Deloitte.
Digital

tmforum

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

Think
differently

See
differently

Do
differently

The digital era needs a new approach because the monolithic, linear approach to organisation transformation is too slow

IT IS THAT SIMPLE… BUT IT'S NOT EASY

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

tmforum
Deloitte.

Huawei Consulting
Tata Consulting Services
Orange
BearingPoint   Nokia
PCCW Global
Detecon Consulting   Microsoft
China Unicom   BT   China Mobile
Telefonica
AT&T   Axiata   Vodafone   Telkom
China Telecom   Amdocs   Indonesia
NTT Group   Etisalat

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

5 DIMENSIONS (Click for detail)
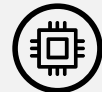
Customer	Strategy	Technology	Operations	Org. & Culture

28 SUB-DIMENSIONS

179 INDIVIDUAL ASSESSMENT CRITERIA

Today: as-is

As-is score for digital capability today

Tomorrow: to-be

To-be score aligned to the organisation's ambition

Prioritize: importance

Importance score to identify priority areas for focus

Compare: benchmark

Compares organisations to their peers on key criteria

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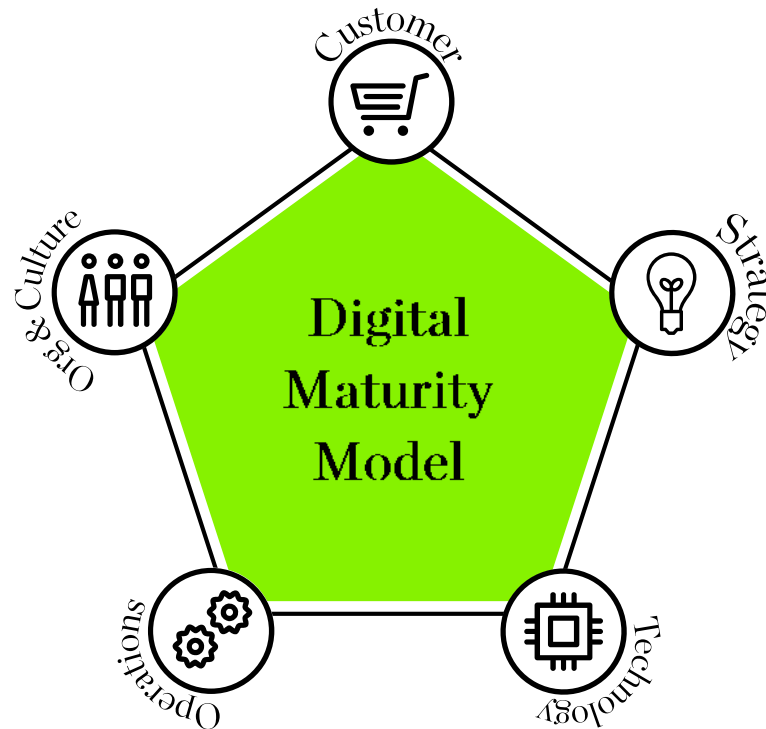
Using the Digital Maturity Model will empower businesses through every step of their transformation journey.

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

Customer · Strategy · Technology · Operations · Org & Culture

Digital Maturity Model

Deloitte Digital Maturity Model case studies

Different approaches can be adopted for using the Digital Maturity Model

	Middle East	Latin America	Europe
Challenges	• Bring all siloed digital initiatives under one programme • Drive digital as a common agenda across a very large organization • Give direction on key programmes that will deliver required digital capabilities	• Align on digital priorities across the business • Prioritize focus and investment on dimensions most critical to delivering overall strategy	• Define a consolidated view of global digital maturity across Opcos to support informed discussion with Group and Opco executives
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	• **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	• **4 week engagement** • 5 OpCos, Enterprise, and Group businesses surveyed • Surveys completed by Deloitte account teams based on detailed knowledge of the client
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	• DMM assessment per division and at organisation level • 4 digital initiatives / recommendations identified to drive digital transformation and change • Developed draft transformation roadmap	• 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

Faster revenue growth

Reduced cost of operation

Increased customer satisfaction

More engaged employees

6 big trends...

...that digital exploits

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

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

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

New Business Models	New Operating Models & Culture	Network Ecosystems	Customer-Centric Marketing	Seamless Commerce	Digitally Enabled Sales & Care	Digitally Enhanced R&D	Digital Supply Networks	Digital Finance & Back Office	Digital Performance & HR Management
New Value Propositions	Next Gen Management Models	Strategic Partnership Development	Personalised, Programmatic Messaging	Integrated Physical, Digital Go-To-Market Proposition	Personalised Bundle Builder / Dynamic Pricing & Discounts	Open Innovation / Crowd-sourcing	Digital Procurement	Robotics & Process Automation	Agile Workforce Planning
New Revenue Models	Flexible Asset-Lite Infrastructure	Customer Ecosystem Insights	Immersive Social / Always On Digital Content		Web Chat & Asynchronous Messaging	Customer-Centred Portfolio		Collaboration tools	Flexible Career Paths
Outsourcing	Agile Capability Reinvention	Borderless Talent Ecosystem	Local Nuanced Customer Experiences		Intelligent IVR	Dynamic Control & Compliance		App-based Access to Core Processes / Mobile Visualisations	Cascading Goals, KPIs & Incentives
	Digital DNA		Customer Loyalty & Referral Schemes		Chatbots / Digital Assistant	Innovation Success Prediction		Driver-Based Forecasting & Predictive Analytics	Performance Gamification & Intervention
			Digital Engagement Platforms		Proactive Care			Process Productivity Analytics & Optimisation	
			Digital Shop Front / Digital in Retail		Self-Service Apps			Automated Written Narratives	
					Community Support			Finance Alignment to Digital Op Model	
					Social Listening				
					Augmented Reality				

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

Size of the prize

The potential benefits of an enterprise-wide digital transformation are significant – below are some benefits we have seen in other Telcos[1]

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 savings**[2] (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)
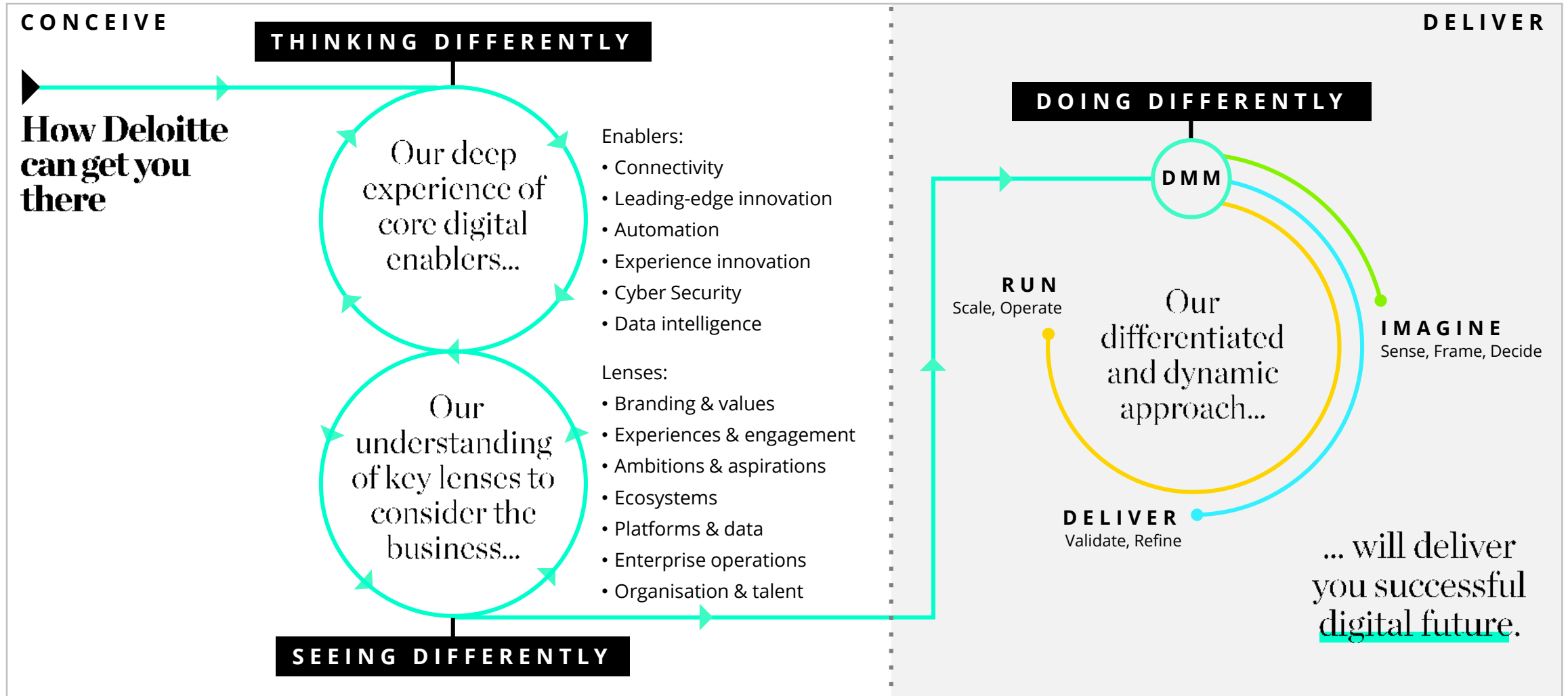
HR

Digital HR can revolutionise the entire employee experience

Organisations with engaged workers have employees who are **57% more effective**[3] and **87% less likely to leave**[4] than organisations with low engagement

DIGITAL DISRUPTION
Reimagine business

DIGITAL EXPERIENCE
Engage consumers and customers in new ways

DIGITAL AT THE CORE
Enable intelligent sensing operations

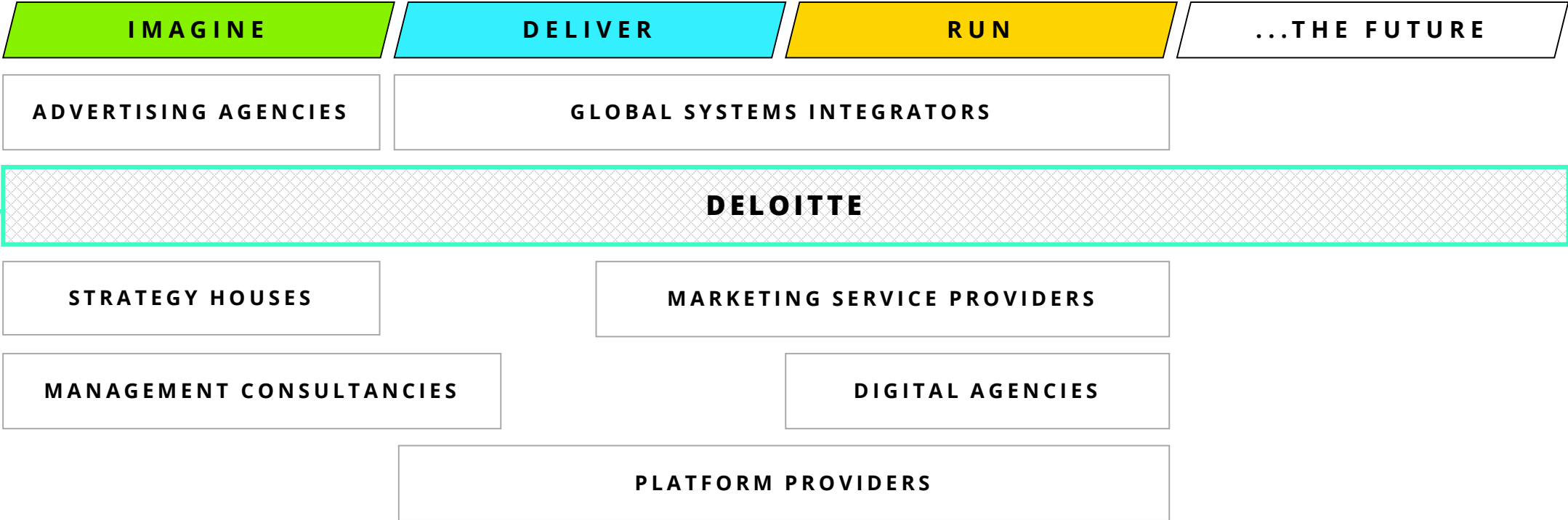| New Business Models	New Operating Models & Culture	Network Ecosystems	Customer-Centric Marketing	Seamless Commerce	Digitally Enabled Sales & Care	Digitally Enhanced R&D	Digital Supply Networks	Digital Finance & Back Office	Digital Performance & HR Management
New Value Propositions	Next Gen Management Models	Strategic Partnership Development	Personalised, Programmatic Messaging	Integrated Physical, Digital Go-To-Market Proposition	Personalised Bundle Builder / Dynamic Pricing & Discounts	Open Innovation / Crowd-sourcing	Digital Procurement	Robotics & Process Automation	Agile Workforce Planning
New Revenue Models	Flexible Asset-Lite Infrastructure	Customer Ecosystem Insights	Immersive Social / Always On Digital Content		Web Chat & Asynchronous Messaging	Customer-Centred Portfolio		Collaboration tools	Flexible Career Paths
Outsourcing	Agile Capability Reinvention	Borderless Talent Ecosystem	Local Nuanced Customer Experiences		Intelligent IVR	Dynamic Control & Compliance		App-based Access to Core Processes / Mobile Visualisations	Cascading Goals, KPIs & Incentives
	Digital DNA		Customer Loyalty & Referral Schemes		Chatbots / Digital Assistant	Innovation Success Prediction		Driver-Based Forecasting & Predictive Analytics	Performance Gamification & Intervention
			Digital Engagement Platforms		Proactive Care			Process Productivity Analytics & Optimisation	
			Digital Shop Front / Digital in Retail		Self-Service Apps			Automated Written Narratives	
					Community Support			Finance Alignment to Digital Op Model	
					Social Listening				
					Augmented Reality				

Transforming in the digital era

The Digital Maturity Model is just one component of a complex transformation journey that requires the right partner support

CONCEIVE

DELIVER

THINKING DIFFERENTLY

How Deloitte can get you there

Our deep experience of core digital enablers...

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

DOING DIFFERENTLY

DMM

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

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

RUN
Scale, Operate

Our differentiated and dynamic approach...

IMAGINE
Sense, Frame, Decide

DELIVER
Validate, Refine

... will deliver you successful digital future.

SEEING DIFFERENTLY

Different is REALLY good

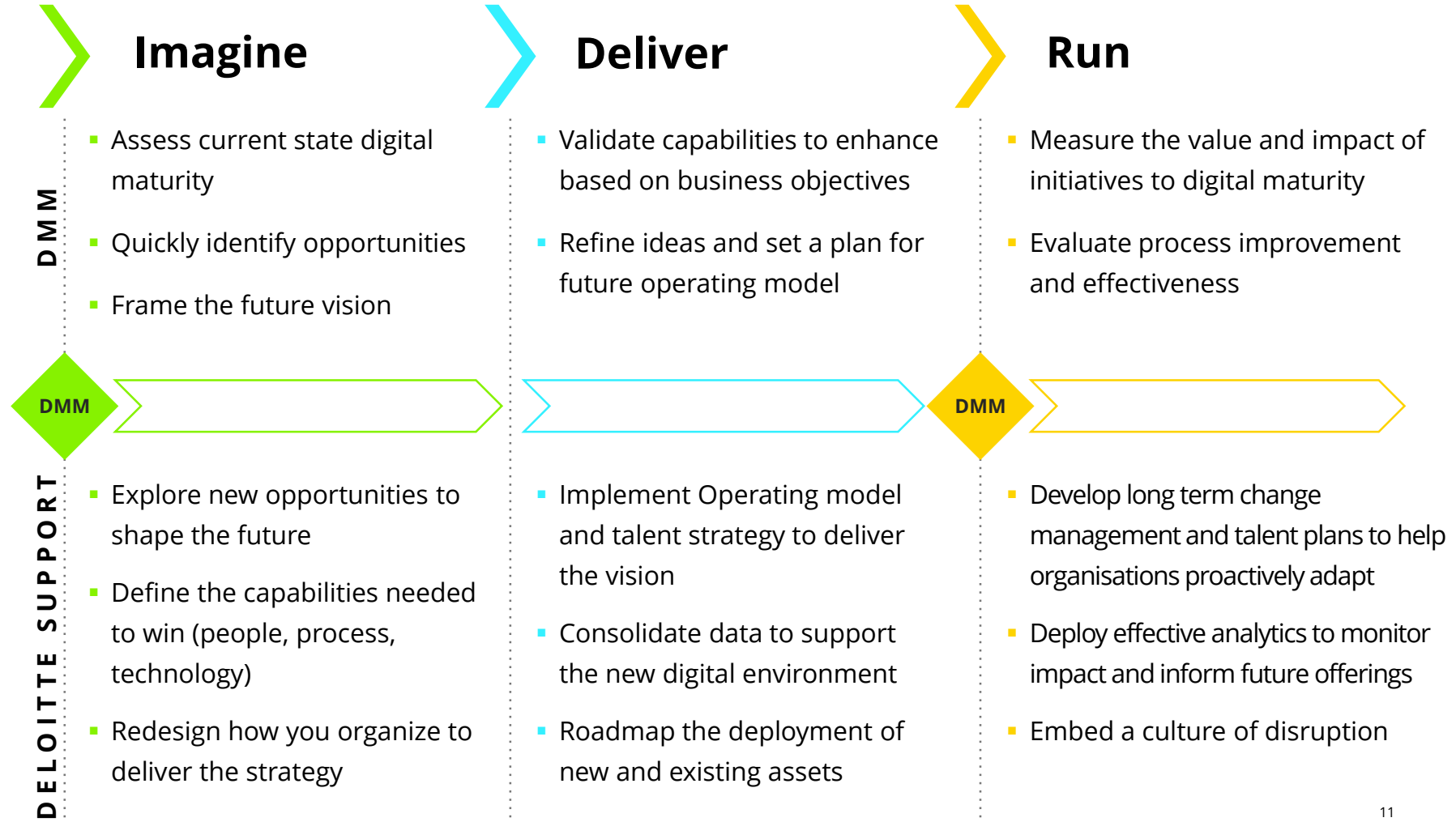Unlike our competitors, we are a one-stop shop, able to provide true end-to-end capabilities for our clients

IMAGINE	DELIVER	RUN	...THE FUTURE

ADVERTISING AGENCIES	GLOBAL SYSTEMS INTEGRATORS

DELOITTE

STRATEGY HOUSES	MARKETING SERVICE PROVIDERS

MANAGEMENT CONSULTANCIES	DIGITAL AGENCIES

PLATFORM PROVIDERS

How the Digital Maturity Model can kick-start digital transformation?

At Deloitte we understand that digital transformation involves a complex ecosystem of capabilities.
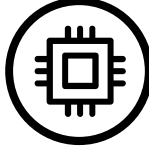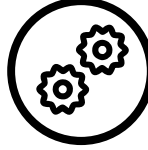
The Digital Maturity Model is an effective accelerator that rapidly identifies capability gaps, helps prioritize key areas of focus, and establish where to start.

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

Imagine

DMM

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

DMM

DELOITTE SUPPORT

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

Deliver

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

- 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

Run

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

DMM

- 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

DMM DIMENSIONS	**Customer**	**Strategy**	**Technology**	**Operations**	**Organisation & Culture**
DELOITTE CAPABILITIES	▪ Digital Marketing & Insight ▪ Next Gen Sales & Service ▪ Design Advisory ▪ Market Gravity - proposition design ▪ Acne - creative agency services	▪ Digital Strategy ▪ Design Advisory ▪ Market Gravity – proposition design ▪ Acne - creative agency services ▪ Doblin – innovation	▪ Digital Platforms & Engineering ▪ Technology Strategy & Architecture ▪ Technology Delivery ▪ Digital Analytics ▪ Cyber Risk Advisory	▪ Enterprise Transformation ▪ Digital Supply Networks ▪ Finance Operations ▪ Demand Analytics	▪ Digital Organisation ▪ Digital Workforce ▪ People & Workforce Analytics
KEY DELOITE ASSETS / PROPOSITIONS	▪ Digital Presence ▪ DigitalMix (multi-solution digital ecosystem) ▪ 'Connected Store' Lab	▪ Growth Labs ▪ Digital Disruption Index ▪ Venture Path ▪ Ecosystems & Alliances ▪ Disruptive M&A ▪ Enterprise Value Map ▪ Quadplay Capability Framework	▪ Ecosystems & Alliances ▪ DigitalMix (multi-solution digital ecosystem) ▪ EnterpriseNext (Apple) ▪ Workplace (Facebook) ▪ McLaren Applied Technologies solutions ▪ Digital BSS Transformation Framework (Open API)	▪ Agile Transformation ▪ Robotics & Process Automation ▪ Future Works ▪ Digital Finance Lab ▪ 'Connected Supply Chain' Lab ▪ 'Insight Driven Organisation' Lab	▪ Agile Transformation ▪ Digital DNA ▪ Deloitte Pixel ▪ Employee Value Index ▪ Next Gen Digital Leaders programme ▪ Future of Work Lab ▪ 'Connected Employee' Lab ▪ Deloitte Capability Tool

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

#2 Digital Agency Worldwide

AdvertisingAge, 2015

Global Digital Marketing Partner of the Year

Adobe, 2015

Partner in Excellence Award for Cloud Services

SAP, 2015

Andy Main named to Adweek's Top 100 Power List

Adweek, 2017

Andy Main named Consulting Magazine's Top 25 Consultants

Consulting Magazine, 2016

Bronze Generation: Global–Lead

MMA Smarties, 2016

Deloitte named a worldwide leader in Digital Strategy Consulting Services

IDC MarketScape, 2016

Cannes Lion Bronze in Creative Effectiveness

Cannes, 2016

Gold: Internet Commercial and Online/Interactive Campaign for EA Sports

Addy Awards, 2016

Innovation Award for Platform

Salesforce, 2015

Silver: Video Comedy for "The Stages of Business Disruption"

Telly Awards, 2016

Deloitte.
Digital

Get in touch.

Christine Anderson

Managing Director
Contact: christinebanderson@deloitte.com

David Green

Partner
Contact: davidgreen@deloitte.co.uk

Matt Roberts

Director
Contact: mroberts@deloitte.co.uk

William Ellerby

Manager
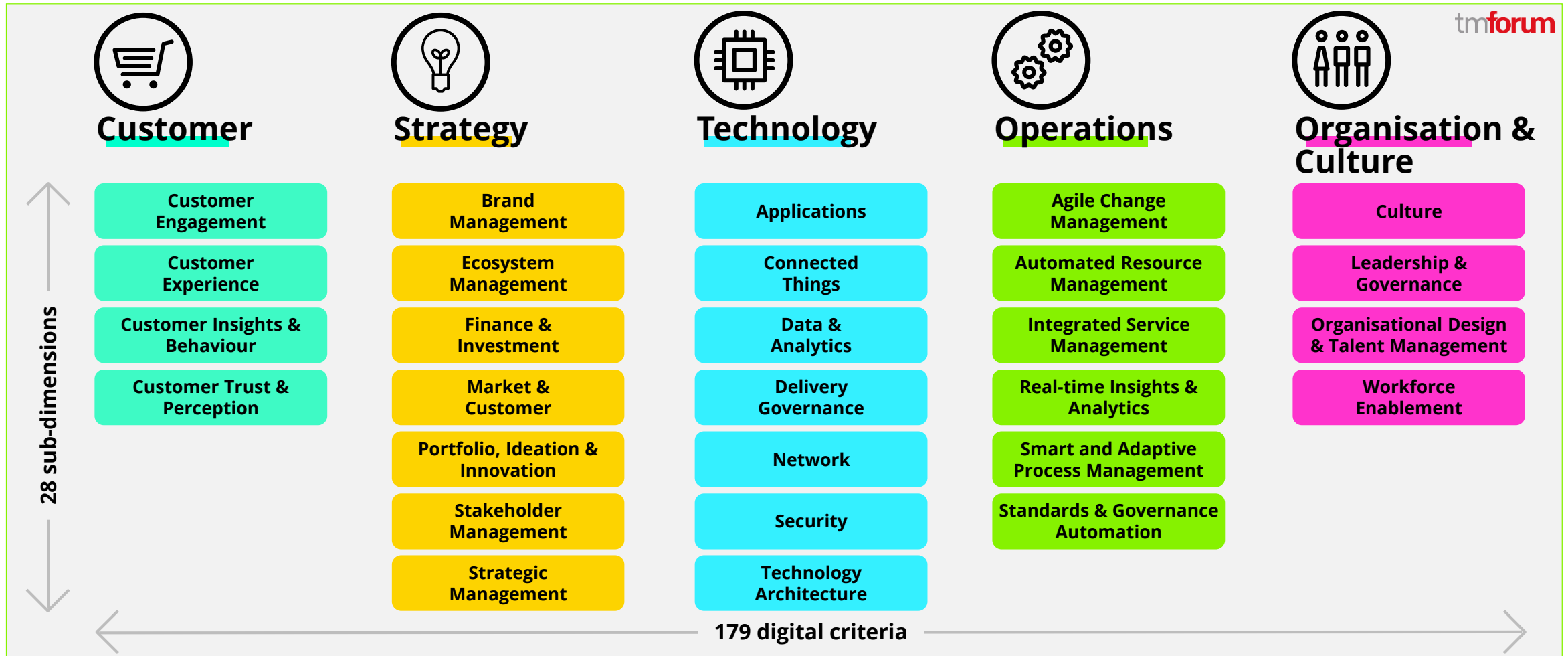**Contact:** wellerby@deloitte.co.uk

Want to know more?

DMM
sub-dimensions

There are 28 sub-dimensions that sit beneath the 5 core DMM dimensions

DMM survey structure

The 5 core dimensions are divided into 28 sub-dimensions and 179 individual criteria on which digital maturity is assessed

Customer	Strategy	Technology	Operations	Organisation & Culture
Customer Engagement	Brand Management	Applications	Agile Change Management	Culture
Customer Experience	Ecosystem Management	Connected Things	Automated Resource Management	Leadership & Goverance
Customer Insights & Behaviour	Finance & Investment	Data & Analytics	Integrated Service Management	Organisational Design & Talent Management
Customer Trust & Perception	Market & Customer	Delivery Governance	Real-time Insights & Analytics	Workforce Enablement
	Portfolio, Ideation & Innovation	Network	Smart and Adaptive Process Management	
	Stakeholder Management	Security	Standards & Governance Automation	
	Strategic Management	Technology Architecture		

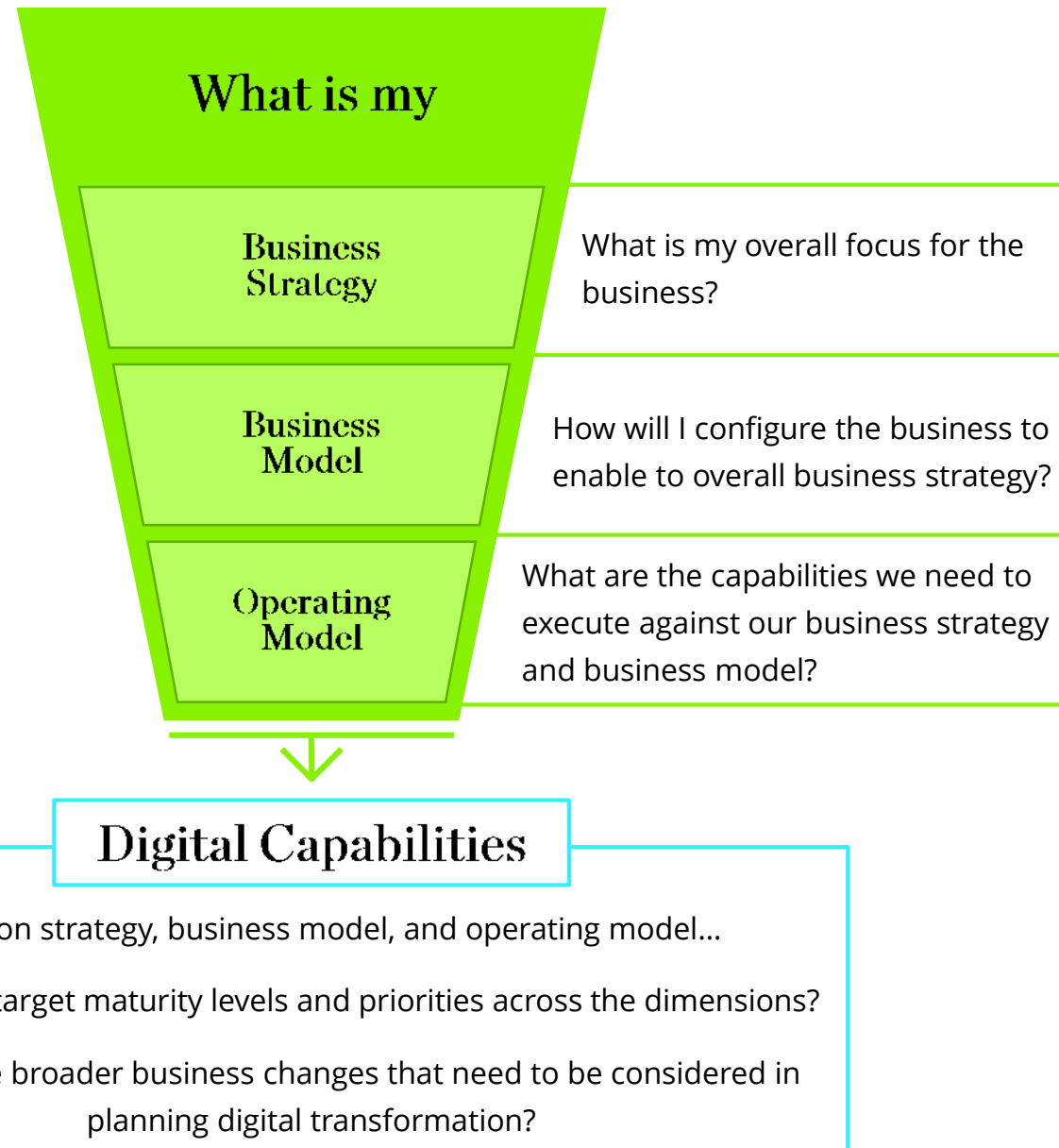**28 sub-dimensions**

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.

What is my

Business Strategy

What is my overall focus for the business?

Business Model

How will I configure the business to enable to overall business strategy?

Operating Model

What are the capabilities we need to execute against our business strategy and business model?

Digital Capabilities

Based on strategy, business model, and operating model...

What are the target maturity levels and priorities across the dimensions?

What are the broader business changes that need to be considered in planning digital transformation?

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…

5 Digital Maturity Model Dimensions

Customer | Strategy | Technology | Operations | Organization & Culture
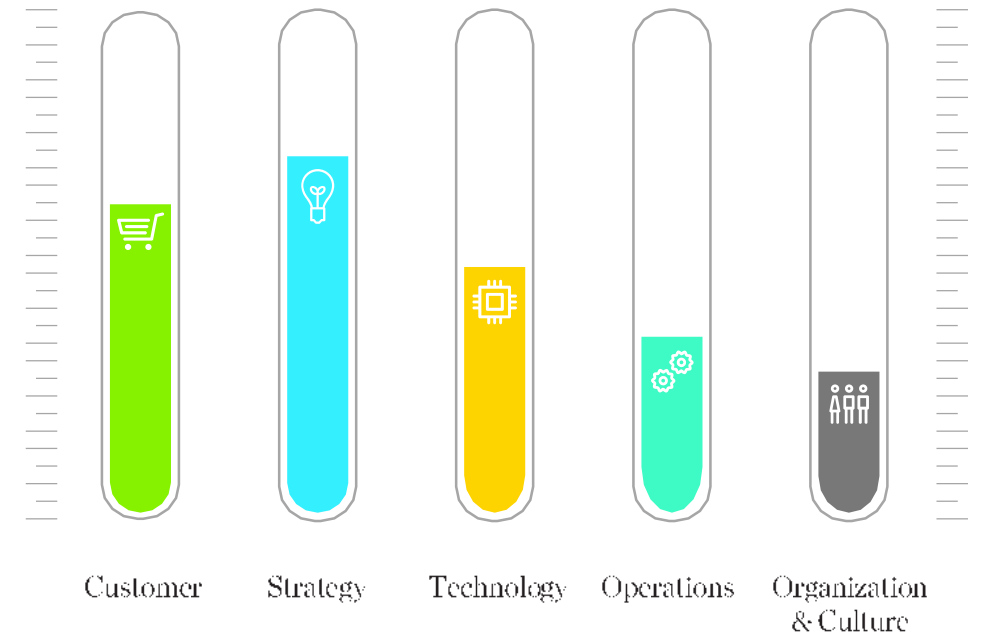
…Then it will be more important to focus on having a mature platform-based infrastructure to facilitate an open ecosystem with go-to-market partners

Deloitte.
Digital