Digital Maturity Model
Achieving digital maturity to drive growth
August 2018
Organisations are struggling to grasp the full impact of the digital era and deliver transformation

Just **26%** of executives feel confident that their company fully understands the potential for digital to change value creation.

Source: Forrester

**54%**

of decision makers feel they have two years to make inroads on digital transformation or risk falling behind.

Source: Progress

Only **1 in 3** business leaders agree that digital priorities are fully aligned within their organisation's overall strategy.

Source: Fujitsu
The digital era needs a new approach because the monolithic, linear approach to organisation transformation is too slow.
Developed in collaboration with the TM Forum

All organisations recognize that digital is a major differentiator, but there are so many different digital assessment tools out there, it’s difficult to know which will give the best results.

The first industry-standard digital maturity assessment:

- Developed in collaboration with the TM Forum
- With key contributions from industry and subject matter experts
- Reviewed by a broad spectrum of global telco businesses

The DMM is a framework that enables business leaders to:

- Rapidly assess where they are in their transformation journey
- Prioritise and focus their transformation efforts to maximise return
- Make impactful transformation investments

Digital capability is assessed against five dimensions to create an enterprise view of digital maturity:

- **Customer**
- **Strategy**
- **Technology**
- **Operations**
- **Org. & Culture**

**5 DIMENSIONS** (Click for detail)

**179 INDIVIDUAL ASSESSMENT CRITERIA**

<table>
<thead>
<tr>
<th><strong>Today: as-is</strong></th>
<th><strong>Tomorrow: to-be</strong></th>
<th><strong>Prioritize: importance</strong></th>
<th><strong>Compare: benchmark</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>As-is score for digital capability today</td>
<td>To-be score aligned to the organisation's ambition</td>
<td>Importance score to identify priority areas for focus</td>
<td>Compares organisations to their peers on key criteria</td>
</tr>
</tbody>
</table>
DMM is a tool to enable digital transformation

One thing holding back progress towards digital transformation in the telecoms industry is the lack of a clear, industry-oriented roadmap.

Many other digital maturity models exist but with varying scopes, points of view, and metrics for measuring success.

The Digital Maturity Model is:

- The first **industry-standard** digital maturity assessment tool
- The first **pan-organisation** digital model, covering 5 core business dimensions
- The first to **benchmark** against peers and measure progress

Using the Digital Maturity Model will empower businesses through every step of their transformation journey.

It enables business leaders to:

- **Assess and measure** the progress of their transformation journey
- Understand the pace of change, and **prioritize objectives** and areas of focus accordingly
- Make **impactful investments** in transformation projects

MORE: Define your ambitions
### Middle East

**Challenges**
- Bring all siloed digital initiatives under one programme
- Drive digital as a common agenda across a very large organisation
- Give direction on key programmes that will deliver required digital capabilities

**Approach**
- **10 week engagement**
  - +200 surveys completed
  - 11 business units
  - Engagement across 4 levels of the organisation (VP, GM, Dir., Expert)
  - Surveys completed individually using web-based self-assessment tool
  - Supported by interviews, evidence data & KPIs

**Outputs**
- Front end assessment (i.e. outside in, sentiment/social media analysis)
- In-flight digital initiatives assessment
- Weighted maturity index incl. evidence
- 60 digital initiatives (incl. 20 quick wins)
- Developed transformation roadmap
- Set up Digital Transformation Office

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### Latin America

**Challenges**
- Align on digital priorities across the business
- Prioritize focus and investment on dimensions most critical to delivering overall strategy

**Approach**
- **6 week engagement**
  - 72 participants
  - 9 business divisions
  - Engagement across 4 levels of the organisation (VPs to Dir.)
  - Data gathered over 37 group workshops & individual interviews

**Outputs**
- DMM assessment per division and at organisation level
- 4 digital initiatives / recommendations identified to drive digital transformation and change
- Developed draft transformation roadmap

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### Europe

**Challenges**
- Define a consolidated view of global digital maturity across Opcos to support informed discussion with Group and Opco executives

**Approach**
- **4 week engagement**
  - 5 OpCos, Enterprise, and Group businesses surveyed
  - Surveys completed by Deloitte account teams based on detailed knowledge of the client

**Outputs**
- DMM assessment per Opco and for Group
- ‘Heatmap’ of current digital maturity against Group and Global priorities
- Identified gaps against priorities and key differences by market
- 6 key recommendations to drive digital transformation and change
Digital can unlock a range of benefits... be bold where you seek improvement... and plan carefully to avoid the unintended negative impacts.

6 big trends...

1. Connectivity
Moving from a linear operator-to-household relationship, digital unlocks the ability to create user-to-device-to-service-to-lifestage relationships, unlocking new value.

2. Innovation
Collaboration and crowdsourcing (underpinned by flexible platforms) enable you to rapidly develop, test and launch new products and services to deliver more impact to your customers, and create differentiation in your market.

3. Automation
Applying automation (e.g., robotic process automation, chatbots) to manual tasks enabling faster, more accurate processing, or more efficient interactions, freeing up humans to focus on emotional customer engagement.

Adopting a digital philosophy allows you to achieve success quickly and iteratively.

The digital opportunity is present across the whole enterprise.

DIGITAL DISRUPTION
Reimagine business

DIGITAL EXPERIENCE
Engage consumers and customers in new ways

DIGITAL AT THE CORE
Enable intelligent sensing operations

...that digital exploits

4. Experience
Deploying digital channels and functionality across product, marketing, sales and care to improve the customer experience, enable self-service and join-up fragmented customer journeys.

5. Risk management
Better control of data assets, and management of operational risk through the application of cyber, analytical and data tooling.

6. Data Intelligence
Collecting and employing data to gain better insight into the customer, creating enhanced and personalised experiences, and predicting the next best action measured against a range of dynamic criteria.
Size of the prize

The potential benefits of an enterprise-wide digital transformation are significant – below are some benefits we have seen in other Telcos1

Marketing & Sales

Providing customers with a seamless and personalised experience across all digital channels will encourage their migration from physical stores, telesales and direct sales, towards a primarily digital experience.

Potential to eliminate 60-80% of physical sales channel costs and enhance customer experience (~25% improvement in NPS scores).

Sales tooling can drive c.30% improvement in sales productivity in the remaining physical channels. In addition, potential exists to increase ARPU by 1-2% by offering personalised bundles, pricing and discounts.

Product simplification

Simplification of products (retirement of legacy tariffs or bundles) and supporting platforms is the foundation for successful automation and digitisation (you don’t want to simply digitise your ‘mess’).

Product portfolio and platform rationalisation programmes typically deliver 5-20% Opex savings2 (relative to in-scope costs), and streamlined operational platforms and cross-functional processes as enablers for growth and agility. Simplification is also a critical enabler for cross-border standardisation.

Care

Call volumes can be reduced by 30-40% through implementation of self-service capabilities and AI-enabled interactions (e.g. chatbots).

RPA deployments in front and back office Care can deliver cost savings of 30-60% in the impacted process areas.

Opportunity to reduce total Care costs by 10%-30%

Finance

Use of RPA in Finance can drive >30% cost reduction through automating manual finance processes (e.g. tax, billing and treasury).

HR

Digital HR can revolutionise the entire employee experience.

Organisations with engaged workers have employees who are 57% more effective3 and 87% less likely to leave4 than organisations with low engagement.

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1 Benefits sourced from implementations at North American and European cable, telco or mobile operators
2 Other downstream cost savings may be lower if run a product portfolio and platform rationalisation programme
3 ADP Staff in Schaufelbuel, K. (2013). Powering your bottom line through employee engagement. UNC Kenan-Flagler Business School
4 Engage for Success (2012), The Evidence
Transforming in the digital era
The Digital Maturity Model is just one component of a complex transformation journey that requires the right partner support

How Deloitte can get you there

Thinking Differently

Our deep experience of core digital enablers...

- Connectivity
- Leading-edge innovation
- Automation
- Experience innovation
- Cyber Security
- Data intelligence

Our understanding of key lenses to consider the business...

- Branding & values
- Experiences & engagement
- Ambitions & aspirations
- Ecosystems
- Platforms & data
- Enterprise operations
- Organisation & talent

Seeing Differently

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CONCEIVE

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Our deep experience of core digital enablers...

DOING DIFFERENTLY

Our differentiated and dynamic approach...

RUN
Scale, Operate

Deliver
Validate, Refine

IMAGINE
Sense, Frame, Decide

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Our deep experience of core digital enablers...
Different is REALLY good

Unlike our competitors, we are a one-stop shop, able to provide true end-to-end capabilities for our clients
How the Digital Maturity Model can kick-start digital transformation?

At Deloitte we understand that digital transformation involves a complex ecosystem of capabilities.

The Digital Maturity Model is an effective accelerator that rapidly identifies capability gaps, helps prioritize key areas of focus, and establish where to start.

It will inform and support you throughout your digital transformation, and will allow us to determine how we can best support you.

### Imagine
- Assess current state digital maturity
- Quickly identify opportunities
- Frame the future vision

### Deliver
- Validate capabilities to enhance based on business objectives
- Refine ideas and set a plan for future operating model

### Run
- Measure the value and impact of initiatives to digital maturity
- Evaluate process improvement and effectiveness

- Explore new opportunities to shape the future
- Define the capabilities needed to win (people, process, technology)
- Redesign how you organize to deliver the strategy

- Implement Operating model and talent strategy to deliver the vision
- Consolidate data to support the new digital environment
- Roadmap the deployment of new and existing assets

- Develop long term change management and talent plans to help organisations proactively adapt
- Deploy effective analytics to monitor impact and inform future offerings
- Embed a culture of disruption
We deliver end to end digital transformation support

Using the Digital Maturity Model dimensions as a guiding framework, we have a broad set of digital capabilities to support your digital transformation programme and help you meet your objectives.

<table>
<thead>
<tr>
<th>DMM Dimensions</th>
<th>Deloitte Capabilities</th>
<th>Key Deloitte Assets / Propositions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer</td>
<td>Digital Marketing &amp; Insight</td>
<td>Digital Presence</td>
</tr>
<tr>
<td></td>
<td>Next Gen Sales &amp; Service</td>
<td>DigitalMix (multi-solution digital ecosystem)</td>
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<td>Design Advisory</td>
<td>‘Connected Store’ Lab</td>
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<td>Strategy</td>
<td>Digital Strategy</td>
<td>Growth Labs</td>
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<td>Doblin – innovation</td>
<td>Disruptive M&amp;A</td>
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<td>Technology</td>
<td>Digital Platforms &amp; Engineering</td>
<td>Enterprise Value Map</td>
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<td></td>
<td>Technology Strategy &amp; Architecture</td>
<td>Quadplay Capability Framework</td>
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<td>Technology Delivery</td>
<td>Digital BSS Transformation Framework (Open API)</td>
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<td>Digital Analytics</td>
<td>Agile Transformation</td>
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<td>Cyber Risk Advisory</td>
<td>Robotics &amp; Process Automation</td>
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<td>Operations</td>
<td>Enterprise Transformation</td>
<td>Future Works</td>
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<td></td>
<td>Digital Supply Networks</td>
<td>Digital Finance Lab</td>
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<td>Digital Workforce</td>
<td>Digital DNA</td>
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<td>People &amp; Workforce Analytics</td>
<td>Deloitte Pixel</td>
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<td>Next Gen Digital Leaders programme</td>
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<td>Deloitte Capability Tool</td>
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Don’t just take our word for it… We keep getting recognised

Alicia Hatch named to Adweek’s Top 15 Tech-Savvy CMOs
Adweek, 2017

Andy Main named to Adweek’s Top 100 Power List
Adweek, 2017

Cannes Lion Bronze in Creative Effectiveness
Cannes, 2016

#2 Digital Agency Worldwide
Advertising Age, 2015

Andy Main named Consulting Magazine’s Top 25 Consultants
Consulting Magazine, 2016

Global Digital Marketing Partner of the Year
Adobe, 2015

Bronze Generation: Global–Lead
MMA Smarties, 2016

Innovation Award for Platform
Salesforce, 2015

Partner in Excellence Award for Cloud Services
SAP, 2015

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Silver: Video Comedy for “The Stages of Business Disruption”
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Want to know more?
DMM sub-dimensions

There are 28 sub-dimensions that sit beneath the 5 core DMM dimensions
The 5 core dimensions are divided into 28 sub-dimensions and 179 individual criteria on which digital maturity is assessed.

<table>
<thead>
<tr>
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<th>Strategy</th>
<th>Technology</th>
<th>Operations</th>
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<td>Customer Engagement</td>
<td>Brand Management</td>
<td>Applications</td>
<td>Agile Change Management</td>
<td>Culture</td>
</tr>
<tr>
<td>Customer Experience</td>
<td>Ecosystem Management</td>
<td>Connected Things</td>
<td>Automated Resource Management</td>
<td>Leadership &amp; Governance</td>
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<tr>
<td>Customer Insights &amp; Behaviour</td>
<td>Finance &amp; Investment</td>
<td>Data &amp; Analytics</td>
<td>Integrated Service Management</td>
<td>Organisational Design &amp; Talent Management</td>
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<td>Customer Trust &amp; Perception</td>
<td>Market &amp; Customer</td>
<td>Delivery Governance</td>
<td>Real-time Insights &amp; Analytics</td>
<td>Workforce Enablement</td>
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<td>Portfolio, Ideation &amp; Innovation</td>
<td>Network</td>
<td>Smart and Adaptive Process Management</td>
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<td></td>
<td>Stakeholder Management</td>
<td>Security</td>
<td>Standards &amp; Governance Automation</td>
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<td></td>
<td>Strategic Management</td>
<td>Technology Architecture</td>
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28 sub-dimensions

179 digital criteria
Define your ambitions
Consider your ultimate objectives before you set out
Define your digital ambitions before you set out

The level to which your organisation needs to be digitally mature is dependent on your own business strategy, business model, and operating model.

Any organisation needs to start by considering these broad theme in a top-down approach, while also keeping in mind the desired outcomes of implementing change.
Prioritize digital capabilities based on your ambitions

Use your overarching digital ambitions and the Digital Maturity Model to prioritize focus areas across all capabilities.

Target digital capabilities and maturity levels depend on the value created and the results that are important to you.

Your business priorities can be used in parallel with the Digital Maturity Model survey results to drive action and initiate digital transformation in your organisation.

For example: If you’re your business model is highly dependent on partners to deliver...

...Then it will be more important to focus on having a mature platform-based infrastructure to facilitate an open ecosystem with go-to-market partners.