

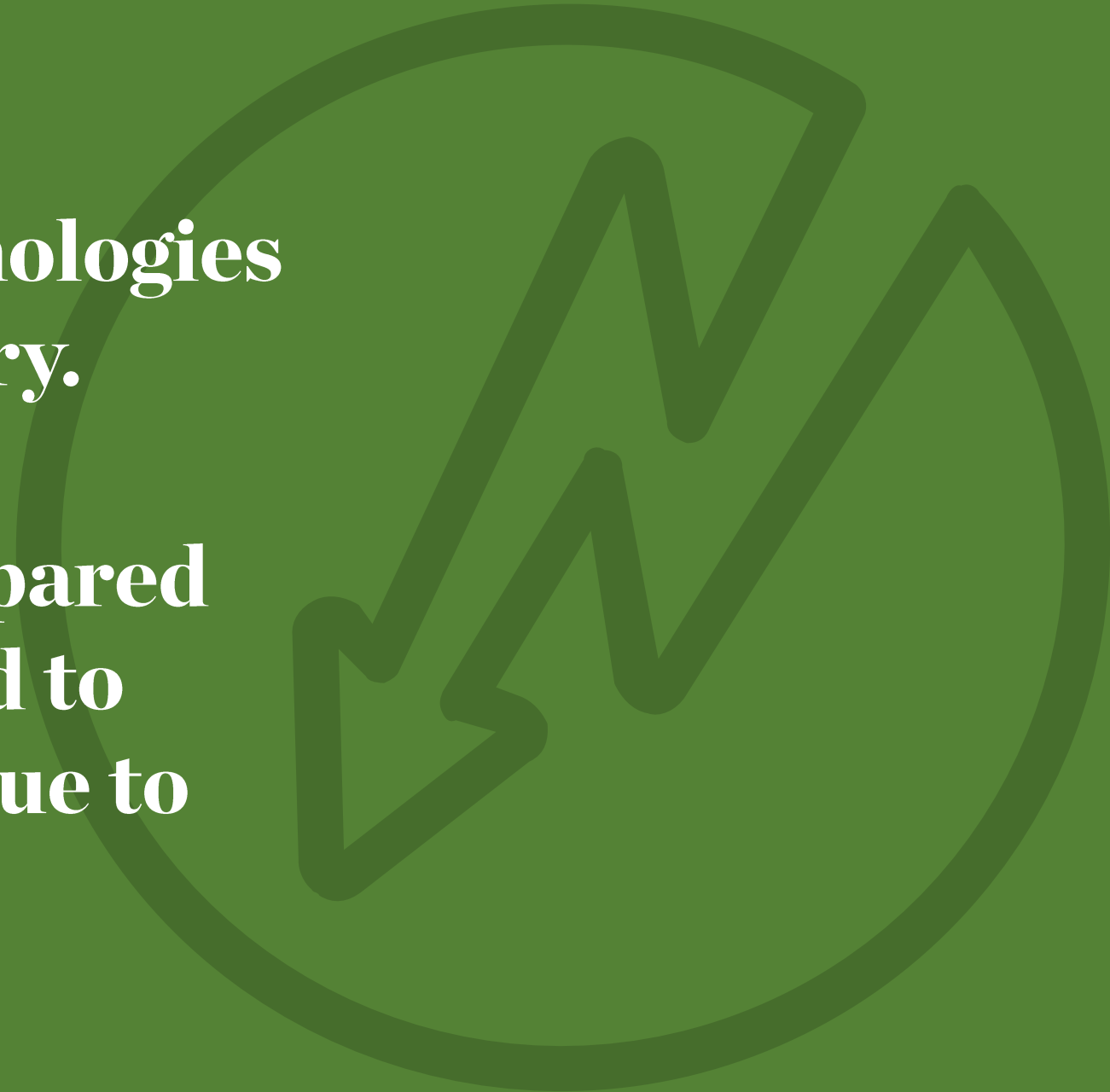
# **Digital Maturity Model**

Achieving digital maturity to drive growth

February 2018

**87% believe digital technologies will disrupt their industry.**

**44% feel adequately prepared for disruptions projected to occur in their industry due to digital trends.<sup>1</sup>**



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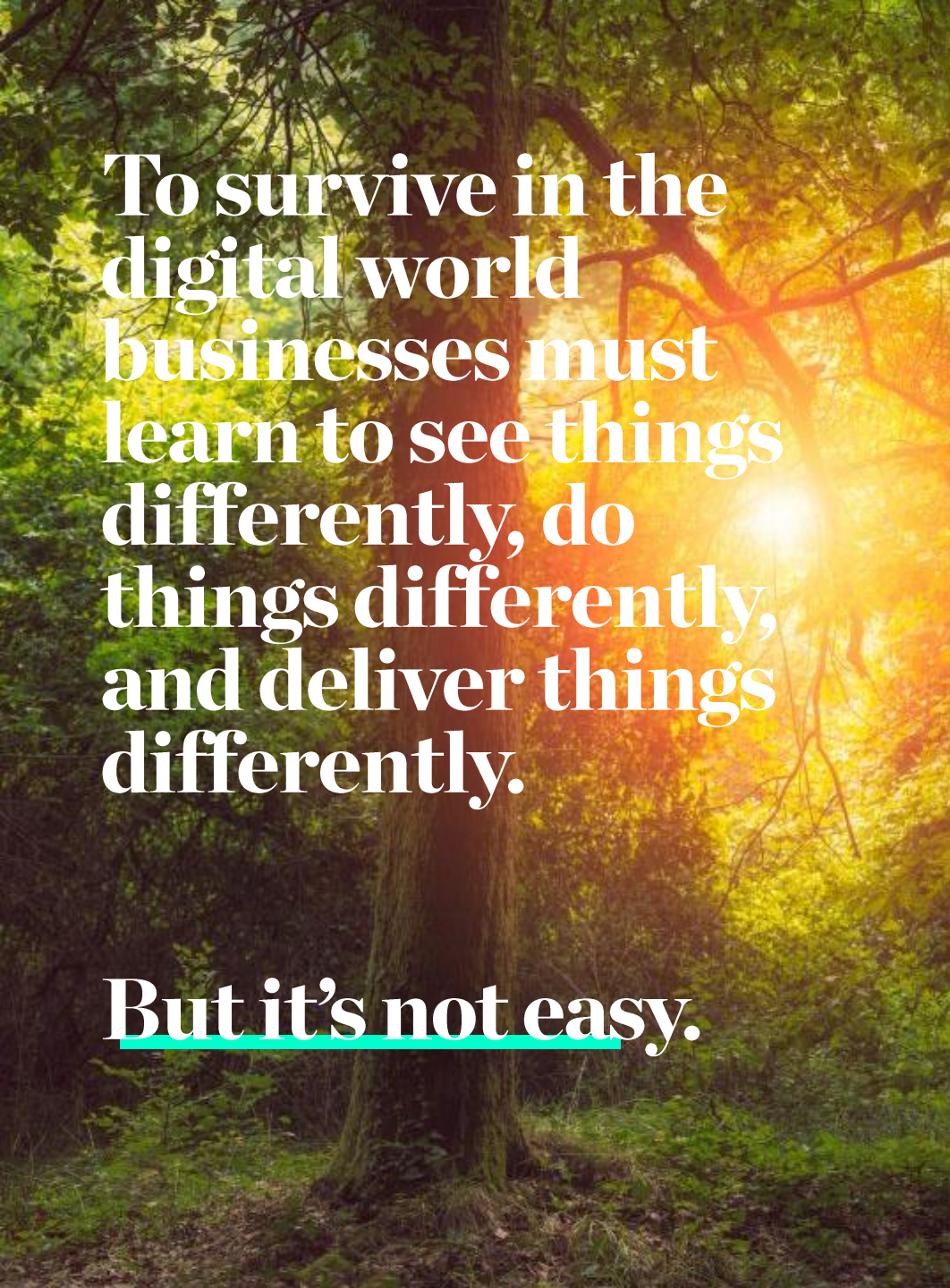
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# Digital game changer



**To survive in the digital world businesses must learn to see things differently, do things differently, and deliver things differently.**

**But it's not easy.**

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**This is the digital age**

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**Everything about business is transforming**

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**Before you can know where to go, you need to understand where you are**

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**We call that digital maturity**

# How digital is a game changer

A number of market forces are driving the need to become digital. Still, many companies are just embarking on complex digital transformation journeys encompassing all aspects of their business to redefine how they operate.

## SOME OF THE MARKET FORCES REQUIRING COMPANIES TO ADAPT:



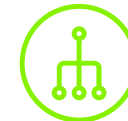
**Emergence of Ecosystems:** New ecosystems accessible through digital channels reduce switching costs



**Reduced Ownership of Assets & Infrastructure:** Growth of data is accelerating, and is forcing issues around ownership, privacy, security, transparency, and trust



**Reduced Barriers to Digital Entry:** Low barriers to digital entry blur industry lines



**Decoupled Value Chains:** Increased speed, velocity, transparency and access disaggregate value chains

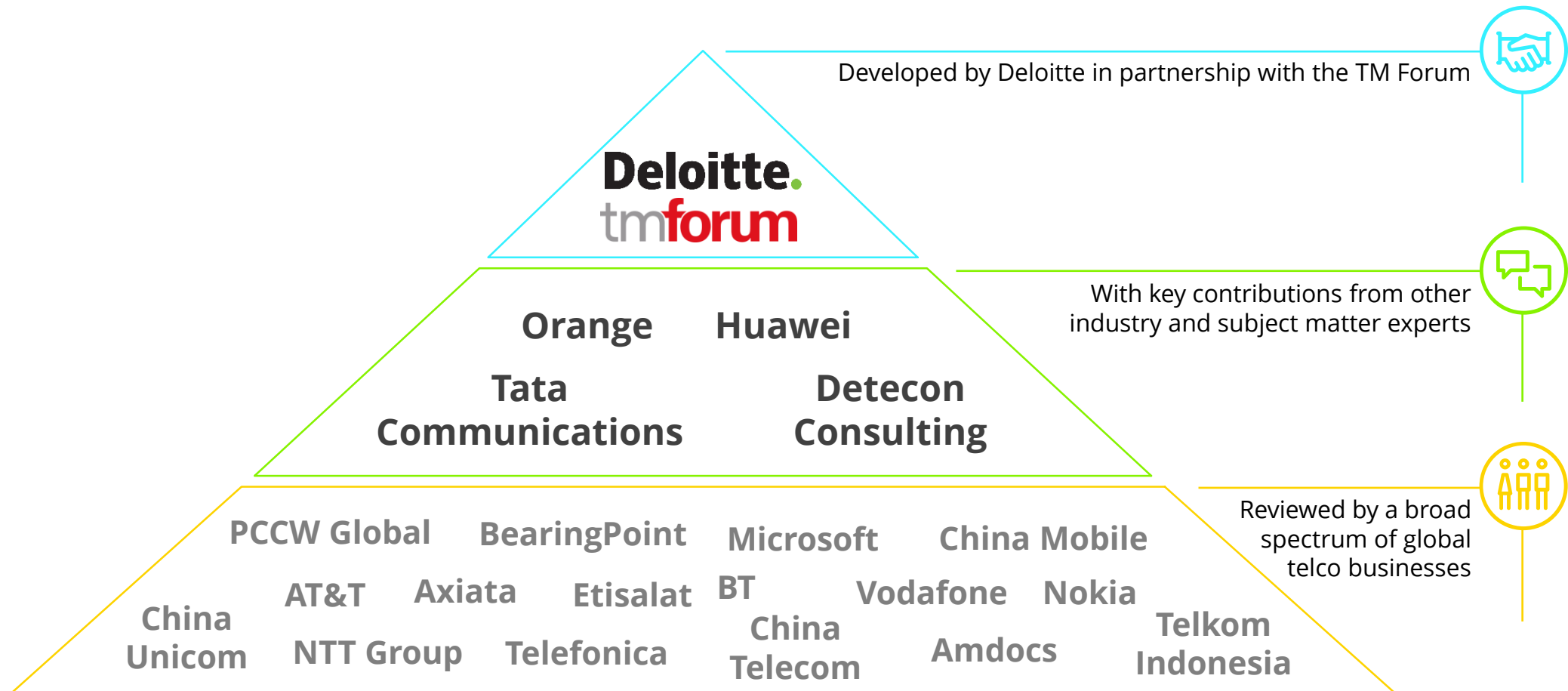


**New Entrants:** Businesses are reaching farther and disaggregating business offerings invading new spaces

# What is the Digital Maturity Model?

# Developed through cross-industry collaboration

Deloitte and the TM forum have partnered to bring together deep industry knowledge and develop the first industry-standard digital maturity assessment tool





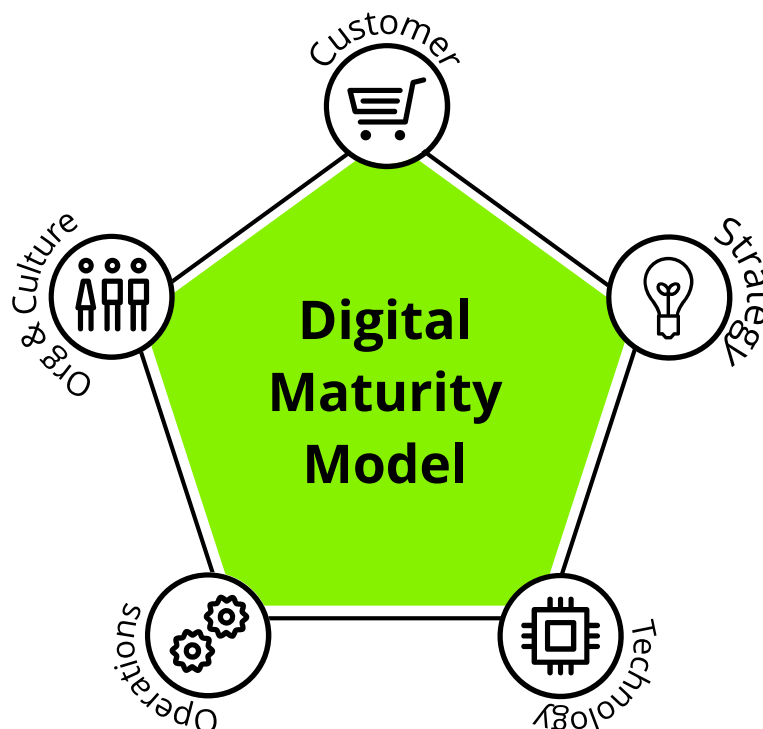
# A tool to enable digital transformation

One of the things holding the communications industry back from broader progress in digital transformation is the lack of a clear, industry-oriented roadmap. The Digital Maturity Model is an effective tool to provide guidelines for a clear path throughout the transformation journey.

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

The Deloitte-TM Forum model is...

- The first industry-standard digital maturity assessment tool
- The first pan-organisational 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 where they are in their transformation journey
- Create goals and plans, both short and longer term
- Make impactful transformation project investments

# The first pan-organisation digital maturity model

The DMM evaluates digital capability across 5 clearly defined business dimensions to create a holistic view of digital maturity across the organisation



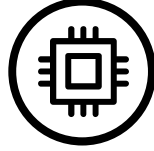
## Customer

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



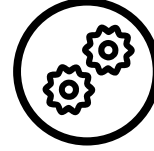
## Strategy

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



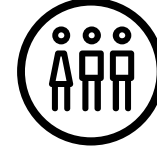
## Technology

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



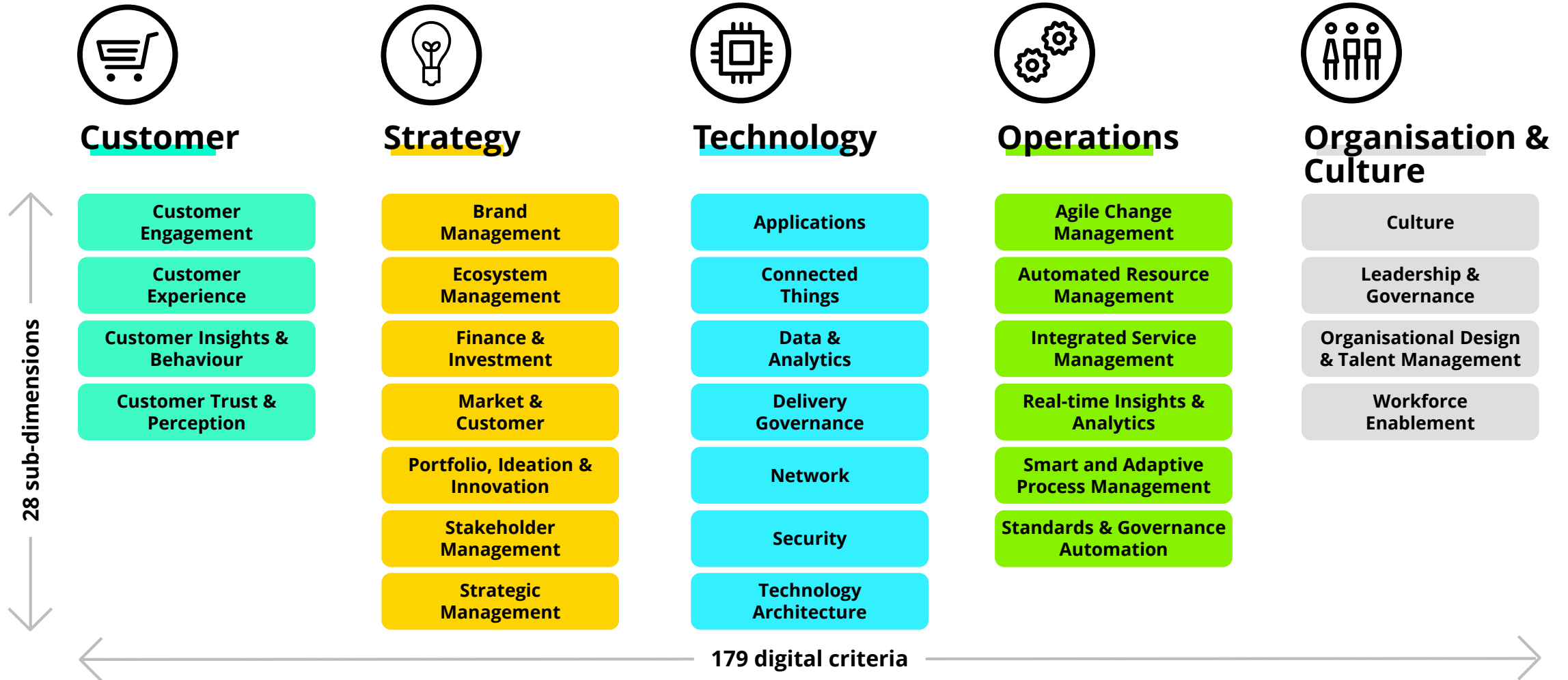
## Organisation & Culture

Defining and developing an organizational culture with governance and talent processes to support progress along the digital maturity curve, and the flexibility to achieve growth and innovation objectives

- The DMM takes a pan-organisation snapshot of the as-is digital capability of an organisation at the outset
- The DMM removes the ambiguity that can result from using multiple digital assessment tools and provides a firm basis from which to set a path to reach the desired outcomes simultaneously across the business

# Survey structure

The 5 core dimensions are divided into 28 sub-dimensions, which in turn breakdown into 179 individual criteria on which digital maturity is assessed



**Digital transformation is not just about implementing more and better technologies.**

**It involves aligning culture, people, structure and tasks.<sup>1</sup>**

## **How does the Digital Maturity Model enable digital transformation?**

We understand that digital transformation is a journey involving a complex ecosystem of capabilities. The DMM can be used in each phase of transformation to help identify where there are gaps, establish key areas to focus on, and where to start.

It does not replace an overarching transformation framework, but is meant to serve as a guide and tool to be referred to throughout the process.



# Imagine

What are the company's ambitions? How can it drive strategic advantage? Use the DMM to explore opportunities and set a vision for the future



# Deliver

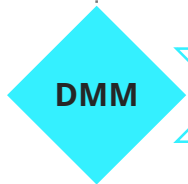
What was imagined takes shape and is tested for validity. Concepts are refined and a plan is set for future operating models to drive to scale



# Run

Implementation moves forward. Benefits begin to be realized at scale and the organisation is prepared for continuous learning

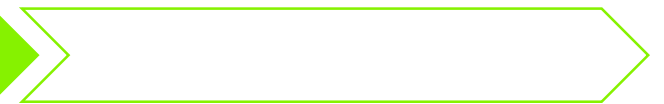
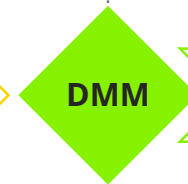
## How the DMM is used along the digital transformation journey



Assess current state digital maturity  
Identify the opportunities and define vision



Prioritize capabilities to enhance based on business objectives  
Assess impact to digital maturity of the initiatives on roadmap



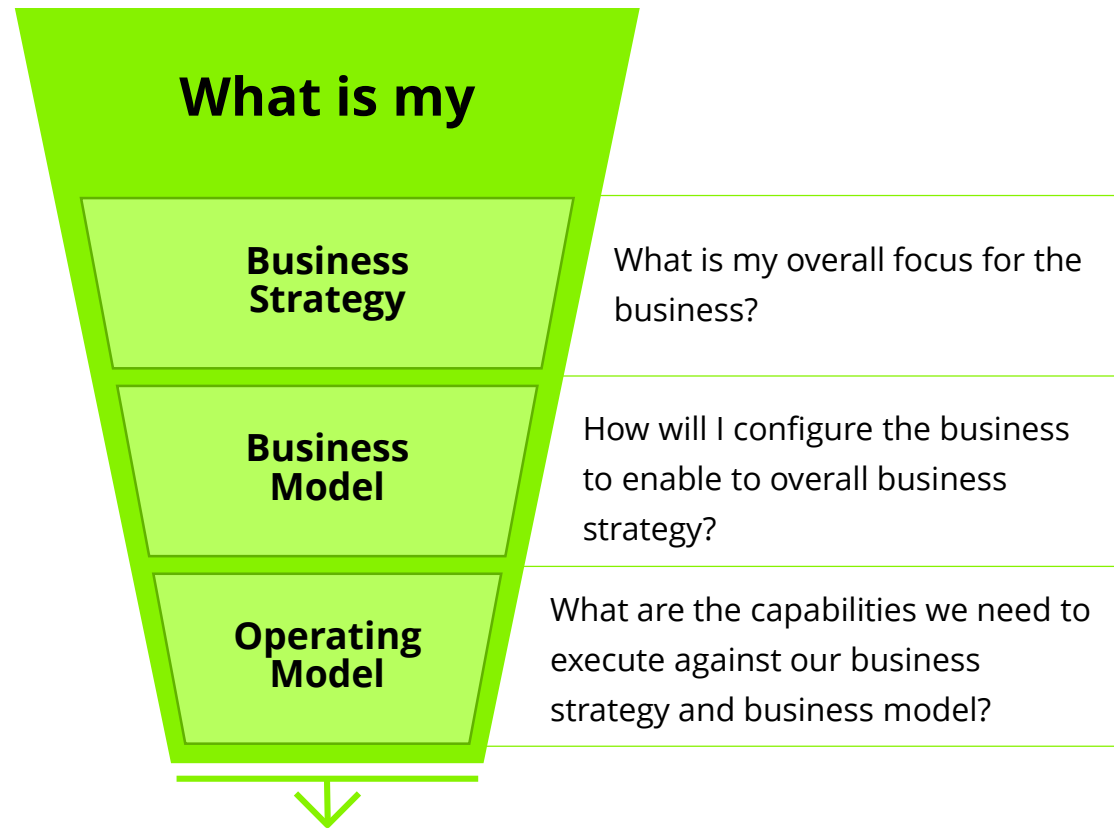
Measure the value and impact of initiatives to digital maturity  
Evaluate process improvement and effectiveness

# Setting your digital ambition

# Define your ambitions for digital transformation

The content of the Digital Maturity Model is constant, but the level to which an organisation needs to be mature in each area is dependent on your own business strategy, business model, and operating model.

Any organisation needs to start by considering these components in a top-down approach and refer to them alongside the DMM survey results.



## 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

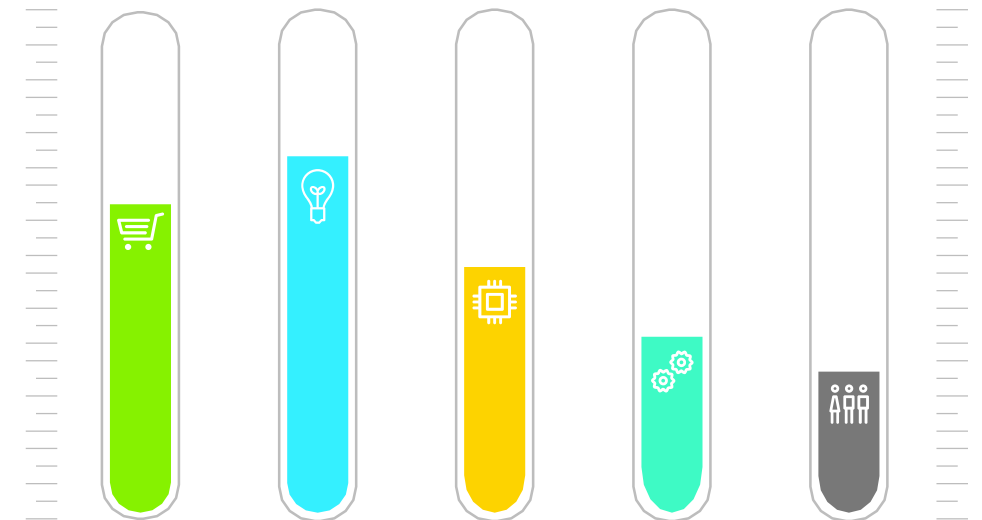
The Digital Maturity Model provides a view across all capabilities, helping you to prioritize focus areas and improve in line with your overarching digital ambitions

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

Use these business priorities in parallel to the DMM 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...



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



Deliver your digital transformation

# Make the leap from evaluation to action

The Digital Maturity Model provides a view across all capabilities, helping you to prioritize focus areas and improve in line with your desired outcome

Once you have identified your level of maturity and existing gaps, our digital offerings can help you adapt, compete and win.

We can help you define and reach your goals, and bring them to market quickly.



## Imagine



### DEFINE STRATEGY

Develop and align on enterprise digital direction including brand, growth, customer experience and product strategy



### IGNITE INNOVATION

Define ideation and creative strategy processes to embed innovative thinking



### DERIVE INSIGHTS

Perform market, customer and competitive analysis to support the direction of the digital enterprise



## Deliver



### CREATE EXPERIENCES

Architect and deliver omni-channel, mobile and IOT experience and solution design



### REINVENT THE CORE

Redefine core business capabilities and processes to optimize for digital



### LEAD THE CHANGE

Drive change in the DNA of the business, including evolving the organizational design



## Run



### BUILD PLATFORMS

Enable digital capabilities with omni-channel and commerce platforms, including data security and cloud integration



### SECURE CYBER

Deliver data protection, ID and asset management forensics solutions



### SUSTAIN AND OPTIMIZE

Support deployment of organisation change and platforms to drive value realization and sustained business agility

**Success breeds  
success**  
71% of digitally  
maturing companies  
say they are able to  
attract new talent  
based on their use of  
digital.<sup>1</sup>



# DMM endorsements

# DMM endorsements

TM Forum members that have already endorsed the DMM and recognise the potential it has to support digital transformation across the telco industry

## Vodafone

“Vodafone see **great value** in the work being done through TM Forum on Digital Transformation. The Digital Maturity Model and Metrics 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.

Lester Thomas, Chief IT Systems Architect, Vodafone

## BT

“Using the 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 organisations 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.”

George Glass, Chief Systems Architect, BT

## China Unicom

“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.”

Liu Haizhou, Director of IT Planning Division, IT Department, China Unicom Group

## China Mobile

“The digital transformation of the industry is already coming. The **TM Forum's Digital Maturity Model will be very helpful** to tell the CSP where we are and how we are on this way. Then we can make right decision and right measures on our way forward.”

Wang Ye, Deputy Director, Network Management Support Division, Networks Department, China Mobile Group Corporation

# DMM endorsements

TM Forum members that have already endorsed the DMM and recognise the potential it has to support digital transformation across the telco industry

## Amdocs

"TMForum's digital maturity model provides a comprehensive self-examination tool that serves as a roadmap for CSPs going digital. Over the past year, we've helped CSPs evolve into DSPs realizing the full potential of their digital transformations. It is clear that CSPs can follow more than one path towards digital maturity as each business has different strengths and needs. The first step towards finding the **best path forward is for CSPs to determine their place on the digital maturity scale using TMForum's model.**"

Gary Miles, Chief Marketing Officer at Amdocs

## BearingPoint

"We are **delighted to contribute to TM Forum's Digital Maturity Model.** As a digital transformation tool, it provides a segue into broader business model innovation, which is the only way for companies to survive and thrive in the digital economy".

Angus Ward, Partner BearingPoint.

## Huawei

"Through industry collaboration across the globe, the **TM Forum has delivered an open, impartial and authoritative industry standard Digital Maturity Model.** Huawei looks forward to using it to accelerate digital transformation of our customers, and enhance Huawei product development strategies'

Lee Yee, VP Carrier Business Group, Software Marketing and Solution Sales

## GC Index

For organisations to be successful in their Digital Transformation they need a framework and language for their people that is **simple, effective, and outcome driven.** It needs to be scaleable, reliable and adaptable but most importantly it needs to align everybody to make an impact on the Digital Transformation Journey. That framework is The Digital Maturity Model, the language is The GC Index®.

Nathan Ott CEO - The GC Index®

# DMM endorsements

TM Forum members that have already endorsed the DMM and recognise the potential it has to support digital transformation across the telco industry

## **Deloitte.**

“Companies will find the Digital Maturity Model to be an **extremely helpful tool** to evaluate their current level of digital efficacy and create a clear roadmap for next steps on their unique digital transformation journey.”

Tim Greulich, Senior Manager, Deloitte Digital

## **Detecon Consulting**

“We now have an **industry standard TM Forum Digital Maturity Model** built from a wealth of know-how and expertise from the communications industry. TM Forum Digital Maturity Model is a great way of uncovering of what is important for organizations to consider on planning for their own digital journeys, helping them benchmark where they sit in their digital journey across its organization and articulating the way forward with a common language across all stakeholder groups. We’ve been very much involved in helping to create it and we expect to continue to work closely with TM Forum to drive the evolution of the Digital Maturity Model.”

Merve Oral, Management Consultant

## **PCCW Global**

“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.”

Shahar Steiff, AVP New Technology

## **Orange**

"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.**"

Laurent LeBoucher, VP APIs & Digital Ecosystems

# Further information

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Manager

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## **References**

**<sup>1</sup> Source: 5<sup>th</sup> annual MIT Sloan Management Review and Deloitte Digital global business study, 'Aligning the organisation for its digital future' July 2016**

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