

SERVICES IN THE TIME OF BEING DIGITAL

What will it take to succeed in a services economy? What is the role of a services company in helping organizations navigate the digital revolution and the paradigm shift toward services? This article answers these and more.



The digital revolution is sweeping across industries. While traditional focus areas such as customer experience, supply chain, and knowledge management are undergoing rapid transformation; new entrants are disrupting traditional business models by leveraging technology in unexampled ways, enabling them to manufacture cars and watches and invent new kinds of transportation, hospitality, banking, and more. The rules of the game are becoming dynamic with economic value being created through enhanced and unprecedented services that are based on the tenets of sharing and subscription, rather than of ownership. This shift towards a services economy calls for a mindset that understands multichannel relationships, customer behavior, and the value of scalable technology platforms, often the pivots for most of the new business models.

All things around us — products, solutions, and even technologies themselves — are becoming services. For instance, the autonomous car of the future will serve as your personal concierge and emergency assistant, as well as provide rich data to your car manufacturer and your auto insurer, who in turn will provide more personalized and improved services.

Traditionally, we tend to think of many products,

solutions, and technologies as static, frozen in time and space. But these are constantly activated, thanks to the Internet of Things (IoT) and a host of developments such as rapidly shrinking hardware sizes and an exponential rise in computing power. Things that we previously thought of as products — software packages, airplane engines, printers, and so many other complex machines — are now becoming available as services.

Experiences will differentiate services

An important catalyst that is spurring this change of increasing 'servicification' are the millennials. They believe in spending on experiences, not on owning things — experiences driven by hyper-personalization, intuitiveness, and purpose. So, while they are happy to use public transport, they are satisfied with nothing short of a seamless experience while on route, of say ordering dinner — in terms of the restaurant and cuisine options, the speed of the app and quality of its content, and even how impeccably the food is prepared and delivered on time when they reach home. The question is: Who can take the responsibility of ensuring a great experience for this consumer? Here lies a grand opportunity

Today's products, solutions, and technologies are no longer static, frozen in time and space, thanks to the Internet of Things (IoT) and a host of developments such as rapidly shrinking hardware sizes and an exponential rise in computing power. A modern day microchip as big as a fingernail, packs as much processing power as a room-sized computing machine in the past.

for a company with a strong digital backbone to bring together other players, as collaborators, and serve up a superlative experience to millennial sensibilities.

As enterprises ponder their future in these times of being digital, there is a dual burden on them — one of managing costs and the other of innovating. We believe there is a way to navigate this duality successfully. Design Thinking, with its tenets of desirability, feasibility, and viability, offers a useful approach. If you think about it, all the transformation happening around us is about empowering the end user. Whether you consider Uber, Airbnb, or any other digital experiences and services powering our lives, it's all about being more relevant and desirable to the end user. Today, there is also an extreme scale of cost performance that has become available in the computing infrastructure with the emergence of increasingly intelligent and automated systems that can execute more and more sophisticated tasks. So, technically, it is feasible to realize all that we can imagine. From an economic viability perspective, the distance between producers and consumers has disappeared with digital disintermediation. The middle layers and all their complexities have dissolved. This can drive down costs significantly as well as enhance experiences.

With this as the context, it is clear that the opportunity presented by the physical world turning into bits is a truly exciting one. This has deep implications for enterprises: One, to meaningfully and exponentially optimize and improve the way they work, and thereby be able to fund the second priority — to disrupt, become more relevant, and grow by bringing in new consumer experiences through the creation of digital experiences where there were otherwise only the physical, and work to digitize physical things so that they can pack in greater value as services.

Role of services companies in this digitization-led services journey

Today, given the staggering digital transformation of our world, the traditional services industry in which companies like ours compete to do the same work cheaper but with world-class quality, must also transform. A services company must be more, and we as individuals and as a team, must also be more — to deliver value and innovation.

Arthur Koestler in his 1964 book 'The Act of Creation' said, "The essence of creativity lies in two self-consistent but habitually incompatible frames of reference – the incremental improvement plane, and the paradigm shift plane."

The digital transformation of companies, which calls for creativity (imagination), expresses itself across these two dimensions. The first is the renewal of existing landscapes (incremental improvement plane) through transformation of legacy mainframe systems, cloud and mobile enablement, integration of sensors, simplification of the landscape to modern infrastructure, renewal of processes and operations, and the like. The other priority is to build new (the paradigm shift plane) kinds of applications and systems and explore new business models that are necessary for the times we live and work in. IT services companies must especially help businesses simultaneously pursue this duality of renew and new.

The third and pivotal aspect of this Renew-New approach is a culture of learning, creativity, and purpose. The magnitude of the change impacting us is so enormous that our minds cannot entirely comprehend them. So, a foundation of lifelong learning, which involves unlearning many ways in which we did things in the past, becomes supremely important. In fact, lifelong learning will determine if you are being disrupted or if you are weathering disruption. Such learning requires us to unfetter the uniquely human qualities of imagination and curiosity, which no machine, no matter how advanced, can substitute. As technologies enable automation and take over menial, repetitive tasks in order to deliver them with enhanced efficiency and speed, people are freed to accomplish higher value and more purposeful work — whether it is to achieve an organization's business goals or collaborate with others to solve the bigger problems facing humanity, such as hunger, disease, or inequitable access to power and education.

At Infosys, we have embarked on this journey of Renew-New. In the words of our CEO, Dr. Vishal Sikka, "A company of our size and scale could easily set up a lab somewhere in some exotic place in the world where there are innovators. But the main point of being innovative — of becoming a company that helps businesses evolve in this time of tremendous digital disruption — is not to have a small lab

One strategy for all

**RENEW THE
CORE BUSINESS**

**INNOVATE INTO
NEW BUSINESS**

**Our business | Our industry
Every business | Every industry**

**A CULTURE OF LEARNING,
ENTREPRENEURSHIP,
AND PURPOSE**

somewhere and say that our innovators are there, but to have everyone in the company be an innovator; and that is what we are after.”

We want to deliver services that equip our clients to take advantage of the best opportunities of our times, especially in areas such as automation and artificial intelligence. Whether it is capturing the know-how of retiring engineers in knowledge-based AI systems to facilitate smart

maintenance through generations of making, building sensor-enabled connected automobiles that ‘care’ about driving safety, renewing legacy landscapes with knowledge-based automation, or enabling predictive maintenance of mission-critical equipment, we want to be able to create a new future. A future where businesses can harness intelligent and open platforms, software, and services to innovate and realize the true potential of digital transformations.

About the Author



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Ravi leads the Infosys global delivery organization across all global industry segments, driving digital transformation services, application development and maintenance, independent validation services, engineering services, emerging technology solutions, business intelligence and analytics, cloud and infrastructure, and enterprise package applications service lines. In addition, he oversees Infosys Business Process Outsourcing (BPO) and is on the board of Infosys BPO Ltd. He also oversees Infosys operations in Japan. He is the Chairman of the Board of Infosys China and is also on the board of Infosys Public Services, Infosys Consulting Holding AG, Panaya (an Infosys company), and McCamish Systems (an Infosys company).

Ravi has over 18 years of experience in the consulting space, incubating new practice lines, driving large transformational programs, and evangelizing new business models across industry segments. He is an Honorary Founding Board Member of the Technology Advisory Board at MIT Forum (launched in 2012); Advisory Board of the Global Supply Chain Center at Marshall Business School, University of Southern California; Oracle’s Enterprise Project Portfolio Management (EPPM) Board; and many other industry forums.

Ravi has a master’s degree in business administration from Xavier Institute of Management, Bhubaneswar, India.

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