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Article

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Get Started with a Digital Platform Strategy to Stay Ahead

Too often, when you hear talk about digital transformation, there is an implied single epic exercise involved. One huge endeavour which will see your business aligned with a new digital future but then what?

Continuous change is part and parcel of the business world, something I think we can all relate to in 2020. It's unlikely to slow down any time soon, and to stay competitive you need to change. Doing so allows you to find new ways to bring value to customers, and to stay ahead of your competitors.

Whether they are effective or not, the chances are you have in place systems which have evolved over time; maybe even from some historical attempt at a digital transformation. These may be outward-facing, or the systems which support internal business operations; but ask yourself how well they are working now, and how hard is it to change things when you need to?

If this all sounds familiar to you, it's time to get a platform strategy.

What is a Platform and Why Do I Need One?

When people talk about a platform, they often think about technology companies. Your business can 'become' a platform which you use to engage customers and sell 'as-a-service'. Others will use the platform you provide, and you become the centre of a business ecosystem. This is great and it's something we at Waterstons have helped our clients to do. It is a journey much like launching a product – you need to understand your market, understand what they need, and what you can provide; then create it whilst adding value; and then finally build and sell your idea. Really, a platform in this sense is a type of business model – think about organizations like Uber or Airbnb – they are platform businesses, technology companies disguised to the casual observer as a taxi firm and an accommodation provider. Now, whilst this approach may be right for some, it is far from what every business should do or consider.

If you are not going to do that and become the next Uber, what does having a digital platform strategy mean? Well, you can think about the platform as being where your digital assets operate – you already have one, even if it was unplanned. This may currently be a mass (or even a mess) of legacy systems, meaning that information is trapped in silos, or that you cannot support the changes you want to make to your business.

What will a Platform Strategy help me with?

As your business evolves you naturally also want your systems to move quickly and to integrate new technology when it becomes available. This will allow greater flexibility in your approach and go some way to ensuring you are not overtaken by existing or challenger competition who make use of new tools and move faster.

You also want to be able to share data easily and make changes to individual parts of your business operation without the headache of them affecting others. Being in a position to do so means you can support a culture of continuous improvement where changes are quick and easy to try, and where failure happens quickly and allows you to move on rapidly to the next evolutionary step.

Having a sophisticated platform strategy helps address these problems by putting in place an approach to your digital platform which can adapt quickly. Implementing a huge new digital transformation programme will never be effective in the long run if your platform approach means that anything you create cannot change with your business, and an increasingly fast-moving environment.

What's Involved in a Platform Strategy?

The honest answer?

"It depends on your business" - The existing landscape you have, the maturity of your systems and your business strategy will all need to be considered.

Of course, this necessitates having the architectural and technical knowhow to plan a platform approach which meets your needs now, and which can adapt in the future. It involves having systems which make the data they hold available across the enterprise, and which are integrated in such a way as to allow pieces to change without breaking the whole.

It also means prioritising what's important, and of course having the capability or support to execute the strategy too; but in addition to these core elements, there are some common themes we can identify which are at the heart of many strategies.

Make Use of Flexible Cloud Infrastructure

Being able to quickly change direction means having the underlying capacity in your digital infrastructure to deal with those changes. Cloud platforms typically have huge capacity to scale quickly built in, which means that a change you need to make is less likely to be held back by the basics. Whilst a cloud-first approach does not necessarily suit every organization, factoring in your approach to cloud services and making tactical use of the right ones can make all the difference to your flexibility.

Of course, to make use of platforms like this, you need to build skills and literacy in them within your organization. Automating the management of your systems, sophisticated monitoring, and a security-first approach are all required to make the most of these services.

Have a Culture of Continuous Improvement

Having a platform approach which can support changing your digital ecosystem on demand is great, but won't be of any benefit if you don't actually make regular changes to improve things. To support these changes, you need to think about the culture of your organization. This means having conversations about how things could be different, then pursuing changes within your digital estate to make them happen. This is in stark contrast to the common picture where many staff are resigned to the fact that 'that's just how things work', and who have no hope of being able to change things for the better.

Ideally, you will also want to adapt practices which have evolved in the software development space such as continuous delivery; this means you'll be constantly releasing new, low-risk, incremental changes to your digital platforms. This way, they can adapt continuously, whilst building confidence that you can make bigger changes when you need to.

Customer Centricity

Understanding your customers, who they are, what they want, and how well they think you are doing in delivering that, is key to any business. But it's also incredibly important as a cornerstone of a platform strategy, in order to make and keep it relevant, and to enable your platform to flex in the right places, knowing your customer is a top priority.

The strategy itself may include key elements to support this goal, such as the ‘single pane of glass’ approach to customer dashboards, or a data strategy which allows your people to get self-service access to all the information they need. This approach may come naturally to those in an environment where thinking about your customer is second nature and an implicit driver for change, however for those where this is a bold new approach – trying on your customer’s shoes and understanding their journey through your core process is a good place to start!

Beginning a Platform Strategy

So, practically, how do you begin building a flexible digital platform? As a starting point for your strategy, there are many competing methodologies; everything from formalized processes such as those used in Enterprise Architecture circles to ‘cloud-native’ approaches which emphasize technical elements like API design and DevOps skills. There is value in each of these approaches, but they probably shouldn’t be where you start.

I think the best place to start is to look at the existing landscape and ask a few questions. What's holding you back? What are the bottlenecks within your organization? Do you understand your customers and the evolving marketplace? Are your people striving for change and being held back?

Answering these questions is fundamental to building this type of strategy. If you haven’t built a culture where change is both normal, and desirable, to people across the organization, or you don’t know what your customers desire, you have no basis on which to start building a platform strategy as it won’t have the direction it needs. More importantly, the platform will not have the ‘raw materials’, and the drive within the organization, to enable valuable change.

If you cover these fundamentals, then you can look more widely. What data don’t you have or can't get access to? Can changes be made in your existing landscape to fix that? With these questions answered, you can then look to identify in a more structured way how you can evolve your current landscape to one which will give greater flexibility and truly keep you ahead.

As with so many things in business, there is no ‘one-size-fits-all’ approach to developing a good platform strategy; but regardless of what approach is taken, the journey starts with understanding your customers, yourself, and your market; and with asking questions. Some of them will be easy to answer, and some less-so, but with each one ticked off, you will take one more step along the path to success.

If you are starting on your platform strategy journey and would like to chat through some pointers or get more specific advice, get in touch.