

# Digital to the core

Having a digital core is fundamental for digital transformation



For successful digital transformation and the new business outcomes that digital leaders seek, companies need to take an “outside-in” approach and complement their internal assets with information, computing resources and expertise from outside the company. This requires having a “digital core,” the critical IT infrastructure that supports the people, processes and tools that make digital transformation achievable. The digital core is the central component for helping companies improve efficiencies, expand the digitization of key business processes and enable new ways of execution.

At last, the drive to digital is helping companies turn the page on change. Investments in next-generation technologies are helping companies bring innovative products to market faster, find new insights in broad pools of data, and collaborate more effectively with a coalition of industry partners and peers.

But the last few years have seen complications as companies have begun to employ the latest wave of technologies. At times, enterprises have adopted cloud, analytics and other advanced technologies in a haphazard fashion, resulting in disappointing results or large-scale failures.

What’s more, developing and integrating new technologies with legacy systems have proven more difficult than many imagined. Like archaeologists at a dig site, companies have been peeling away layer upon layer of calcified application portfolios, built on different platforms, looking for potential integration entry points.

The risk of failure to core systems has led many enterprises to take a “go slow” approach and create what one analyst group described as “digital timidity,”<sup>1</sup> as enterprises buy into exploratory change but are reluctant to scale across the business, either because they don’t know how to do that or because they are reluctant to open up to the heightened risk such change brings.

Despite these setbacks, the path forward is becoming clearer. Companies have continued to press forward with the new tools, and what many learned from their early experiments and failures is that the next generation of technologies isn’t simply an extension of what came before.

Companies now understand that the business outcomes they’re looking for can’t be found by using information and resources exclusively within the walls of the enterprise. Companies need to take an “outside-in” approach and complement their assets with information, computing resources and expertise outside the company.

What will these new outcomes look like? Manufacturers need to find new ways to improve product design yield and efficiency, automate supplier assessment,

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<sup>1</sup> “Enterprise Software and Application Services Rankings 2017,” TechMarketView. <http://www.techmarketview.com/research/archive/2017/07/24/enterprise-software-and-application-services-rankings-2017>



and anticipate spare and service parts requirements. Utilities are searching for approaches that will help them enhance demand-and-supply prediction, assess the reliability of integrated next-generation assets, and automate demand-side response. Healthcare organizations are looking for better ways to predict disease, identify high-risk patient groups and launch preventative therapies.

These are widely varying examples from many different industries, but they all share a common requirement that supports an outside-in approach: a digital core.

## Develop a digital core

The digital core is the central component that helps companies improve efficiencies, expand the digitization of key business processes and enable new ways of execution. The digital core is the target architecture for an applications estate.

Four strategic drivers are needed for a digital core:

- **Standardize the platform for greater efficiency.** Companies have a wide range of platforms. Moving to a standardized cloud platform offers several advantages, including the ability to enable platform as a service, continuous monitoring and business continuity. Further, it lets the company deliver infrastructure as code on any cloud.
- **Simplify the application ecosystem.** Transactional and analytic application ecosystems need to be modernized to benefit from the new capabilities of, for example, the SAP HANA environment. By using more turnkey industry solutions, enterprises can build more intelligent applications on top of the platform.
- **Automate all operations for velocity and efficiency.** Standardizing and simplifying the platform and applications allow you to automate more business and IT processes, increasing speed and efficiency. This includes developing algorithms that leverage process automation to speed decision processes, reduce risk and create more visibility.
- **Digitize business models for customer engagement.** As the company digitizes business models, it creates new opportunities to enhance customer engagement. This, in turn, enables the company to build new business models and deliver new business services through mobile and cloud applications.

In asset-heavy industries, the drive to sell products in new ways is highlighting the need for a digital core. As manufacturers such as Rolls-Royce and General Electric turn from selling jet engines to leasing them, digital services that rely on massive digitization and automation are built to track usage and maintenance. But that data can't go into legacy billing systems that run on multiple platforms. The enterprise needs to support a streamlined platform with simpler applications that can handle the new, large data streams.

Plainly put, the digital core is fundamental for digital transformation in the enterprise. It is the critical infrastructure that supports the people, processes and tools that make digital transformation achievable.

## Take the right steps

While the concept of the digital core is simple, implementation can be complex. Companies can take several key steps to help ensure the success of the digital core and any large-scale transformation project:

- **Select the right projects.** Before plunging into a project that sounds promising, ask a few key questions. Are the business outcomes clear and compelling? Does this project have the right sponsors involved? Is this a greenfield opportunity, and if not, how might this project affect ongoing operations?
- **Apply a consistent approach.** To realize all the benefits of a digital core, enterprises should manage their enterprise and cloud applications under a broader set of application services to ensure that:
  - The entire application portfolio is subject to the same level of security and governance, that incidents are detected and handled consistently, and that life-cycle management and releases are consistent.
  - All aspects of testing — including performance, functional and security — are applied consistently to enterprise and custom applications.
  - Application development services operate most efficiently and that cloud-native and mobile application development follow common models and uniform practices.
  - A consistent approach is used to rationalize and modernize the company's application portfolio.
- **Employ a supporting ecosystem.** Just as a foundation alone does not make a house, a digital core alone does not make a solution. To enable complete solutions, the digital core must be surrounded by a range of products and services, including:
  - **Cloud and workload:** DXC Technology's Cloud and Platform Services practice builds specialized platforms for a range of cloud-native enterprise applications that form the digital core, including SAP, Microsoft, Oracle and ServiceNow.
  - **Enterprise and cloud applications:** DXC provides industry, business process, systems integration and technical delivery experience to maximize value from enterprise application portfolios.
  - **Application services:** DXC's comprehensive application services help clients develop, modernize, test and manage their applications, including non-cloud application portfolios, to provide an end-to-end digital business platform.
  - **Analytics:** DXC's portfolio of analytics services enables our clients to leverage data analytics, information governance and industrialized machine learning services for digital core ecosystems.
  - **Business process services:** DXC leverages experiences in robotic process automation and cognitive automation to provide seamless digital exchange-to-exchange value stream services focusing on record-to-report, procure-to-pay, order-to-cash, etc.

- **Workplace and mobility:** DXC's workplace and mobility services help clients embrace new ways of working and build a secure, user-centric, digital workplace.
- **Security:** As ecosystems become more complex, security solutions are needed to help predict attacks, proactively respond to threats, ensure identity and access compliance, and securely protect data and the full hybrid stack.
- **Industry-specific solutions:** DXC's industry-specific solutions and experiences accelerate value-driven extensions to standard solutions in travel, transportation, healthcare, insurance, banking, public sector, manufacturing and energy.
- **Consulting:** DXC consulting helps clients accelerate their digital transformation journeys and improve business outcomes.
- **Select the right partner.** Hundreds of companies claim some part of the market in enterprise and cloud applications. It's easy to choose a vendor that demonstrates mastery of a particular aspect of cloud or enterprise projects. The vendor's range, however, is likely limited in scope. That leads you to assemble a patchwork of vendors and solutions, which muddies the overall vision, leads to potential vendor lock-in and raises the risk of failure.

Working with a vendor such as DXC eliminates that risk. DXC, the world's leading independent, end-to-end IT services company, can build a digital core and surrounding ecosystem with best-of-breed products and solutions from a wide range of strategic partners. Our approach doesn't rely on a single stack of proprietary solutions that tie you to a specific product suite. We understand the whole picture, we operate at the same scale, and we have the experience and client success stories to demonstrate the business results we've delivered for others.

### **Build a flexible business**

Opportunities will come and go. Customers' wants and needs will change. The business climate will trend up, then down, then up again. And through it all, one constant will remain: your desire to achieve new and better business outcomes. Forward-looking companies will invest in a robust digital core to build a flexible business that can respond intelligently and swiftly to shifts both small and large.

**Learn more at  
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