Digital Maturity Model & Metrics

A new tool to navigate the maze of digital transformation

Meet the team:
The digital revolution – described by many as ‘the fourth industrial revolution’ – creates significant opportunities and threats for Communication Service Providers. Impacting every industry, Service Providers can embrace significant growth opportunities by looking beyond connectivity. At the same time, commoditization and digitalization of connectivity services has created an urgency to dramatically simplify and transform the efficiency of existing business.

Some of the market forces requiring Service Providers to adapt are:

- **Margin pressure**: Maintaining profitability is challenging as the demand for data continues to rise.
- **Decoupled Value Chains**: Increased speed, velocity, transparency and access disaggregate value chains.
- **New Entrants**: Innovators can reach global-scale with amazing speed, at dramatically lower cost than ever before.
- **Emergence of Ecosystems**: New platform-based business models change the rules of the game for high-growth businesses.
- **Reduced Barriers to Digital Entry**: Low barriers to entry drive innovation and new entrants.
- **Reduced Ownership of Assets & Infrastructure**: Low barriers to entry drive innovation and new entrants.

Vodafone see great value in the work being done through TM Forum on Digital Transformation. The Digital Maturity Model builds on the common vocabulary already provided through Frameworx and we see it as a valuable resource to guide member companies through this Digital Transformation.
Why a Digital Maturity Model is Needed

IDC recently surveyed 175 IT and business executives from leading companies with 1,000 employees or more. Their research found the majority of leaders believe a digital business model is critical for future success, yet only 15 percent view their organizations as nimble enough to compete in the digital economy.

Recent TM Forum research reveals less than 50% of Communication Service Providers (CSPs) have been successful in their transformation efforts so far. The leading causes identified include siloed transformation without sufficient buy-in, highlighting the urgent need for a robust tool to help leaders guide and manage the change on an enterprise-wide basis.

Following extensive consultation with the world’s leading service providers, we identified the need for an industry-agreed Digital Maturity Model, metrics and methodology. To create that model, we’ve brought together expertise and models from leading service providers, consulting firms and solution providers in order to create a ‘living’ maturity model and set of metrics that help companies measure their true digital maturity.

The model considers maturity across five key dimensions, each containing an extensive set of sub-dimensions, questions and metrics to assess digital maturity across the business. Accessed through an easy-to-use App, businesses can assess their digital maturity across every department and rapidly identify areas for action.

What is a Maturity Model?

A maturity model is a business tool used to assess the current status of certain capabilities that exist within an organization and help them to be clear where these need to transform or improve.

Maturity models underpin success in transformation projects by:

✓ Forcing organizations to analyze and properly structure the problem to be addressed
✓ Establishing clear, universally understood goals and plans for the short and longer term
✓ Helping organizations assess where they are in their transformation journey
✓ Allowing businesses to objectively measure their progress during the journey

China Unicom has been on the way of digital translation in the areas of network, business, services, IT Architecture, Culture and HR in the recent years. Along with the era of 5G and IoT, China Unicom will accelerate its transformation journey to support Digital Operation Transformation. We are happy to see TM Forum, as leading industry association, proposing DMM based on long-term collaboration with industry players and believe DMM will provide the benchmarking guidance for the industry and help the industry transformation. We will continue to work with TM Forum closely on DMM and contribute to the industry together."

In Orange, we are proud and happy to contribute to the definition of the TM Forum DMM tool with our business & IT and IT excellence initiatives. We expect to use this tool to assess and benchmark our digital maturity in our various operations. The whole industry will benefit from it.

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The Dimensions and definitions for the TM Forum Digital Maturity Model are:

**Customer** – Providing an experience where customers view the organization as their digital partner using their preferred channels of interaction to control their connected future on and offline.

**Strategy** – Focuses on how the business transforms or operates to increase its competitive advantage through digital initiatives; it is embedded within the overall business strategy.

**Technology** – Underpins the success of digital strategy by helping to create, process, store, secure and exchange data to meet the needs of customers at low cost and low overheads.

**Operations** – Executing and evolving processes and tasks by utilizing digital technologies to drive strategic management and enhance business efficiency and effectiveness.

**Culture, People and Organization** – Defining and developing an organizational culture with governance and talent processes to support progress along the digital maturity curve and the flexibility to achieve its growth and innovation objectives.

**TM Forum Digital Maturity Model Dimensions**

By asking people across the entire organization to assess the company’s maturity in each of these areas, you can identify where improvement is needed and where investment is required. Crucially, the model doesn’t assume ‘one size fits all’ – it has the flexibility to account for differences in vision, strategy, operating environment and business imperatives.
Your Digital Transformation Journey

Digital transformation is a complex journey, typically demanding radical changes in business approach, culture, customer centricity, process, people, organizational structure and technology. The TM Forum Digital Maturity Model helps companies navigate this journey, identifying where to start, what gaps exist, and where to focus effort and investment. The Digital Maturity Model complements your existing transformation plans and objectives, acting as an independent guide to drive internal alignment on where you are today and what needs to change.

The Digital Maturity Model is a living model that will evolve with the industry, and can be used to validate the rate of change or improvement as it can be used as frequently as you need.

Three Steps in your Journey to Digital Transformation

**Plan**
The planning stage is important for setting the future vision for your organization – a time to assess where you are and where you need to go. At the start of this phase, the Digital Maturity Model is used to educate and assess the current state of digital maturity, identify opportunities and define a future-state vision.

**Design**
The design phase turns the vision into an action plan prioritizing the most important objectives. The Digital Maturity Model can be used to assess the impact of the initiatives on the roadmap.

**Execute**
The execution stage is where the real work begins and the transformation comes to life. At the end of the execution phase, the Digital Maturity Model can be used to validate the value and impact of the completed stage, and evaluate improvements needed in future stages.

PCCW Global is happy to endorse the TM Forum Digital Maturity Model as it puts the spotlight on what we believe is important for organizations to consider when base-lining and planning for their own digital transformations. PCCW Global believes the industry will benefit from having a model based on a common vocabulary and representing an industry consensus position.

Digital Transformation Journey

**Plan**
Explore opportunities and set a vision for the future state.

**Design**
Transform the vision into market-ready concepts. Refine concepts and set a plan to operate.

**Execute**
Implement the solution. Realize benefits, and continue to improve.

How the DMM is used along the digital transformation journey

- Access current state digital maturity
- Identify opportunities and define vision
- Prioritize capabilities based on business objectives
- Assess impact to digital maturity of the initiatives on the roadmap
- Measure the value and impact to digital maturity achieved by the initiatives
- Evaluate process improvement and effectiveness

Capability enhancements throughout the digital transformation journey

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There is no one-size-fits all level of digital maturity to aim for. The TM Forum Digital Maturity Model provides a view across all of the important digital dimensions and what you need to focus on to achieve digital maturity required for your business. The maturity you aim for in each area is dependent on what you are trying to achieve as a business, and how you plan to execute on your strategy.

Using the Model for Digital Transformation

1. What is my overall focus for the business?
2. How will I configure the business to enable the overall business strategy?
3. What are the underlying operational capabilities that we need to execute against our business strategy and defined business model?

- Based on our strategy, business model and operating model, what are the target maturity levels and priorities across the dimensions?
- What are the other business changes that need to be considered as we plan for our digital transformation?
The TM Forum Digital Maturity Model & Metrics App

The app is a hands-on implementation of the model to help you assess your current digital capability, determine where you’d like to get to and help you plan, specifically, the detail of the next steps you have to take.

Using the App

Digital Transformation Team Leader
Administers the process by registering interest via the app. Once qualified by TM Forum, the account is set up and benchmarking database is available (2-3 days)

Evidencers
Gatherers organizational evidence and enter it into the App (optional) (2-3 weeks)

Stakeholders
Invited to take the survey
(2-3 hours for an individual to complete the survey)  
(2-3 weeks for whole team to complete survey)

Once setup your stakeholders have the opportunity to answer a series of questions, rating what is important to them, their ‘As Is’ view of the capability represented in the criteria statement and the ‘To Be’ digital target state.

As the Team Leader you can see where the variances lie in your survey group and work towards eliminating them through evidence proving, change projects and reinforcing communications.

You can benchmark your own organization for future reference, and contribute to the TM Forum global benchmark either openly or anonymously to rate where you stand in your own journey against your peers.

Using collaborative power of the TM Forum, and working with a number of our fellow members, BT has helped develop an industry standard Digital Maturity Model. This model enables organizations to assess their current digital capability and identify areas where they have deficiencies that will enable them to prepare for their own digital transformation journey.”
Next Steps – Using the model

There are three ways in which you can choose to implement the TM Forum Digital Maturity Model in your organization. These vary depending on level of maturity and whether you require consultancy to assist your team in developing your transformational priorities and delivery of the resulting program.

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*Partnership option enabled by TM Forum Partner Network

TM Forum Digital Transformation Partner Network

To help you execute your digital transformation journey, TM Forum is creating a partner network of experts who can offer extensive advice and hands-on experience on every aspect of digital transformation. Please contact us if you’d like to learn more or join our network.

CONTACT US

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