

## Change Is The Only Constant: Adapting A Product-Centric Digital Operating Model Is Imperative For Future Fit Transformation

FEATURING RESEARCH FROM FORRESTER

Future Fit Technology Strategy — Adaptive, Creative, And Resilient

### Innovation and agility have been at the forefront of the emerging IT agenda, requiring leaders to rethink how they build and transform to drive business success. The adoption of digital and agile development, security, and operations (DevSecOps) practices are making significant strides in this effort. However, to achieve effective transformation, operating models must embrace a product-centric mindset to service delivery to become connected, composable, and Al-driven. As technology executives strive to become or remain future fit, they assess their technology decisions across frameworks, approaches, services, and sourcing strategies. They also empower their teams to balance efficiency, effectiveness, and innovation while avoiding budget losses, diminished quality, and barriers to progress.

Forrester's recent research, Future Fit Technology Strategy — Adaptive, Creative, And Resilient, highlights the relevance of IT platforms, practices, and partnerships in building out a future fit strategy to ensure IT capabilities remain creative, adaptive, and resilient to business needs and being customer-obsessed.¹ While a recession curtails budgets and IT spend, there is an opportunity to leap-frog thinking and traditional approaches to bring connectedness and acceleration with the right platform strategy. In light of this need for change, Infosys has reflected upon how to best partner with clients on their respective digital journeys by adapting Infosys' own digital operating model to enable innovation, acceleration, and data-powered experiences.

Since 2018, Infosys' digital operating model capabilities have revolved around enabling the right digital experiences with front-end design capabilities, fostering co-creation with innovation hubs, accelerating execution with agile and extreme automation, and inculcating a culture of learning through a digital platform. This approach has achieved successful outcomes for Infosys' clients. With the rapid evolution of technology and the advent of disruptive business models, Infosys recognized the need to adapt this operating model for future fit success.

### ADAPTING TO STRATEGIC CHALLENGES OF ENTERPRISES

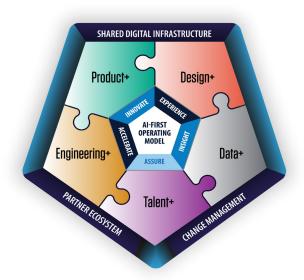
The lack of synergy among business and IT operations emphasized the need for digital operating models today to shift from a project-led platform to a more holistic and product-led approach that embraces business values and OKRs, as well as focus on customer journeys and experiences. Enabling a strategic platform approach allows organizations to modernize faster and accelerate time to value. They also require platforms with broad and modular composability that encourage IT to service customers, employees, partners and developers most effectively, and shifts their focus toward customer outcomes.

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Driving client business outcomes is central to the evolution of Infosys' digital operating model. In their digital transformation journeys, organizations exhibit a strong intent for customer-centricity, but realize that their digital operations are still managed in functional silos with their IT teams still not fully aligned toward driving business objectives. With regards to starting and disbanding teams and initiatives, a project-oriented approach remained transactional in its efficiency. As teams offered limited commitment to business outcomes, organizations failed to realize strategic ROI from their digital initiatives.

A further challenge is that the adoption of an agile culture is only limited to IT teams. While IT teams have become more agile in planning and executing digital initiatives, business teams have not fully adopted the same, impeding on value delivery for their customers. In fact, Infosys aligns with Forrester's research that future fit tech organizations borrow adaptive practices from agile software development, value stream planning, and value orchestration to create a new model crafted natively for thriving in a dynamic ecosystem.<sup>2</sup> Aligning business and IT to agile and outcome-based models is important for sustainable innovation to come through.

### WHY DO WE NEED A NEW DELIVERY MODEL?

In adapting to change, there is a need to build business and IT synergies in digital delivery across product, design, data, engineering, and talent.

**Product:** One of the biggest areas to influence in the digital operating model is the shift toward a product and platform-led delivery that aligns with business objectives. As business units still view IT as a service provider rather than a strategic partner, using product thinking to reimagine the core business capabilities as products can effect the necessary alignment between business units, IT, and service providers. Product PODs in Infosys' new digital operating model build product catalogues in ways that work for businesses. Orchestrating commonly used business and technology capabilities as platforms, unlocks value and significantly increases efficiency. Embracing a data-driven approach and having product OKRs align to business metrics allow PODs to proactively track the impact of product and feature releases on business outcomes with the necessary level of transparency.

**Design:** Privacy, accessibility, and diversity, equity, and inclusion (DEI) have moved up the list of priorities for businesses in recent years. Amid growing discomfort with rapid technology advances, creating experiences in a responsible and ethical manner is emerging as a business imperative. Ensuring that a good customer experience (CX) is operationalized in product delivery requires firms to have the ability to build human-first experiences in an agile manner. Infosys' capabilities and frameworks drive micro-personalizations of features and functionalities that allow engineering teams to iterate and rework on prototypes with flexibility and ease. Capabilities such as StudioNEXT and Sounding Board allow engineers to collaborate with other business areas and a proprietary community of experts to test product and feature prototypes and ideas. This has helped their clients successfully launch innovative ideas with design-first thinking and impact.

**Data:** A strong data foundation with connected data ecosystems is essential to build intelligence in the way digital products, services, and experiences are crafted and to make them more relevant for customers. This is also crucial for organizations to tap into the potential of AI. To create a data-first organization, Infosys has crafted an AI-first set of services, solutions and platforms: Infosys Topaz.

**Engineering:** Regarding digital engineering, it has become increasingly important to orchestrate the IT architecture to enable continuous delivery, automate workflows, and provide the agility to move from a crawl to a sprint, based on the maturity of IT teams. The set of platforms under the Infosys Cobalt umbrella allow engineers to integrate capabilities and create an ecosystem that drives efficiency and agility at scale. To leverage Al in engineering and exponentially improve productivity and quality, Infosys deconstructed the entire software engineering and operations lifecycle to see which areas would be best suited for Al tools and capabilities. Some uses cases that Infosys is building to enhance quality and efficiency in product lifecycles include: using Al in effort planning and estimations, knowledge management, code generation, generating test cases, and predicting potential failures.

**Learning and Talent:** The future of work demands continuous evolution. Systemic risks act as a force function for adaptive business processes, while an increasingly competitive landscape pushes every organization to drive innovation. To survive these challenges, companies must hone their capacity to learn and evolve — not just to develop skills, but also create new ideas, maximize the value of IP, and continuously improve performance. The future organization is a learning organization. As Forrester notes in their research, the foundation of creativity, adaptability and resilience in future fit organizations will come down to making your talent more valuable and more productive.<sup>3</sup> Infosys has seen the evolution in engineering roles — from product engineers to power programmers and full stack developers — getting engaged in more strategic programs. Infosys has been building these capabilities internally to help their clients stay ahead of the curve, while tying their upskilling efforts to metrics (e.g., digital quotients) that ensure talent development is aligned to customer outcomes.

### **USE CASES AND BUSINESS OUTCOMES**

Infosys has seen a range of digital transformation maturity in its client engagements. Bringing the digital operating model to life with its clients has allowed Infosys to see first-hand the impact that product-centric operating practices can provide firms in effectively driving business goals. Some of the use cases that have come to life include:

**Integrating business silos to provide a unified CX.** A leading logistics provider partnered with Infosys to develop a digital freight marketplace. With fragmented business silos, IT landscape, and partner ecosystems, it was important to piece disparate yet interconnected elements together through a marketplace. In this engagement,

Infosys integrated more than 45 product teams with DevSecOps and built a digital layer on top of the IT landscape to create a unified experience across drivers, customers, and carriers. Within five years of the implementation, the organization has been able to experience a significant increase in productivity and twice their growth in market capitalization.

Improving business agility with product-driven transformation. A large global banking enterprise worked with Infosys to design a targeted operating model with customized value streams that leveraged Infosys' POD-based engagement model. With more mature agility, DevOps practices, and better alignment across business teams, the organization experienced 50% quicker product releases and a substantial increase in card product sales. With Infosys' assessment frameworks and best practices for change management, Infosys ensured that new ways of working were better identified, guided, and streamlined into the organization to achieve sustainable business outcomes.

Shifting accountability across client and partner. Engaging partners that co-innovate and help achieve technology goals is an important factor of enabling a future fit technology ecosystem. Building co-innovation partners in a technology ecosystem requires decision-makers to move away from traditional service provider models and toward ensuring that partners have a strong agility and alignment to strategic innovation goals. Infosys has a range of engagement models that have kept this agility in mind, offering flexibility for its clients to choose depending on the maturity of their digital journey. With strategic clients, outcome-based pricing and engagement models have been set up to ensure IT value streams are directly impacting business outcomes.

Change management to operationalize growth. Infosys has had to establish new ways of working within client teams. However, the key is to make these changes sustainable. Infosys does this by investing in a holistic change management approach that is implemented both internally and among clients. Infosys believes change management needs to be driven at multiple levels to address the needs of different stakeholders. For example, customized training and coaching is needed to enable teams to adapt to new ways of working. Additionally, adoption of change is consistently monitored and nudged through micro change management streams to drive the desired behaviour.

### ADAPTING TO CHANGE BY ENABLING YOUR PEOPLE AND YOUR PLATFORMS

Organizations need to align their technology approach toward customer obsession to remain future fit and adaptive to change. Recognizing the changing dynamics of an effective digital operating model and working with partners that can operationalize these changes with product and platform capabilities, business foresight, and skills, will drive the success of an effective technology strategy.

Infosys' Digital Operating Model encompasses the elements required for organizations to navigate their digital journeys and become future fit. It taps into the potential of AI to help realize greater value. The holistic ecosystem of offerings and best practices by Infosys ensures that change is operationalized and optimized across the enterprise.

<sup>&</sup>lt;sup>1</sup> Source: "Future Fit Technology Strategy — Adaptive, Creative, And Resilient," Forrester Research, Inc., September 27, 2022.

<sup>&</sup>lt;sup>2</sup> lbid.

<sup>&</sup>lt;sup>3</sup> Ibid.

**VISION REPORT** 

### Future Fit Technology Strategy — Adaptive, Creative, And Resilient

Future Fit Technology Strategy: Vision

September 27, 2022

By Bobby Cameron, Fiona Mark, Ted Schadler, Amy DeMartine, Liz Herbert, Jay Pattisall with Matthew Guarini, Keith Johnston, Michael Kearney, Ian McPherson



### **Summary**

Forrester's future fit tech strategy enables customer-obsessed companies to quickly reconfigure business structures and capabilities to meet future customer and employee needs with adaptivity, creativity, and resilience. Our data shows that future fit companies grow 1.8 times faster than their peers. Read this report to understand the future fit tech strategy and where it can take your organization.

### Changing Realities Demand A New Technology Strategy

Bob Dylan nailed it: "... the times they are a-changin'!" Shifting market dynamics are redefining operating models, requiring fast, flexible, and connected technology. Buyers are prioritizing value and experimentation, with increased expectations around insights, data privacy, and corporate social responsibility. And the future of work is getting redistributed, with employees now having better information, more options, and many avenues for communication — requiring ongoing restructuring of work. These realities of today have tested the tech strategies of yesterday.

### **Enable Customer Obsession With A Future Fit Tech Strategy**

As tech strategies increasingly come into conflict with the rampant amount of change, tech execs must reimagine their approach to technology to keep up. This is why we developed our future fit technology strategy. This strategy is the result of quantitative analysis of more than 20,000 global survey responses, qualitative analysis of hundreds of interviews with successful tech leaders, and Forrester's enterprise data. Forrester defines a future fit technology strategy as (see Figure 1):

A customer-obsessed approach to technology that enables an organization to quickly reconfigure business structures and capabilities to meet future customer and employee needs with adaptivity, creativity, and resilience.

Why is a future fit technology strategy so critical? It empowers organizations to boldly deliver the technology needed to achieve customer obsession. It does so amid ongoing uncertainty and changing business needs, accelerating the ability to quickly address new customer, market, and competitive realities. There are three core capabilities of a future fit technology strategy:

• Adaptive: Quickly reconfiguring core business structures and capabilities. The pace of change has never been faster, and it will continue to accelerate. The most successful organizations are capitalizing on rapid change with a future fit tech strategy that has a strong, adaptive foundation. These organizations succeed by reconfiguring core business concepts and creating and delivering value to meet customers' emerging needs and expectations. They anticipate emerging opportunities through predictive insights — not waiting around to witness new trends take root before taking action. They move with flexibility and speed by leveraging technology platforms to innovate with velocity. And these dynamic

- organizations rapidly change their operating models to pursue adjacencies and disruptive opportunities.
- Creative: Bringing emotion and engagement into all customer experiences. The tools of business capital, talent, and technology are readily available to all. To achieve sustainable advantage through differentiation, organizations must develop and apply a fourth tool: creativity. This way of thinking and working elevates your ability to solve problems and energize your employees, products, processes, and experiences. To differentiate, future fit organizations use the human power of creativity to organize experiences, digitally expressing the values of the brand to customers and employees by meeting their emotional needs at relevant points of engagement. They do this through their products, experiences, and brand by applying a creative mindset that applies collaboration to common purpose; operates under creative conditions that give license for diverse teams to take risks together; and drives creative, exploratory practices that institutionalize experimentation in pursuit of novel solutions.
- Resilient: Delivering on product vision and brand promise, no matter the situation. Resilient organizations identify and mitigate risk, invest in business continuity planning, build flexible crisis and incident response capabilities, and design business and technology systems and processes for dependability and flexibility. They understand the specifics of a crisis, already have a practiced response, and use situational awareness during a crisis to seek new opportunities. Leading firms lean into risk management processes by relying on strong risk management practices and operating with sufficient information about how technology both contributes to and mitigates business risk. They improve IT's dependability to provide tech availability and scalability during a crisis. And they invest in resilience-specific technologies, including crisis communication, crisis dashboards, situational data feeds, and business continuity management software.

Figure 1
Future Fit Tech Strategies Unlock Customer Obsession Through Three Capabilities

# Adaptive Creative Resilient CAPABILITIES Platforms Practices Partners

**CORE DRIVERS** 

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### Platforms, Practices, And Partnerships Will Power Scale And Speed

Firms have historically defined IT and digital strategies in terms of people, process, and technology. But the real value of a future fit tech strategy lies in three more-specific core building blocks that can rapidly unlock adaptivity, creativity, and resilience: platforms, practices, and partnerships.

 Modern technology platforms accelerate time-to-value. Future fit technology strategies embrace a strategic platform approach that provides advantages of scale and continuous improvement pipelines. Strategic platforms comprise a broad, modular set of composable technology capabilities and a sizable ecosystem of participants, including customers, developers, and technology and services partners. Strategic platforms simplify how organizations build and assemble technology and shift the focus of customization to specific customer experiences or game-changing operational improvements. And platforms adapt quickly, pursuing opportunities by swapping in new microservices (and not just custom code), thus embracing the cloud, APIs, low-code, and app marketplaces.

- Adaptive practices align teams on outcomes. In a rapidly changing world, organizations must reorient their thinking and practices to build the best products, platforms, and services. Future fit tech organizations borrow adaptive practices from agile software development, value stream planning, and value orchestration to create a new model crafted natively for thriving in dynamic ecosystems. They leverage shared accountability for common outcomes and orchestrate this across the ecosystems to move faster, with lighter governance through distributed authority built on greater trust in order to quickly innovate.
- Co-innovation partners drive broad and deep capabilities to accentuate differentiation. Tech executives pursuing a future fit technology strategy actively seek partners to help achieve the tech execs' goals. These enlightened leaders look beyond traditional service provider models, embracing a partnership paradigm built on an explicit, orchestrated value exchange. We call this relationship a co-innovation partnership. A key part of your future fit tech strategy is building the capability to choose and manage an ecosystem of "co-innovation partners," including cloud and software platform vendors, business process outsourcers, strategy consultants, and technology service providers. Strong value alignment between you and your most important vendors makes the partner ecosystem strong.

### Dig Deeper Into The Future Fit Tech Strategy Through Associated Research

Forrester continuously updates the family of future fit research and you can find this material in our digital experience in the "Future Fit Technology" section. As part of this collection, the following documents drill down into future fit's capabilities and drivers:

Adaptive Firms Grow Three Times Faster Than Their Industry Peers. To execute
a future fit technology strategy, tech execs must provide an adaptive capability by
investing in platforms, practices, and partners to deliver the flexible technology,
predictive insights, and changeable organizations their firms need to win.

- Creativity Catalyzes A Growth Mindset. Creativity is not a light that you can turn
  on or off at will. You must develop and codify it in your company's teams, mindset,
  and practices.
- Business Resilience As A Competitive Advantage. Read this report to understand
  the seven pillars your firm must master to create business resilience as a
  competitive advantage.
- The Future Fit Platform Strategy. Future fit tech leaders must prioritize and govern a select number of platforms with the scale, innovation, and ecosystems to maximize business impact.
- The Future Fit Practices Strategy. In this ecosystem-driven world, success comes
  when companies replace siloed practices with adaptive ones that coordinate all
  contributions to get things done.
- The Future Fit Partner Strategy. Companies transform with the help of coinnovation partners that bring assets, alliances, and solutions; share risks and rewards; and are strongly motivated to achieve your outcomes.



### We help business and technology leaders use customer obsession to accelerate growth.

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### **Obsessed With Customer Obsession**

At Forrester, customer obsession is at the core of everything we do. We're on your side and by your side to help you become more customer obsessed.

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### **About Infosys**

Infosys is a global leader in next-generation digital services and consulting. We enable clients in 46 countries to navigate their digital transformation. With nearly four decades of experience in managing the systems and workings of global enterprises, we expertly steer our clients through their digital journey. We do it by enabling the enterprise with an Alpowered core that helps prioritize the execution of change. We also empower the business with agile digital at scale to deliver unprecedented levels of performance and customer delight. Our always-on learning agenda drives their continuous improvement through building and transferring digital skills, expertise, and ideas from our innovation ecosystem.