



Transformation 2022: Expanding your digital transformation roadmap in a decade of disruption

Meet your experts



Hiroshi Sugiyama

SVP, Head of Manufacturing IT Innovation Sector and Consulting & Solution Sector, NTT DATA

Hiroshi Sugiyama has around 30 years of broad experiences in management, IT consulting, large system integrations, and business alliances, working with various industry clients to leverage digital technology for business success, and is now leading manufacturing industry, consulting, and technology solution business in NTT DATA.



Ellen Daley

SVP of Acorio, an NTT DATA Company

Ellen Daley brings more than 25 years of broad technical and management experience across software, research, and services to Acorio. As an industry leader, Ellen's past firms include Deloitte, ArcStream Solutions, and Forrester Research, where she sat on the Executive Team and led their Business Technology Practice, providing consulting and research for IT leaders globally in Asia, Europe, and North America.



Andrea de Stefano

VP, Head of Business and Service Process Automation at NTT DATA Italia; ServiceNow EMEA Lead

Andrea de Stefano has more than 30 years of experience in the IT field, covering various roles in a leading company, both as a technological leader in the context of business process automation and as delivery area manager. Currently, among others, he is responsible for coordinating activities related to the ServiceNow context in the EMEA region. Starting April 1 2022, he will take the role of head of Partnership & Alliance for NTT Data Italy.



Dave Wright

Chief Innovation Officer, ServiceNow

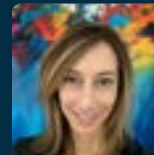
Dave Wright is ServiceNow's chief innovation officer. He's helped thousands of organizations implement technologies that create efficiencies, streamline business processes, and reduce costs while creating excellent employee and customer experiences.



Rick Wright

SVP of Customer Outcomes, ServiceNow

Rick Wright leads ServiceNow's Customer Outcomes (CO) organization, which is responsible for delivering business transformation that creates exceptional outcomes for customers. Rick oversees a global team of Go-to-Market, Expert Services, and Customer Success professionals helping customers accelerate time to value with the ServiceNow platform and achieve enduring success.



Tara Garson Flower

VP of APJ Customer Outcomes, ServiceNow

Tara Garson Flower is the VP of Customer Outcomes for ServiceNow APJ and is a core member of the APJ Leadership Team. As the leader of ServiceNow's consulting practice and Customer Success function, Tara leads a fast-growing organization that is focused on guiding customers to success. Tara has a passion for technology, innovation, and transformation, and leverages a deep background with agile frameworks to support customers in modernization and growth.



Binoy Gosalia

AVP and Global Head of Partner Acceleration, ServiceNow

Binoy brings more than 25 years of experience as a business focused technologist covering various roles helping customer and partners innovate and drive their digital transformation imperatives. Currently he leads the Partner Acceleration team for ServiceNow that is responsible for building high impact joint offerings and solutions with partners and driving the Go-to-Market strategy and execution at scale across the partner ecosystem for ServiceNow's top focus verticals and targeted business imperatives.



"We've entered a new era—one where leaders face constant uncertainty on all fronts. While having a vision and strategy at the forefront is still critical, it's just as important to build the capacity to see changes on the horizon and respond to them with agility. Transformation is no longer just a project—it's the defining skill set of tomorrow."

Hiroshi Sugiyama
Senior Vice President, NTT DATA

Into a new era

As we launch into 2022, there is a lot of executive and analyst attention around how to categorize the most recent period of disruption, change, and transformation—which has unquestionably touched every industry and person around the globe.

Even before the pandemic, there was discussion that we were on the cusp of a new era—the end of the Information Age, and a shift into the Age of Experience. It seemed that James Gilmore's 1998 Harvard Business Review prediction of the coming "Experience Economy" had arrived. To meet those demands, investments in transformation were rising. Indeed, IDC estimated that digital transformation would exceed \$2 trillion in 2019.

When the pandemic began, digital transformation mandates accelerated among business leaders—which, of course, you already know having lived it.

But it's important to recognize just how much of our business as usual processes have changed in such a short time frame. Every element of the value chain has been touched, with widespread impacts to buying habits, workforce expectations, and supply chain pressures, among others. By the end of 2020, just a year later, IDC further predicted even greater spending on digital transformation—projecting it to exceed \$6.8 trillion of direct investments from 2020 to 2023.

We have seen that doubling down of investment among our clients. According to Acorio, an NTT DATA Company, and their [2021 ServiceNow Insight and Vision Report](#), 56% of those with a digital transformation initiative noted that it was started or increased in importance because of COVID-19.

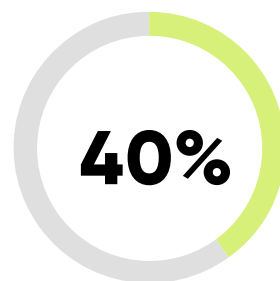
The sudden step change brought on by our new reality is staggering, from the remote and hybrid workforces, the sudden flexibility of rigid delivery models, or the changing expectations around speed, cost, and experience as a result of supply chain shortages and rapidly evolving buyer expectations.

In a sea of rapid, continuous change, traditional companies will either need to form a competency around continuous transformation—or go extinct.

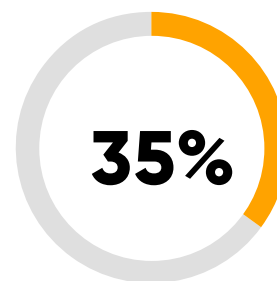
NTT DATA's 2021 Innovation Index—prepared in collaboration with Oxford Economics—shows that leaders feel unprepared for this level of disruption.

Underprepared for tomorrow's challenges

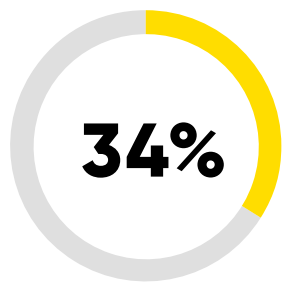
How prepared is your organization to deal with change related to the following factors over the next two years? Three-point scale. "Highly prepared" responses only.



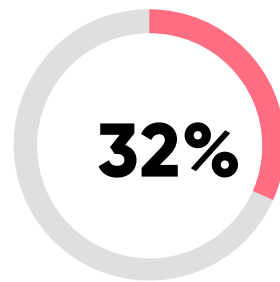
Pace of technology change



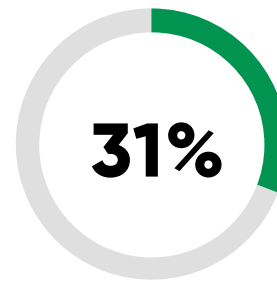
Workforce and workplace disruptions



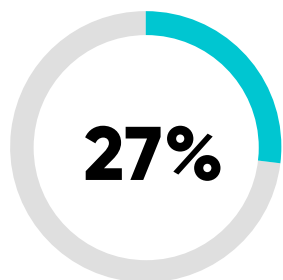
Supply chain and operational disruptions



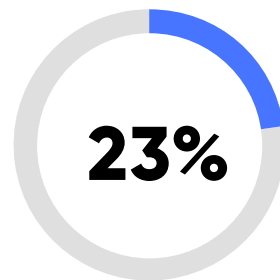
Public policy (e.g., taxes, regulations)



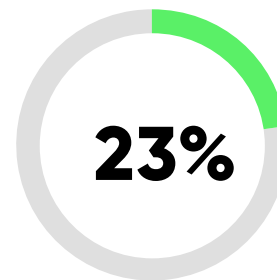
Competitive threats and industry disruption



Social movements (e.g., Black Lives Matter)




Disruptions from climate change, natural disasters, or house crises



Geographical factors (e.g., election outcomes, economic sanctions, trade patterns)

It's hard to remember a time where business leaders required more concrete, innovative advice right now. In some ways, we are reminded of Isaac Newton's need to stand on the shoulders of giants as he launched his journey to discover and quantify the nature of gravity.

Facing the gravitational pull of myriad changes across their business, the need to think bolder and bigger—while expanding the organizational capacity for successful change—is paramount. That's why we thought it was appropriate to pull together some of the experts of the ServiceNow ecosystem.



The following pages include excerpts and insights from seven interviews with business leaders across the globe, including Japan, the European Union, Australia, and the Americas.

We've asked them to share the experiences and most inspirational client stories they've seen over the past few years, in an effort to tie the threads of change together, define what successful transformation looks like for the "roaring 2022's," and put their eyes on the horizon to share what they see coming for enterprise leaders in the years ahead.

Join us as we share insights from NTT DATA and ServiceNow's leaders across the globe about how to make your capacity for change a competitive advantage. They explore answers to some of the most pressing questions facing executives today, including:

1
Why experiences are still the focal point for transformation

2
Keys to building the capacity for successful change

3
What's next for digital transformation

1

Why experiences are still the focal point for transformation in 2022

With so much disruption over the last two years, leaders could be forgiven for seeing their transformation efforts as firefighting against disruption. Still, the executives we spoke with advocate maintaining a focus on experiences as the driving force of transformation.

“Any transformation that you’re driving should deliver a better experience. If there is no improvement in experience, you might be digitizing, but you’re not transforming,” says Dave Wright, ServiceNow’s chief innovation officer.

The stakes are high. Nearly 60% of those surveyed in NTT DATA’s Innovation Index said that customer wants and needs are changing too quickly to provide high-quality experiences. The same challenge extends to employee experiences—just 28% say they are highly effective at providing flexible work options.

But the leaders identified in the Innovation Index set themselves apart with a greater focus on experiences reflected in customer satisfaction and company culture.

It paid off—they outperformed their peers in:

50%
profitability

56%
productivity

25%
operating
cost reduction

The Age of Experience persists, even amid unprecedented disruption. Yet our group of executives highlighted shifts—and opportunities—to factor into digital transformation strategies going into 2022.

01 Aligning the entire value chain to serve the customer

Often, progress on customer experience focuses on the “engagement layer”—the portals, apps, and websites where customers begin their interaction.

Ellen Daley, SVP of Acorio, an NTT DATA Company, says it’s time to widen the aperture and recognize the impact that the entire value chain has on customer experience.

“Leaders must recognize that to serve their customers better, they need to enable their partners and channels better. This transforms not only the partner’s experience, but the ultimate end customer’s experience,” says Daley.

This may mean broadening your digital transformation roadmap to prioritize a single system of action across the value chain—so data and workflows can bridge multiple players seamlessly.

02 Bridging front, middle, and back offices for a better experience across the customer lifecycle

Dave Wright points out that one of the long-term trends of the Experience Economy is the drive toward placing more value on the full lifetime value of a customer, rather than any one-time transaction.

This trend elevates the need to provide more seamless experiences across the full customer journey, not just at the point of sale. To meet this need, the leaders we spoke with recommend expanding digital transformation initiatives in the middle and back offices, to streamline and automate the processes and technologies that often can cause friction.



“Company revenue used to be generated at point of sale, but now its generated over the lifetime of a product. Everything is becoming service-oriented, and more subscription based. It’s become clear that customer retention throughout the lifecycle of a product is key.”

Dave Wright

TRANSFORMATION IN ACTION

Education

One of the top 10 largest districts in the United States, this unified school system serves over half a million students, parents, guardians, and community members on the West Coast of the U.S. With COVID-19 restrictions in place and virtual learning a new reality, the unified school district sought a digital solution that would enable and empower increased connection, rather than keep students and their families feeling detached while away from the classroom.

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Understanding that their legacy systems and outdated call fielding processes would not be sustainable in this new climate, school leadership sought to streamline service for constituents. Their end goal? Provide a positive and modern user experience so that community members could easily find answers to their questions and quickly make requests.

As a direct result of the Acorio Advisory engagement, the client's new tailored ServiceNow Blueprint uses ServiceNow CSM to optimize how they receive and respond to requests by:



Improving the user experience to increase satisfaction for students, parents, or guardians, and community members.



Collecting metrics and identifying trends to find areas of improvement and drive efficiency.

Tackling these two crucial needs will allow the organization to move from reactive to proactive service for students and their families. With this solution in place, they'll soon be able to easily identify areas that need more attention—for example, districts that have a large number of requests for Russian language translation, or districts that experience an unusually high number of late school busses—and then take necessary action.

03

Embracing a “Total Experience” strategy that bridges customer and employee experience

At the start of the pandemic, there was a significant priority placed on productivity and safety—but now, leaders recognize that they can’t keep their top talent, or recruit more, without investing in employee experience.

At the same time, there’s growing recognition of the link between employee and customer experiences.

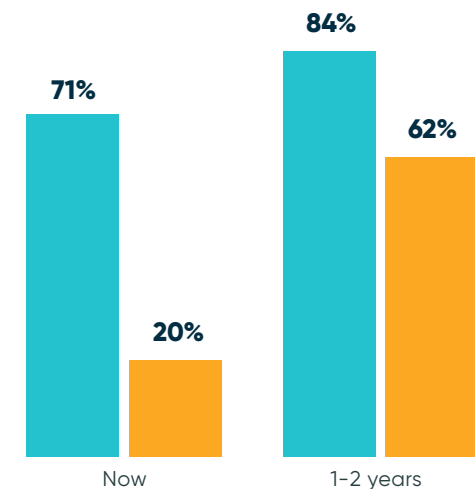
“Most people intellectually understand that if you build an amazing employee experience, that ultimately is going to drive a better customer experience. But up until now, they’ve been treating them like separate projects,” says Rick Wright, SVP of Customer Outcomes at ServiceNow.

Research from ESI ThoughtLab and ServiceNow shows that the most mature organizations are outpacing others not just in investments in customer experience, but also in employee experience. Still, most plan to invest more in both CX and EX going forward, which may only accelerate as the war for talent continues.

Those that are not yet prioritizing employee experience as part of their digital transformation roadmap may find themselves playing catch-up in both domains.

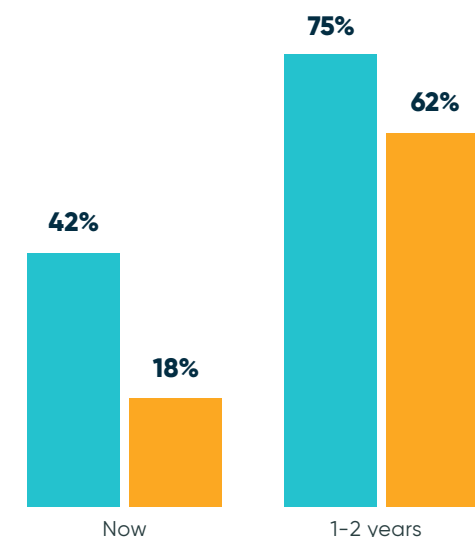
While the executives we spoke with believe that experiences will remain a driving force of digital transformation going into 2022, they also encourage leaders to continue to expand their view—and their roadmaps—to account for the disruptive trends happening across both their customer base and workforce.

Progress on overall **customer** experience: leaders vs. others



■ Leaders ■ Others

Progress on overall **employee** experience: leaders vs. others



2

The keys to building the capacity for successful change

There has never been a time where the need for innovation was so obvious. And yet, for many, the organizational capacity for it lags.

According to the [NTT DATA Innovation Index](#), only:

45% see innovation as a continual process

43% have tailored innovation to their unique needs and goals

42% have a proactive approach to innovation

As disruption continues to accelerate—and customer and employee expectations rise—organizations need to become much better, and faster, at innovating. They'll need an agile culture that can embrace change. Yet culture tops the list of what holds them back. The Innovation Index data shows that 35% of organizations say that their culture holds back their investment in digital technologies, the highest ranked factor of those surveyed. It was followed closely by a lack of use cases/perceived ROI (31%).

The leaders we interviewed advocate for a bold approach to pushing through these two challenges to build the capacity for successful change.

01

Set a vision for the future you can rally behind

The pandemic has driven prioritization criteria since its onset. Reacting to disruption has become a way of life. But Tara Garson Flower, VP of Customer Outcomes at ServiceNow, suggests a different approach.

“This weird world we’ve been living in for the past two years, with a pandemic of this scale, has driven prioritization criteria around what’s obviously urgent, like remote work. Now, leaders know what they don’t want—manual processes, multiple systems, downtime—but they can find it hard to visualize what the possibilities for the future are,” says Garson Flower.

Dave Wright recommends beginning that visualization process through the lens of experience: **“Start by identifying what you want the outcome to be—what the better experience looks like.”** This should be informed by a real, foundational understanding of the people you’re working to impact. Hiroshi Sugiyama suggests that leaders must **“build an organization and culture that carefully listens to the voices of customers and employees, reacts quickly to address their needs, and continuously learns from failures.”**

The vision must also include an understanding of the value returned to the company, so the transformation has meaningful growth output. **“Companies are interested in growth, and they want to ensure that digital transformation isn’t just cost takeout,”** says Ellen Daley.

02

Bring the right people together

No transformation effort is successful without the right people at the table. It starts with having commitment to the initiative from the top, but also includes building a cross-functional team from across the organization. **“Transformation really means commitment from the top of the organization, the bottom of the organization, and everywhere in between,”** says Rick Wright.

Getting their buy-in (and input) is critical. And, it’s not just about bringing them all together, but about creating a high functioning team dynamic with all those players.

According to Garson Flower, **“The mindset our most successful clients have going into this is that we are a partnership—we are absolutely lockstep, one team. We don’t care whether it’s our organization, ServiceNow, or a ServiceNow partner—we’re all one team.”**

And, it’s about working across silos to enact the level of change management required to get a change to actually stick. **“It’s important to get the organizational change management (OCM) approach right,”** says Rick Wright. **“You need to know how much OCM will be involved before you start, because sometimes you need a change management solution as much as you need a technology one.”**

Garson Flower recommends using a four-step value framework to plan and define value, as well as inform strategic decision-making:

STEP 1

→

STEP 2

→

STEP 3

→

STEP 4

Define your strategic approach to value management

Build a scalable and transparent process to track value

Build a targeted strategy to communicate value

Make your decision-making value driven

For more on how to [activate a value framework](#), download ServiceNow’s value management guide.

03

Choose the right technology

Technology comes third in this list for a reason. As Ellen Daley notes, it's important not to lead with any technology alone. **"A transformation is a commitment to holistically change the people in your organization and the processes. Technology is the enabler."**

Choosing the right technology can also make transformation easier to execute and aid in OCM. It's not about leading with the technology but being truly excited about the technology and the possibilities it can bring.

As Garson Flower says, **"If your users—particularly employees—can get excited about the technology, you increase the likelihood that they will adopt it and make the change management process smoother. If the technology seems more frustrating and cumbersome than the legacy processes they're used to, change management will be a challenge."**

The right platform doesn't just drive adoption—it accelerates the process. By investing in technology that can easily adapt out of the box, choosing the right partner, and building a culture that is responsive to customer needs, you will be able to implement change as fast as possible.

04

Track value in real time and adapt as needed

In transformation, as with any other business decision, it's important to track value. But the executives we spoke with urge us to remember that it's not a one-time assessment. Instead, it should be real time. **"Identify your baseline starting point and establish a clear vision of where you're heading,"** says Garson Flower. **"Make sure you know, at all times, where you are on the curve to achieve value. And if you're not on track, determine what you should do about it."**

Continuous improvement is an important discipline to embrace for successful transformation, but only 45% of organizations see innovation as a continual process, according to NTT DATA's research.

NTT DATA's Andrea de Stefano describes the change as a paradigm shift. **"In the past, you designed with the aim of lasting over time. Now, you need to design something that you already know will change, but you don't know how it will change."**

NTT DATA's IDEA model offers an approach to build agile-inspired continuous improvement into the transformation model, combining innovation, design-led thinking, engineering excellence, and agile orchestration to accelerate time to value while enabling an ongoing cycle of innovation.

NTT DATA's IDEA model offers an approach to build in agile-inspired continuous improvement:

Innovation

Design-led thinking

Engineering excellence

Agile orchestration

with different thinking

you can create the best experiences

build them affordably and at pace

and deliver them brilliantly

NPS, incremental revenue, improved profitability, and new revenue streams

With the right vision, team, technology, and an ability to track value and adapt in real time, organizations can overcome the obstacles that make change difficult.

TRANSFORMATION IN ACTION

Financial services

For one Credit Union in the U.S., their decades of growth and sheer size meant they were accustomed to working in silos, with three distinct areas that handled project management. This meant the organization lacked true, enterprisewide visibility, leaving customers dissatisfied when the resolution of their issue required the help of multiple departments.

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Identifying ServiceNow as the perfect platform to handle their demand management, leadership set out to get the rest of the organization onboard. The Credit Union decided to implement ServiceNow's IT Business Management (ITBM) product in order to:



Optimize and streamline demand approval flows and assessment rules to improve operational health, project prioritization, and process and planning activities.



Transform and improve how they function from a people and process point of view.



Allow IT management and staff to work more efficiently and open more capacity for IT implementations and operations.

The Credit Union has successfully overcome the critical challenge of disjointed processes by centralizing and streamlining their demand approvals within ServiceNow ITBM.

They now have a defined process that automates manual steps like email and provides a clearly defined chain of communication that employees can refer back to. The organization can assign tasks directly, bypassing the involvement of multiple other parties. They also have the ability to assess, track, manage, and accurately forecast demand for products and services moving forward.

Recognizing that meaningful digital transformation is not a one-and-done process, the Credit Union is hard at work journeying through the rest of their strategic roadmap—with Governance, risk, and compliance (GRC), Security Operations (SecOps), and HR Service Delivery (HRSD) next on the docket.

3

The future of digital transformation

While the future of digital transformation is continually evolving, we'll be watching three stand-out themes in 2022 and beyond:

- 1 | **Breaking away from horizontal and industry silos**
- 2 | **Embracing new technologies**
- 3 | **Creating greater meaning from data**

Breaking away from horizontal and industry silos

In the past, many organizations felt it was only possible to improve one function at a time. But now, Rick Wright says that businesses are able to take a look at holistic business processes and build a connected enterprise through end-to-end transformation.

"When you truly connect the front, middle, and back offices, you elevate both employee and customer experiences. You go from siloed business processes into one digital process, which makes it easier to get creative and solve massive transformation problems that you couldn't solve before."

With that foundation, ServiceNow AVP Binoy Gosalia says that the potential for solving industry-specific challenges will only accelerate.

"Digital transformation can no longer be contained to a silo. We're seeing the tools of transformation come full force into the biggest challenges facing every industry. The stakes are rising—but so is the potential for impact."

Rick Wright agrees. **"We now have the ability to build end-to-end industry blueprints to solve problems that haven't been solved in 20 or 30 years—whether they were too complex, included too many systems, or entailed too many moving pieces."**

Embracing new technologies

As organizations continue their transformation journeys, Rick Wright suggests they will continue to work to elevate their approach.

“Technologies like machine learning and AI will become a bigger part of those conversations. Predictive analytics will become a core pillar for how they think about transformation. And, of course, they will continue to digitize more workloads,” says Wright.

NTT DATA visualizes this as a technology adoption curve, moving from foundational technologies, like cybersecurity, CRP, ERP, and cloud, all the way into emerging and future technologies—ranging from blockchain and 5G. Organizations will chart their own journey across this technology adoption curve, while more technologies continue to emerge.

According to Binoy Gosalia, to make this sort of data-driven decision-making possible, leaders must find ways to unify their data and automate responses to it—using digital workflows to react and respond to changes in data. Data governance and reliability will be paramount.

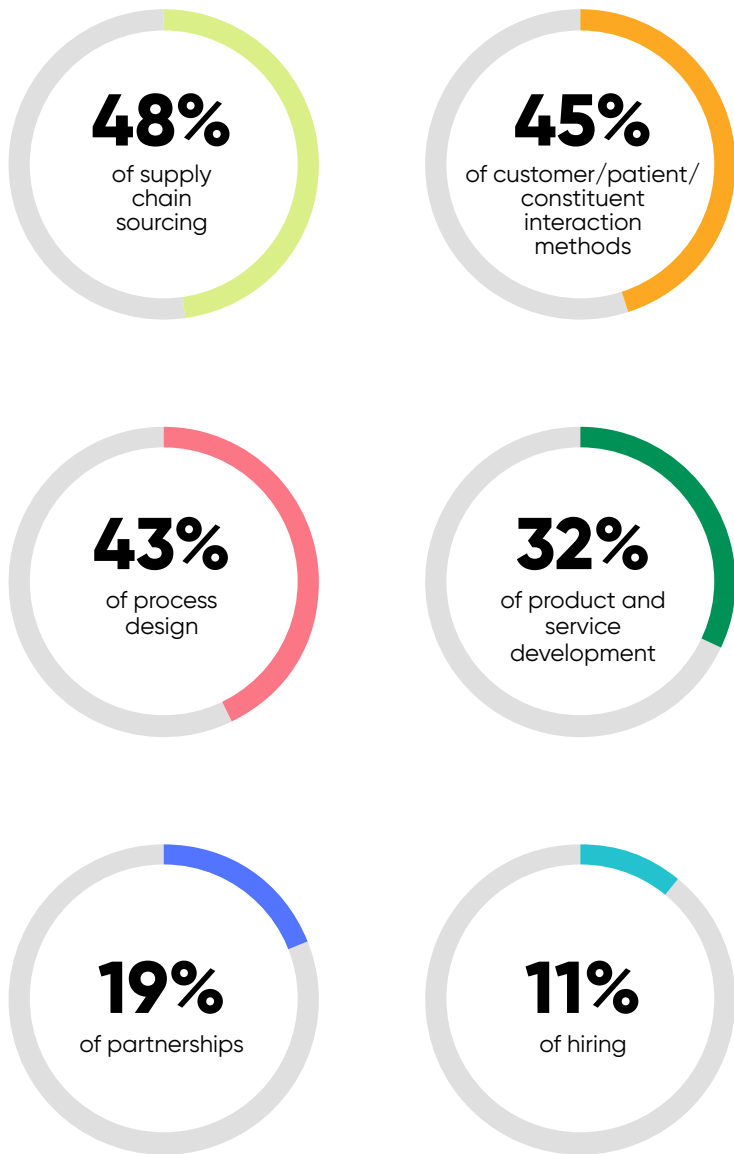
“In the future, it won’t just be about creating a ‘single source of truth’ to house data, but a ‘single system of action’ to automate workflows in response to data,” says Gosalia.

Technologies like AI, machine learning, and predictive intelligence have surpassed buzzword status and will become integral elements of future digital transformations. Across all of them, the trend is to tap into the power of an organization’s data to focus and prioritize efforts—then measure their success and adjust accordingly.

As the importance of data throughout the transformation lifecycle grows, it will be important for data analysts to have a “seat at the table” throughout the entire transformation initiative.

Creating meaning from data to focus transformation efforts

Technology advancements make digital transformation possible, but it’s data that makes them meaningful. And yet, data is still not driving decision-making in many areas. According to research from NTT DATA, data leads decision-making in only:



Embracing change, fighting irrelevance

This decade stands to become one of the most transformational eras in modern history. From achieving the vision of the experience economy, to counteracting a pandemic, and embracing emerging new technologies, the climate is ripe with disruption and opportunity.

In fact, all the executives we spoke with see it as an exciting time in business—with the potential for transformational impact everywhere. The way people consume in the future isn't going to be the same way they consume right now. We expect that the pace of change we've adjusted to over the last two years will continue, and that an organization's ability to embrace and execute change will become the defining factor in their long-term success.

The pandemic unilaterally forced reinvention acceleration—that speed and uncertainty will become the new normal and the most important competitive advantage. But it's going to take talent to build it. All of the concepts we highlighted in this eBook won't happen without great people and tapping into new talent pools to power this massive amount of transformation.



"Leaders are taking on the biggest transformation efforts of their careers—not just because the technology is there to support it, but because they know they will be irrelevant if they don't."

Ellen Daley

Transformation without compromise.

NTT DATA and ServiceNow put experiences at the forefront, because we know that when you build the right experiences for your customers, partners, and employees, you drive results and reduce costs. Behind every great experience is a great workflow, and NTT DATA's design thinking experience teams bring great workflows to life on the Now Platform® every day.

With NTT DATA, you can tap into the full power of the Now Platform to achieve business goals.

We offer the agile, client-first approach of a boutique consulting firm—backed by the powerful capabilities of a global innovator.

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