protiviti ®
Face the Future with Confidence

Resilience and Performance in a Digital World

We are living in a time of unprecedented change. These are exciting times for those that are embracing the opportunities that technology presents. However, many are finding it difficult to come to terms with the pace of change and are starting to struggle to cope in a Digital Age.

Most organizations are having to make significant changes to remain relevant and compete effectively within their market. Some leadership teams are more aware of the need to embrace change than others and have established strategic transformation programmes to respond to the risks presented by innovative disruption. Many organizations are, however, getting left behind.

Pace Of Change

The pace of change is accelerating rapidly, making it increasingly important for organizations to develop conscious and effective digital strategies that are built into their business-as-usual activities, in order to manage the risks and embrace the opportunities that digitalization can bring.

The pace of innovative disruption and the inability of the organization to respond to change are both now cited as top risks in our annual study on Executive Perspectives on Risk. Even organizations that have strong brands and an ability to pay well above average levels are recognizing that the ability to attract and retain talent is now a significant issue, as those individuals that are capable of driving a digital agenda are lured by fast growing digital leaders.

Risks such as Cyber and Privacy also dominate the top ten risks. Both have rapidly moved up the agenda as organizations embrace digitalization.

The average tenure of organizations on indexes such as the S&P500 is on the decline. There are many forecasters that predict that as many as half of the current incumbents will be replaced within the next 10 years.

The 'top spots' are becoming increasingly occupied by young, 'born digital' companies, who are heavily focused on using technology to build stronger relationships with their customers, provide innovative products and services, and improve operational performance and decision-making. More traditional businesses can learn a great deal from these younger, leaner companies, especially when it comes to organizational culture and encouraging digital change and innovative thinking.

Business leaders are increasingly recognizing the need to transform their organizations. Many do, however, often underestimate the extent of change required at the core of the organization to compete in a digital age.

Digital Transformation

Organizations often consider a digital transformation as a definitive outcome, and wonder what they should do and how long it will take to reach completion.

Digital transformation should be viewed much more as continuous evolution. It is about an iterative journey, not a a definitive, unchanging destination.

Internal Audit, Risk, Business & Technology Consulting

As soon as the organization achieves one goal along the path to digitalization, there will be many more emerging on the horizon. The competitive landscape is continuously changing and new, innovative technologies are constantly being developed. As a result, organizations need to establish digital strategies that can respond and evolve in line with these ever-changing environments. A mission and vision are important, but it is also important not to focus too much on the destination.

Imagine the preparation required by an explorer setting out on an expedition. The goal might be to reach the summit of Mount Everest. A successful explorer would not embark on this challenge lightly and without consideration for their individual capabilities. They would view it as a long term objective and undergo an initial process to assess their fitness and understand if they are physically able to undertake the challenge. They would look to understand their team's strengths and weaknesses, identify areas for improvement and set short term goals.

Similarly, organizations should consider the broader journey to digital transformation. They should take time to assess their capabilities and identify areas that need to be addressed in order to ensure they are fit enough to embark on the journey. It is not good enough to paper over the cracks or ignore weaknesses at the core of the organization. It is a combination of mission, clarity of business, determination to succeed and core competencies that will ultimately lead to success.

Leaders should allocate more time to improving the organization's digital competencies. This will ultimately set them up to progress successfully along a path that will take them closer to their longer term goals over time. It will also help them to accelerate their change initiatives.

How Protiviti Can Help

Protiviti helps clients transform for the future, managing the risks presented by disruptive innovation on their business and embracing opportunities presented by new and emerging technologies; drawing on our deep competencies in technology, business process, analytics, risk, compliance, transactions and internal audit.

Digital Maturity Assessments

Protiviti has developed its Digital Maturity Model (see Figure 1) that draws on research conducted over a number of years to understand what it takes to be a leader in a digital age. This Digital Maturity Model sets out the attributes that we believe Digital Leaders excel at, and which often differentiate them from the traditional businesses that they have outperformed in recent years.
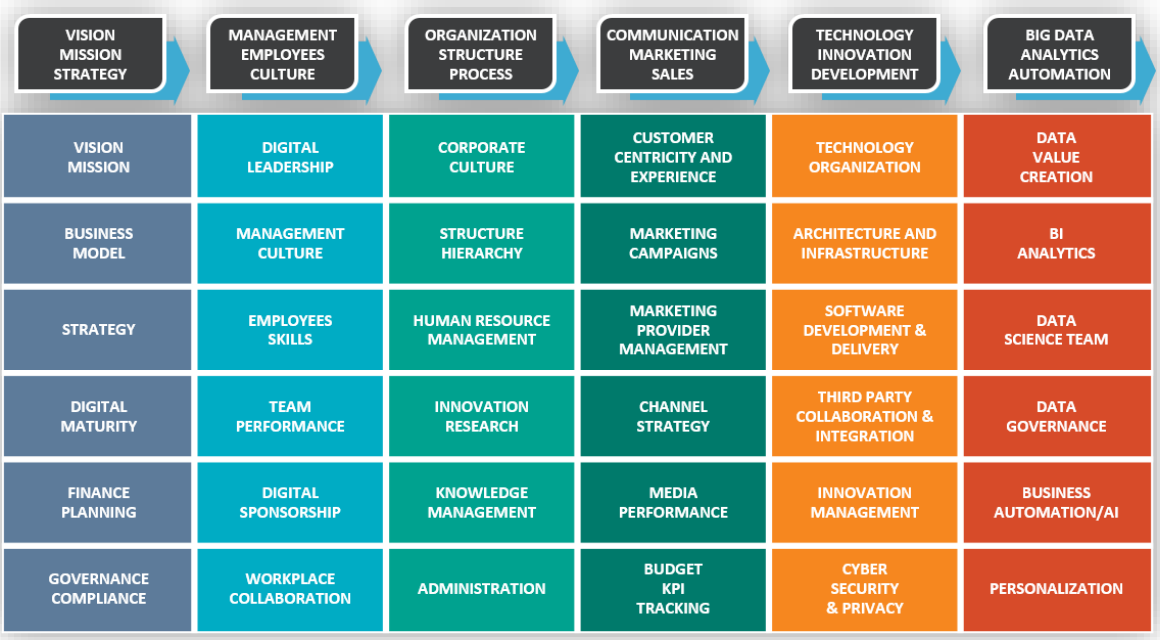
VISION MISSION STRATEGY	MANAGEMENT EMPLOYEES CULTURE	ORGANIZATION STRUCTURE PROCESS	COMMUNICATION MARKETING SALES	TECHNOLOGY INNOVATION DEVELOPMENT	BIG DATA ANALYTICS AUTOMATION
VISION MISSION	DIGITAL LEADERSHIP	CORPORATE CULTURE	CUSTOMER CENTRICITY AND EXPERIENCE	TECHNOLOGY ORGANIZATION	DATA VALUE CREATION
BUSINESS MODEL	MANAGEMENT CULTURE	STRUCTURE HIERARCHY	MARKETING CAMPAIGNS	ARCHITECTURE AND INFRASTRUCTURE	BI ANALYTICS
STRATEGY	EMPLOYEES SKILLS	HUMAN RESOURCE MANAGEMENT	MARKETING PROVIDER MANAGEMENT	SOFTWARE DEVELOPMENT & DELIVERY	DATA SCIENCE TEAM
DIGITAL MATURITY	TEAM PERFORMANCE	INNOVATION RESEARCH	CHANNEL STRATEGY	THIRD PARTY COLLABORATION & INTEGRATION	DATA GOVERNANCE
FINANCE PLANNING	DIGITAL SPONSORSHIP	KNOWLEDGE MANAGEMENT	MEDIA PERFORMANCE	INNOVATION MANAGEMENT	BUSINESS AUTOMATION/AI
GOVERNANCE COMPLIANCE	WORKPLACE COLLABORATION	ADMINISTRATION	BUDGET KPI TRACKING	CYBER SECURITY & PRIVACY	PERSONALIZATION

Figure 1: Protiviti Digital Maturity Model

The top level digital maturity model is supported by a comprehensive capability maturity model, setting out organizational capabilities, processes and supporting technologies that we typically expect to find within organizations operating at different levels of maturity.

We utilise the capability maturity model to benchmark the organization against leaders and peers. This, in turn, helps us advise organizations on transformation priorities as businesses look to progress towards digital maturity.

Clarity of organizational strengths and areas of weakness enables the enterprise to embark on the journey to digital maturity with its eyes wide open. It helps organizations ensure that they have the best possible chance of prospering in the Digital Age.

Supporting the Digital Transformation Agenda

Protiviti is working with clients on a diverse range of digital transformation initiatives and identifies four key components that are driving digitalization initiatives at our clients:

Customer Engagement: exploring and creating new ways to build strong customer relationships;

Digitizing Products and Services: launching new or enhanced products and exploring new business models;

Better Informed Decisions: enhancing information available to enable timely and effective data driven decision making;

Operational Performance: creatively using technology to improve operational performance.

We are helping clients achieve their business objectives in a variety of ways. Recognising that each transformation is unique, we tailor the following competencies to fit our clients' organisational strengths and needs:

Digital Transformation Governance, Strategy & Execution

We help organizations assess how effectively they are responding to the risks presented by innovative disruption. This enables us to help organizations address weaknesses that could undermine successful execution of digital transformation initiatives.

We help our clients ensure that transformation programmes are established, well defined, effectively managed and ultimately set up for success. We then support execution, drawing on our deep competencies in Programme Delivery; Business Analysis; Change Enablement; Customer Experience (CX); User Experience (UX); Technology; Cyber Security and Data Privacy; Data Science; Risk Management; Compliance and Project Assurance.
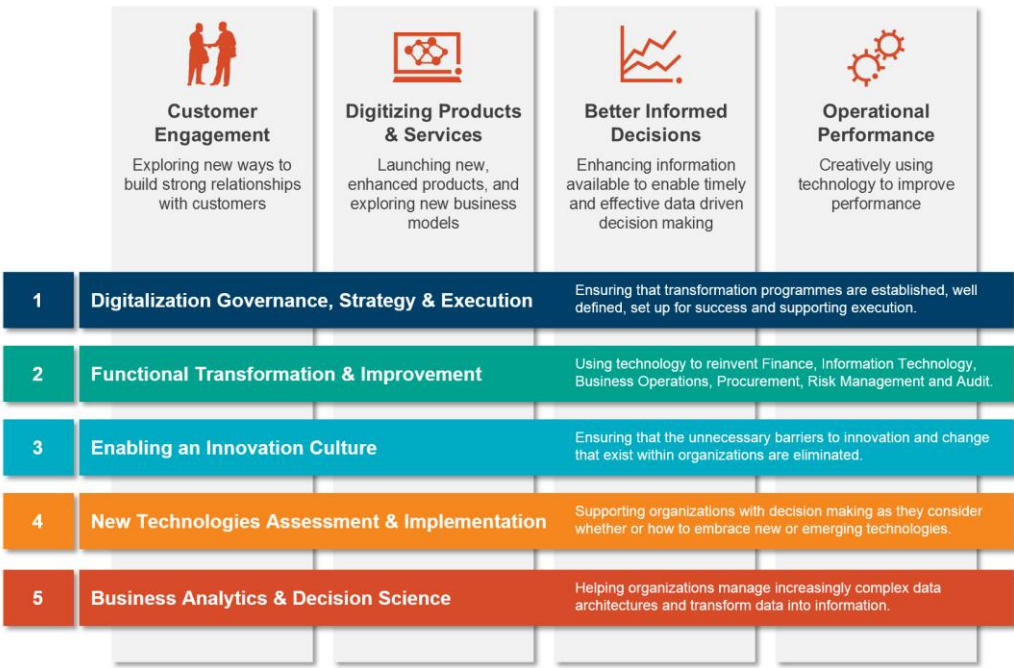

Figure 2: Protiviti Digital Overview

Functional Transformation & Improvement

We are partnering with our clients to realize the opportunities to use technology to reinvent core functions, including: finance, information technology, business operations, procurement, risk management, compliance and audit.

We are helping clients envision how new and emerging technologies, such as voice recognition, natural language recognition, machine learning and robotics, can be combined to drive efficiencies and improve performance.

Enabling an Innovation Culture

We provide an objective view to help clients eliminate the unnecessary barriers to innovation and change that exist in their organization.

Many organizations are naturally risk averse and adopt risk management approaches that focus attention on short term downside risk events. Such approaches are good at highlighting potential risks arising from change initiatives, but often underrepresent the risks associated with a lack of innovation. It is essential that an organizaton's good risk management intentions do not themselves become a barrier to innovation and ultimately a risk in their own right.

We help clients establish a culture that promotes innovation, but recognises the importance of governance and control. We help organizations review and enhance policy frameworks to make them 'fit for purpose' and support innovation.

New Technologies Assessment & Implementation

We support clients' decision processes on when and how to embrace new or emerging technologies.

While the landscape is always changing, we help leaders understand the opportunities that new technologies present and implement well governed programmes to leverage new and maturing solutions in areas such as robotics, machine learning, artifical intelligence, speech recognition, natural language recognition, virtual reality, blockchain and the Internet of Things (IoT).

Business Analytics & Decision Science

Data Governance has been a challenge for organizations for many years. The cost of storage is rapidly decreasing. The possibilities presented by the IoT are enormous and organizations need to be prepared to handle much larger volumes of data than we have previously been able to comprehend. The burden of compliance is also set to increase, as regulators seek to protect the privacy rights of individuals.

We are helping clients unlock the value within in the data that they have at their disposal. We are helping organizations manage increasingly complex data architectures and transform data, including unstructured data, into valuable information.

Your contact for Germany

Matthias Heintke
Director

Mainzer Landstraße 50
60325 Frankfurt am Main
Germany

+49 172 897 12 81
matthias.heintke@protiviti.de

protiviti®