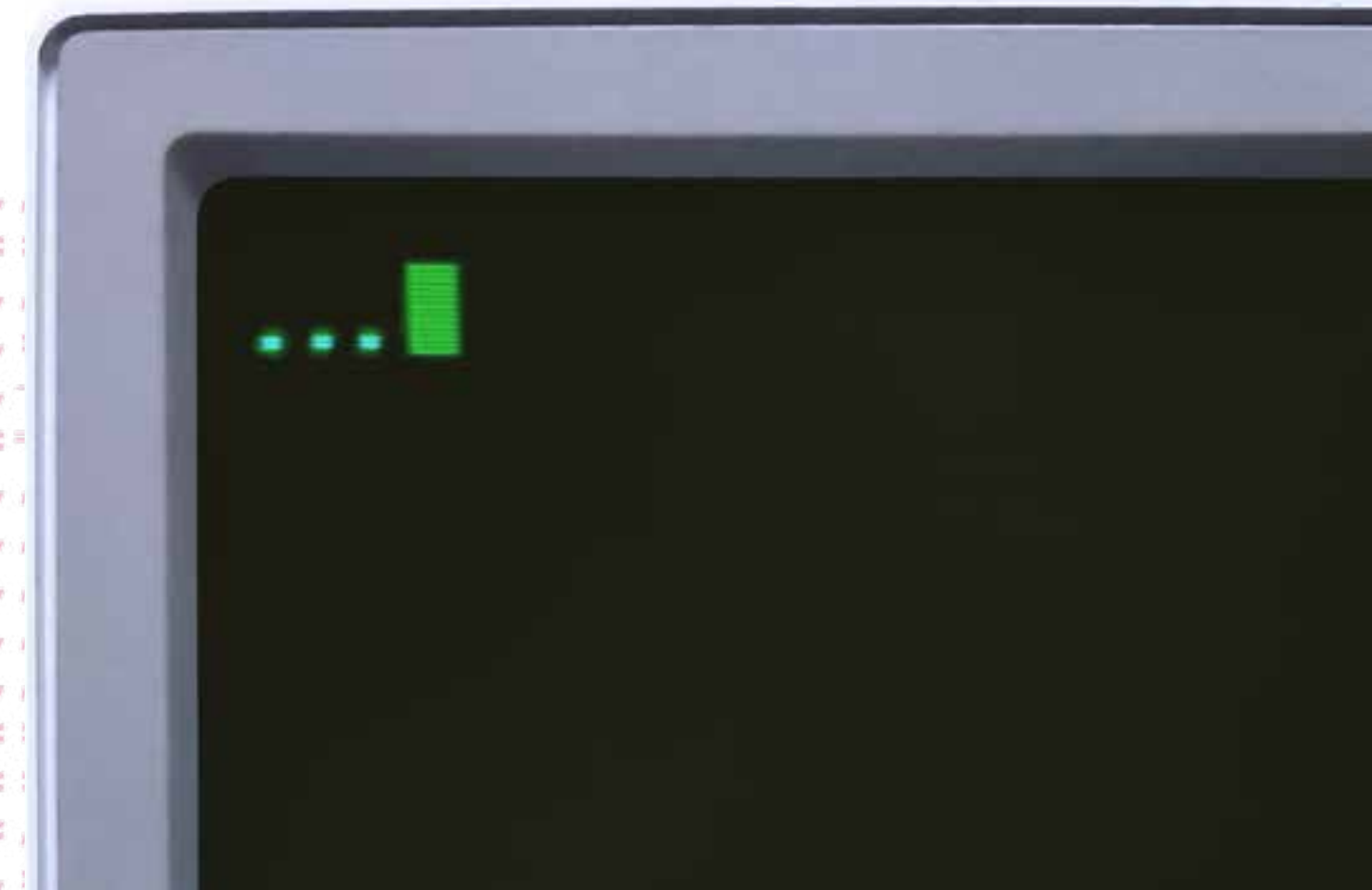
Winning in the age of disruption

So, why be a digital leader?

Well, we know organisations with the right digital infrastructure can create better products, better service levels and new channels to market.

And they can do it more quickly and more efficiently, in ways that use fewer resources, and generate more profit.
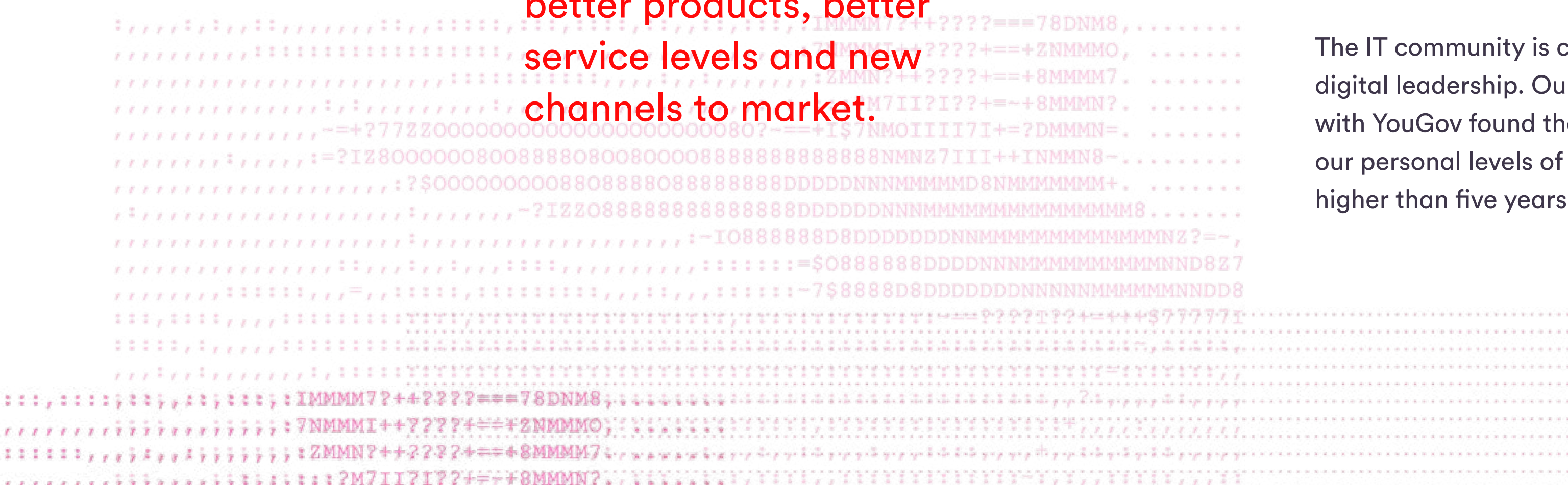
They can also innovate, collaborate and grow, both themselves, and the wider economy.

The IT community is certainly prepping for digital leadership. Our latest fieldwork with YouGov found that 69% of us feel that our personal levels of ICT expertise are now higher than five years ago.

And case studies abound. Take PureGym: in just seven years it's attracted around 850,000 members, making it the largest gym ever in the UK, with an unprecedented 35% share of the market.

It cut costs, created efficiencies, scrapped contracts, and lowered prices. It believed there was no need to respect what had come before.

But it also became a digital company using connectivity, hardware and apps, to develop an alternative business model; one that makes people's lives better.

More speed, more opportunities

Change and disruption isn't stopping anytime soon.

In fact, a survey of 1,000 firms by our research partner Oxford Economics found that digital already generates £123bn of performance improvements, every year. But if we all took the opportunities on the table, we could generate a further £92bn benefit to the UK economy, annually.

Bearing in mind the majority of UK businesses (57%) still describe themselves as 'non-digital', it means there are still massive opportunities to adapt and thrive.

200
100
0

92bn

123bn

57% of UK businesses still describe themselves as 'non-digital'

Digital leaders are

33% more profitable than the rest

23% enjoying higher revenue growth

58% more positive about the impact of digital on their industry

43% more confident about their ability to compete

Why digital leadership?

93% say it satisfies and retains existing customers

92% say it helps them reach new customers and markets

91% say it helps them respond quickly to changing demands

87% say it creates a happier and more engaged workforce

Leading the pack

The insides of a digital leader

Our research broke digital leadership down into six competencies. The most important were having the right digital infrastructure in place, and having a digitally-savvy workforce to use it.

Digital leaders take all six competencies very seriously.

Perhaps the most surprising one was their commitment to open and collaborative partnerships, through data sharing, instant communication and crowdsourcing. It's something made possible by a strong digital strategy.

But if the value and impact of adopting digital leadership is clear, what's holding us back? Why are only 13% of us 'completely ready' to support digital innovation, according to our YouGov study?

Why are only 13% of us 'completely ready' to support digital innovation?

Architecture

The platforms that allow data to flow in, around and back out.

Workforce

The digital tools that create a more flexible, collaborative environment.

Information

The tools to secure digital data throughout your organisation.

Strategy

How leaders with a vision implement a digital plan from the top down.

Collaboration and partnerships

Being open and playing nice with others is now a key component of successful organisations.

Customer engagement

The role of digital in driving demand through better customer experiences.

Where do you fit in?

The digital mindset

Our research has pointed to some underlying causes for digital leadership not being more prevalent.

For example, over 30% of us experience budget issues. And the Digital Opportunity report flags that many organisations just don't have a digital platform with sufficient bandwidth and flexibility.

But for us, our own research might be missing a bigger, deeper, more subtle, underlying trend.

When we talk to organisations, almost all fit into one of three categories:

1. Digital leaders

Those who understand think of digital as a way of life, and use it as the foundation of their organisation.

2. Digital desirers

Those who have started to build a transformational digital agenda, and know they need to do more.

3. Digital deniers

Those who are still based on a traditional IT infrastructure, but think they can't afford to upgrade.

The dichotomy, bridged by the desirers, is whether the organisational mindset is digital. Or whether it's more 'classic IT' in nature.

Which school are you from?

Digital vs. classic IT

In the age before digital, IT – and especially its infrastructure – was far more difficult to work with than the digital materials we have today.

Of course, it was our stock-in-trade as IT people. But after a series of high-profile failures, like the NHS patient records scandal and the National Air Traffic Control System debacle some organisations became more cautious.

For some, IT had even become a liability. It was expensive. It was time-consuming. It ate resources.

The New Age of Tech looked tarnished. But, sometime around the mid-noughties, a levee broke.

The technology that grew up to power the internet started to be applied to every problem an organisation faces. APIs allowed data to be moved more quickly and easily across systems, applications and databases. Information could circulate far more efficiently.

It made it easier to cut costs, work together, and operate to best practice.

At first, only start-ups and scale-ups embraced digital to this extent. It was partly a needs-must situation, born of limited capital.

Some thought they'd graduate to proper, grown-up ERP systems later.

The truly visionary understood digital was simply a better way of doing almost everything. Some never even realised there was an alternative.

And with their success came the conquering of markets, unicorn valuations and Instagram being acquired for $1bn, with just 13 employees. 'Disruption' was the name of the game.

By 2012, no one doubted the world had changed.

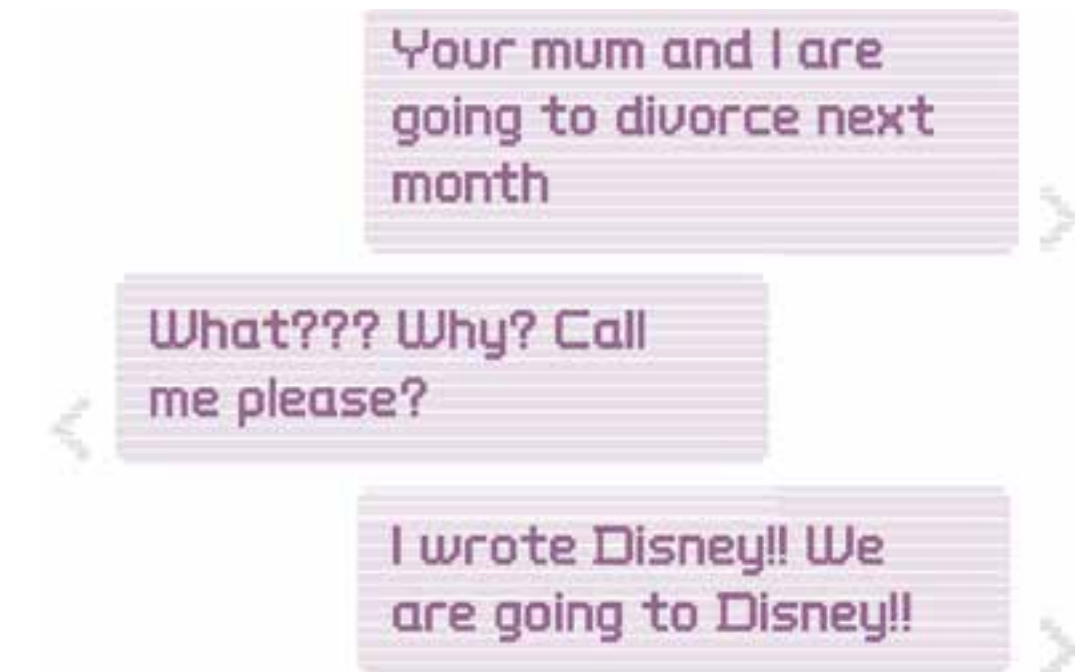**Instagram was acquired for $1bn, with just 13 employees**
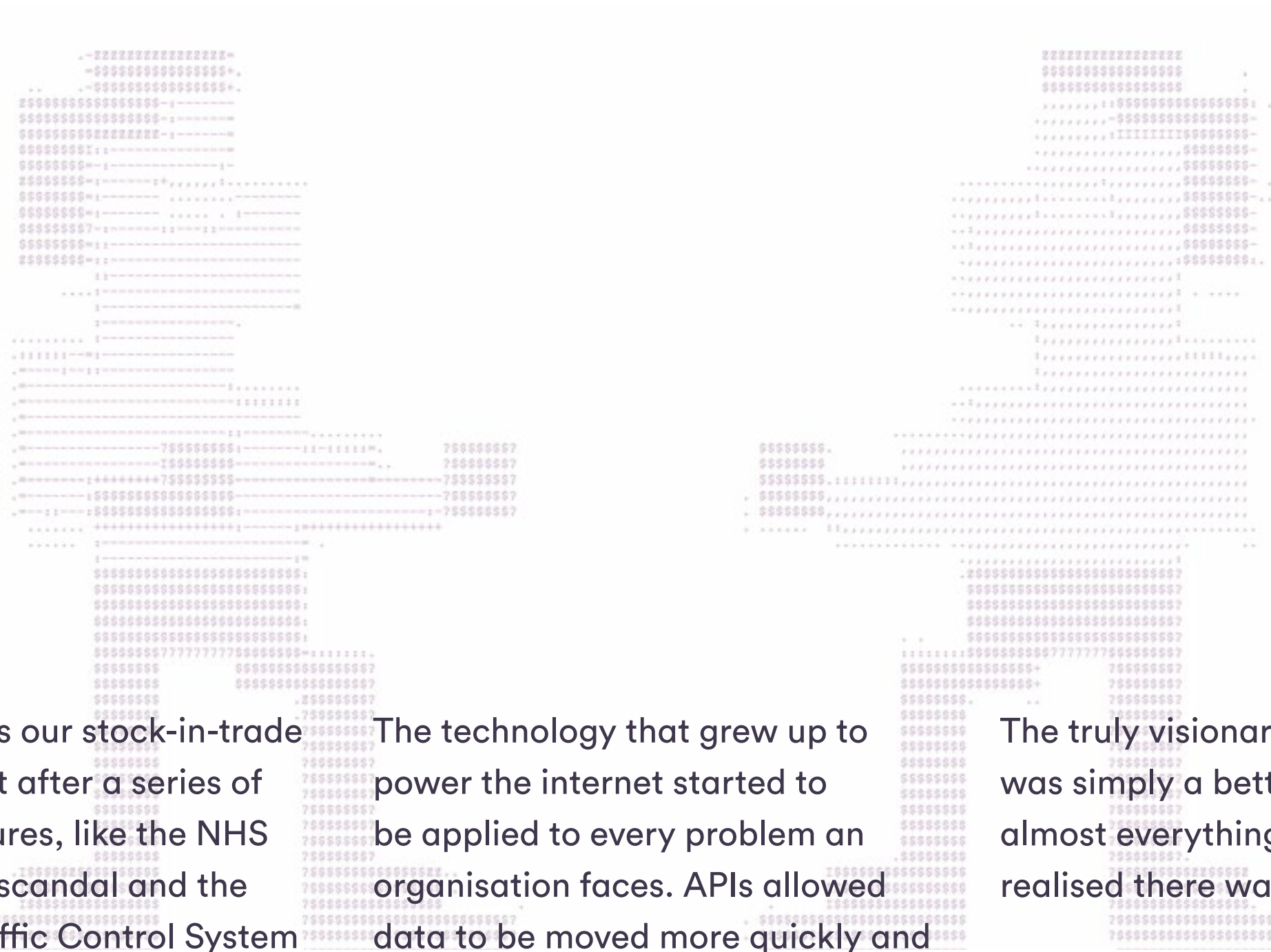
The 'human lag' factor

We know the potential of digital is being proven every day.

But why do 57% of businesses still describe themselves as 'non-digital'?

In part, it's because Moore's Law has a flaw. A very human one.

Even if processor power doubles every other year, humans can still lack the resources and budget to use it.

In fact, the more important trend is the rate at which humans can implement all the potential. And that comes down to the human condition.

But humans are catching up. In fact, our YouGov study shows that 76% of organisations believe digital infrastructure is important to reducing costs and increasing productivity.

76% of organisations believe digital infrastructure is important to reducing costs and increasing productivity

Your mum and I are going to divorce next month

What??? Why? Call me please?

I wrote Disney!! We are going to Disney!!

Fear of cost, risk and security

Cost, risk and security are all perceived reasons that prevent us from making the switch

We can say that finding it hard to put digital into the core of your IT is entirely understandable from an organisational perspective.

Unless your organisation was born in the last five years, it's likely that your tech is a hotchpotch of systems from different generational eras of computing.

And those that still rely on older technologies often find combining data, mashing-up features and delivering an easy-to-use set of customer experiences difficult.

Cost, risk and security are all perceived reasons that prevent us from making the switch. Until there's a real crisis, no time feels like a good time for fundamental change.

Which might be why 20% of us, according to the YouGov research, still don't have any digital suppliers or partners.

But what if maintaining the status quo creates the very things we are trying to avoid? What if the status quo means more cost, more risk and less security?

We don't do determinism

The future is an amazing place

Change is hard. But it is possible. Because the future is a relentless leap into the wild blue of the unknown.

You get to choose your future – a new, bolder digital vision

It's not pre-ordained. And it gets written by everyone and everything.

It's a moveable beast, infinitely fluid and changeable, and morphing every second. There's a multiverse of potential futures.

You get to choose your future – a new, bolder digital vision with the infrastructure to match.

If your organisation isn't headed in the direction you would like, the possibility of change is real. Nothing is fixed.

Which means it all boils down to one question: Is it time to unwrite the future currently stretching out in front of you?

If it is, we'd love to talk.

Unwrite your future

This is just the start▉

What comes next – over the coming months – is a series of insights and stories to explore digital disruption and leadership; reasons to unwrite your future. And some practical ways to make that happen.

We hope these will help you form your own digital strategies, and consider how a higher performance digital platform will help you unleash your digital potential.

If you can't wait, give us a call on: 0800 052 0800

Kindest regards,
Virgin Media Business

Virgin media

BUSINESS