



WORK SOMEWHERE AWESOME!



Kronos Group White Paper Series



Business 3.0 Transformation Journey

Part 2 – You're getting it wrong (20/12/2018)

by Sébastien Berger and Jean Latour

It all started not with a whimper but with a bang. It was a big one.

Ever since this initial spark, our universe has led a consistent agenda: to find ever more organised and efficient ways to structure and to transform energy, from the first particles to atoms, stars, planets and life forms.

Fascinating critters, these life forms. They assimilate and **convert energy to ensure their survival**, to increase their size and to diversify their functions. The energy contained in their cells can only get them so far, though. Hence, their perpetual need to **consume external energy to replenish their depleting stock**.

When you look closely, a company is pretty similar to a living being.

To thrive, a company has to find means to assimilate, to **convert and to generate value in more organised and efficient ways**.

In other words, the productive elements need to find means to convert the intrinsic value of the company – **mostly people, processes and tools** – and the external value they can acquire in more organised and efficient ways – **through innovation, optimised processes and relevant tools**. For this, the company needs to map, to analyse, to understand and to improve the way it functions.

The drive to digitisation originates in this search. Forging information into structured data through digital documents made its management easier.

Digitisation turns physical documents into digital ones.

Digitisation is the path **from physical to digital**. The birth of Internet and globalisation allows switching from physical interactions to digital interchanges. The emergence of email was, as well, an important stage and was a clear proof of the societal evolutions. Thanks to new software,

many companies **developed digital strategies** during the nineties and spent huge amounts based on expected **time- and cost-efficiency**.

The business processes have a hard time adapting to digitised environments: business has to fit in a preformatted box.

Digitisation of all documents is an important change for companies. It consumes many resources and **affects all services within the company**. These IT-led projects can last more than one year. The system is the propriety of the company, stored in data centres owned by the company and an internal team of IT developers manages the solution based on the company's processes and habits.

These systems **facilitated worldwide exchanges** reduced the cost of document handling as well as the lead-time for many processes. It gave a real boost to the economy and accelerated globalisation, **giving birth to the Information Age**.

This evolution is the first step and enables many other new technologies based on this digitisation.

Understanding the inner workings and processes of the company is key to their optimisation through digitalisation.

Digitalisation is the **optimisation of business processes** manipulating digitised elements.

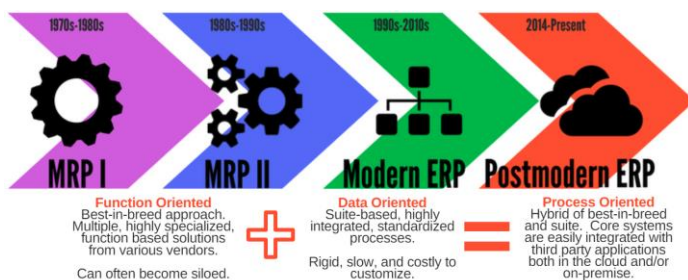
Digitalisation is a logical follow-up of digitisation. Not only do we jump from physical to digital, now systems become a way to improve business processes by **increasing productivity while streamlining low-added-value activities**.

Optimising business processes is not the first concern of ERPs. At the turn of the century, **dedicated systems started focusing on specific business processes**. These systems are designed to help Procurement, HR, Finance and other

functions find specific answers to their specific issues:

- How can I work in a more efficient way?
- How can I focus on the more value-added tasks I need to perform

These solutions are complementing ERPs, completing and improving processes. Their main assets are **their flexibility, their connectivity and the User Experience they propose.**

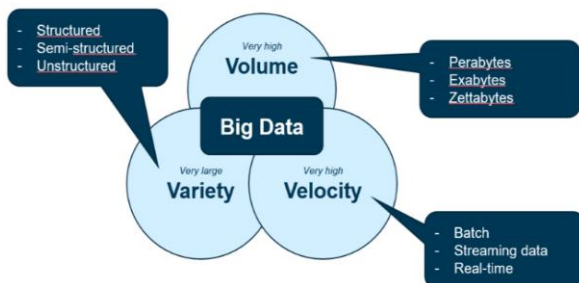


<https://4acc.com/article/postmodern-erp-industry-specific-vs-generic-erp/>

Business is now focusing on rethinking processes and ways of working. **The involvement of different stakeholders** is mandatory to design the best processes and the best solutions. IT divisions are no longer in charge of the projects: **dedicated business teams are**. This grants another approach to the implementation and puts the business and its needs in the driver seat.

Digitisation and digitalisation generate a huge amount of data, both internally and externally – Big Data

The 3 V's model

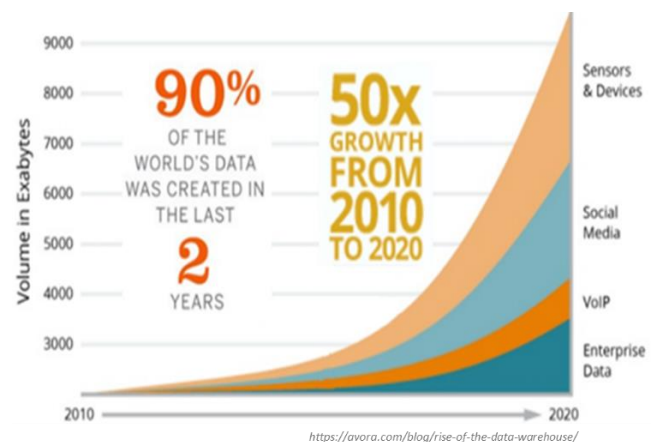


The digitalisation of the internal activities brings as an added bonus an **unprecedented amount of raw data**, which bears three distinct markers: it shows a large **variety**, it accumulates with a high **velocity** and it emerges in high **volumes**.

The last twenty years, companies have had difficulties to leverage the power of their data. The challenges stemming from this data trove are threefold:

- ✓ **To centralise and to structure the data** in a consistent and comprehensive model
- ✓ **To process the data** in a useful way to ascertain meaningful and actionable conclusions
- ✓ **To share the data and conclusions** to all relevant stakeholders in the organisation

Now, if you think the volume of data you currently collect is already huge, it will seem trivial in 2020, as studies predict its exponential growth. So much so that in 2019, **more than 90% of all the data accumulated in human history will be less than 2 years old.**



<https://avora.com/blog/rise-of-the-data-warehouse/>

With such a massive repository of raw data, the human mind finds its limits and we are expecting a valuable contribution from **digital innovations**.

From the need to adapt the organisation to reach better value, the digitisation helped trigger a digitalised process modification, generating Big Data.

In the forthcoming whitepapers, we will explore the impact this digitalisation has on Procurement, Finance and Project Management.



Sébastien Berger

Business 4.0

Practice Head

sbe@kronosgroup.be



Jean Latour

Business 4.0

Consultant

jel@kronosgroup.be

