BECOMING A MODERN BUSINESS:

The Role of Culture, Creativity, and Innovation

TODD CAREY leads Cognizant's global AWS Cloud business practice, digitally transforming businesses through the company's progressive, cloud-powered modernization solutions driving business value.

As the pace of business transformation continues to increase, more organizations are building more advanced and detailed digital transformation strategies. Digital infrastructure that can support this reinvention of the business is a critical component. However, technology alone doesn't solve all the problems. Todd Carey, head of the AWS Business Group at Cognizant, provides critical insights and advice for organizations taking the next step.

Q. How can organizations continue their digital transformation efforts?

A. Many organizations approach this initiative with a focus on two key aspects: cost and innovation. The key is not to over-index on cost reduction, and focus equally or more on innovation. In the longer term, innovation will deliver the advances, new business processes, and competitive advantage that are the hallmarks of a modern business. For example, many organizations view the cloud only through the lens of cost efficiency. This misses the opportunity to use cloud-native apps and processes to support innovation. If the focus is on cost reduction, the investment necessary to optimize cloud won't be made. This results in one-time cost savings and no foundation for the future. Yet it's not just about technology. To generate optimal benefits, start with the nontechnical issues such as culture, strategy, and vision. Without the road map of where the business is going, IT cannot be an effective enabler of change.

Q. How important is creativity?

A. Creativity is an essential part of innovation, and it isn't really a technical issue. As the organization imagines the future, the technology platforms to support the vision begin to be transformed. A key part of embracing creativity is supporting the concept of high-frequency change. These changes don't have to be huge or game changing; often, they are small and build upon each other to support the innovation end state the organization desires.

Organizations need to embrace creativity and be sure to stress that creativity is supported ongoing, and it is critical to the overall success of digital transformation adoption. If employees believe that being creative is risky, many will not push beyond normal boundaries in adopting transformational processes, and business modernization will not be successful or sustained.

Q. How can an organization help an employee adopt this new mindset?

A. There are two important actions an organization can take to achieve this result. The first is ensuring that the culture is enabling. Cultural change, not new technology, is the catalyst for transformation. And it is a group effort that everyone needs to buy into. Employees should "feel fast." This means making them feel empowered to change and improve things. It also requires eliminating the stigma of failure.

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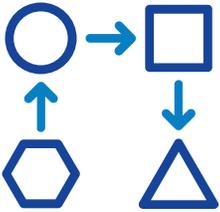
> **Knowing what doesn't work is as valuable as knowing what does, so experiences can continue to be optimized and innovation can continually ignite — fail fast and succeed long term.**

From a digital perspective, focus on removing things that are orthogonal or not a strength of the employee. For example, developers should focus on building a great app and not have to work through infrastructure, security, and operational constructs that could be predefined for them. Enabling teams to identify and develop superpowers that map to their core skillsets and roles will translate to more time spent on innovating and vastly improve outcomes. For many employees, the tasks they have less proficiency in executing require an inordinate amount of time. It's a resource drain, plain and simple.

Q. How do you promote innovation within a modernization strategy?

A. The key to promoting innovation is to start with an understanding of where innovation, enabled by new digital processes, is most likely to occur. From a general perspective, every business has both commodity and enterprise apps or processes. The commodity group provides little value-add, and improving them yields little return. In contrast, the enterprise apps or processes drive the business, and transforming them delivers staggering returns. And many enterprise systems are the ones that impact the customer. Focusing on innovation around these processes or apps is how organizations get the business outcomes that they are looking for.

As part of this, start with an innovative view of the ideal goal or end state for a specific process, regardless of technology and not limited by current thinking. Then, get creative on how to get there. Don't view it as a single effort or project; look at it as a set of small milestones that lead to the goal, with the understanding that as the organization and employees learn from these small steps, the end state is likely to change for the better. This is a natural result of the knowledge and experience gained as innovative new approaches are put into use. Even when a step

or activity fails, it is important to reward it and learn from it. Knowing what doesn't work is as valuable as knowing what does, so experiences can continue to be optimized and innovation can continually ignite — fail fast and succeed long term.

Q. Cognizant often talks about the "flywheel approach" to driving innovation and transformation. What is that?

A. This approach starts with high-value innovation that requires changes to current processes or methods. With the flywheel approach, the change starts with small "sprints" that can be completed to showcase a proof of concept. Once each is completed, the next step is taken. The combination of activity, learning, and experience creates inertia and momentum that power the "flywheel" of innovation. Organizations need methods that can quickly deliver these short-sprint outcomes. And as we've already discussed, failures can't be penalized; they are part of the learning process. These kinds of processes often benefit from a partnership with a global systems integrator. GSIs are a great resource to support these two- to three-year projects, as they can bring specific resources on an as-needed basis, specific expertise, and experiences from similar efforts. The GSI can also provide bridge skills or expertise necessary for a specific small sprint, ensuring long-term value.

Conclusion

Organizations of every type are facing the challenge of becoming a modern, digital business, enabled by transformed business processes. It is essential to understand that success requires both technical and human resources, supported by new perspectives and cultural change. Cognizant's Todd Carey has provided important insights about the balance of technical and human issues and approaches that can work across a diverse set of businesses, including yours.

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