

# Navigating the road to Digital Success

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# Agenda

## Considerations:

As you start your journey

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About those APIs...

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Don't overlook how business can change

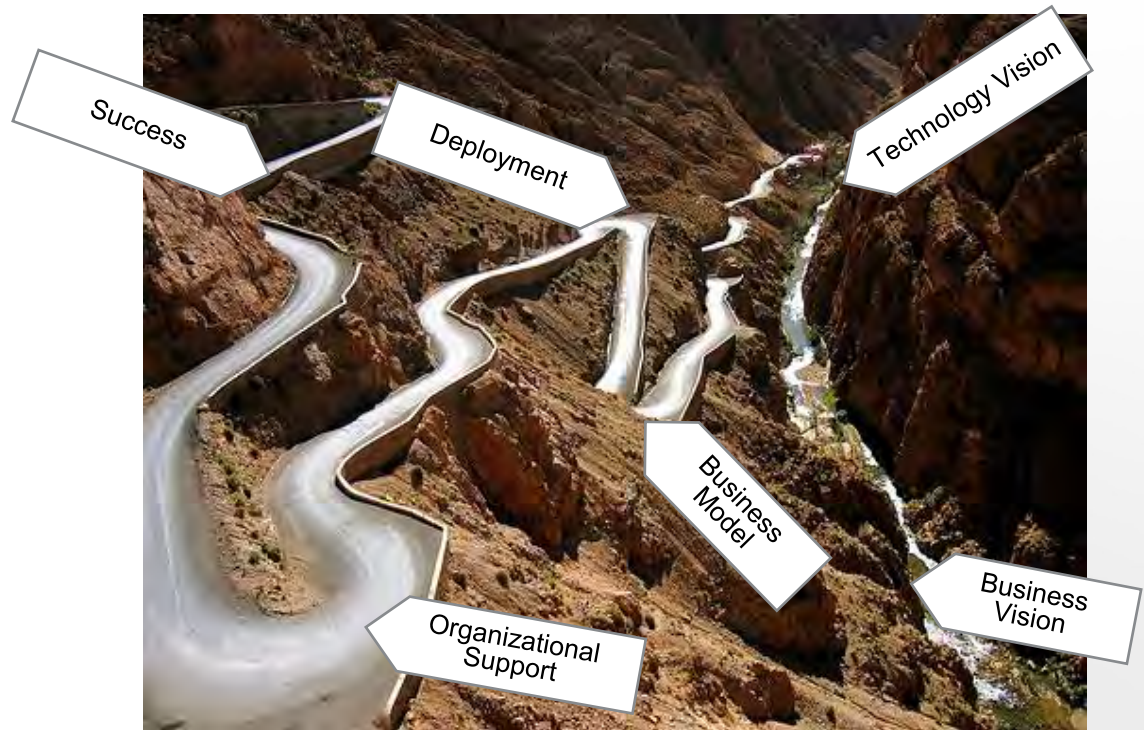
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Final thoughts

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# Many decisions and obstacles along the way

- The road from business vision to success can be a long and winding one
- Requires coordination across functions
- Its new territory for many and change is difficult
- Success requires focus and aligned efforts



# Early planning considerations to think about as you begin your digital journey



# 1. Digital transformation is a journey, not a destination

“Digital Business Transformation is really about getting today’s list done while also preparing for an unknown future of continuous, rapid change.”

“Being prepared for continuous, rapid change demands that one’s technology base supports a wide and rapidly evolving variety of business models, processes, and ecosystems.”

**FORRESTER** APIs Underpin A Digital Business Platform  
January 2016

# Unlike business transformations of the past

“From business process reengineering to the total quality movement to the rise of the web, business transformations are a regular, if sporadic part of the lifecycle of an enterprise...

With digital transformation, there is no final state. You're never done. Sure, you can update that web site or roll out that mobile app or put beacons in all your stores – but those steps are no more than milestones on the never-ending journey of digital transformation.”

Source: Forbes, Top Five Enterprise Digital Mistakes

## 2. Executive sponsorship with an outside-in perspective

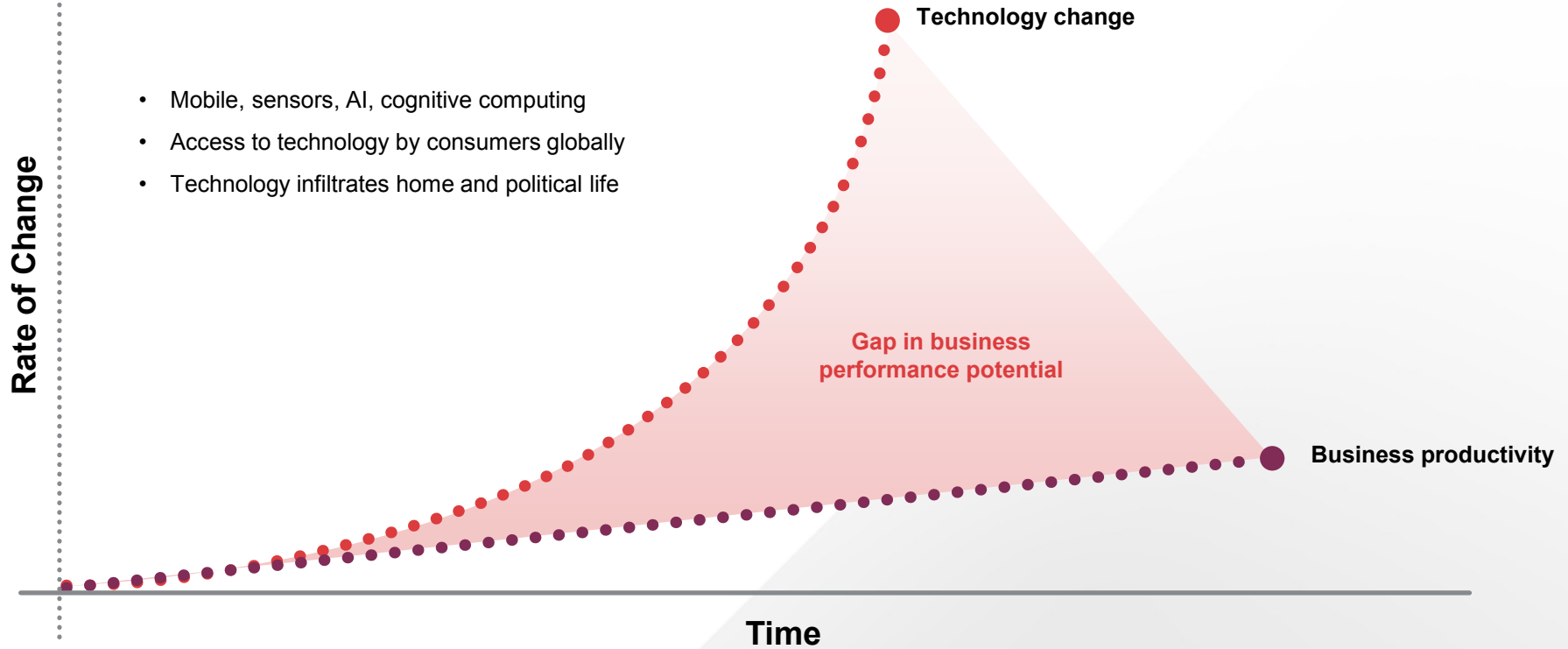
### Exec Sponsorship

- Investment to see project through to completion
- Ability to resolve ownership and cultural issues within the company
- A champion of the vision with influence across the organization

### Outside-In

- Understands what successful companies are doing
- Not constrained by limitations of existing internal thinking

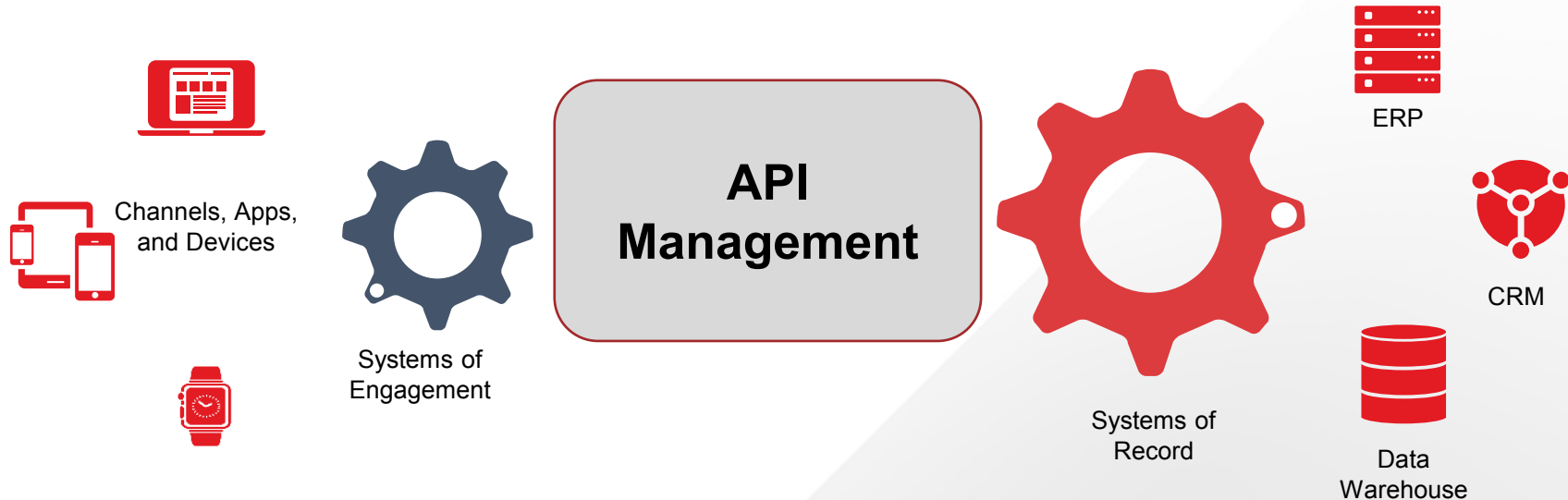
# Today's pace of technology change is exponential





### 3. Rationalize the ability to innovate quickly – Multispeed IT

- Digital is not just another technology for IT to support
- Only way to address digital pace of change





Rapid competitive and customer behavior changes required an enterprise-level digital strategy for its 12.7M customers in Australia, New Zealand, Asia and the UK

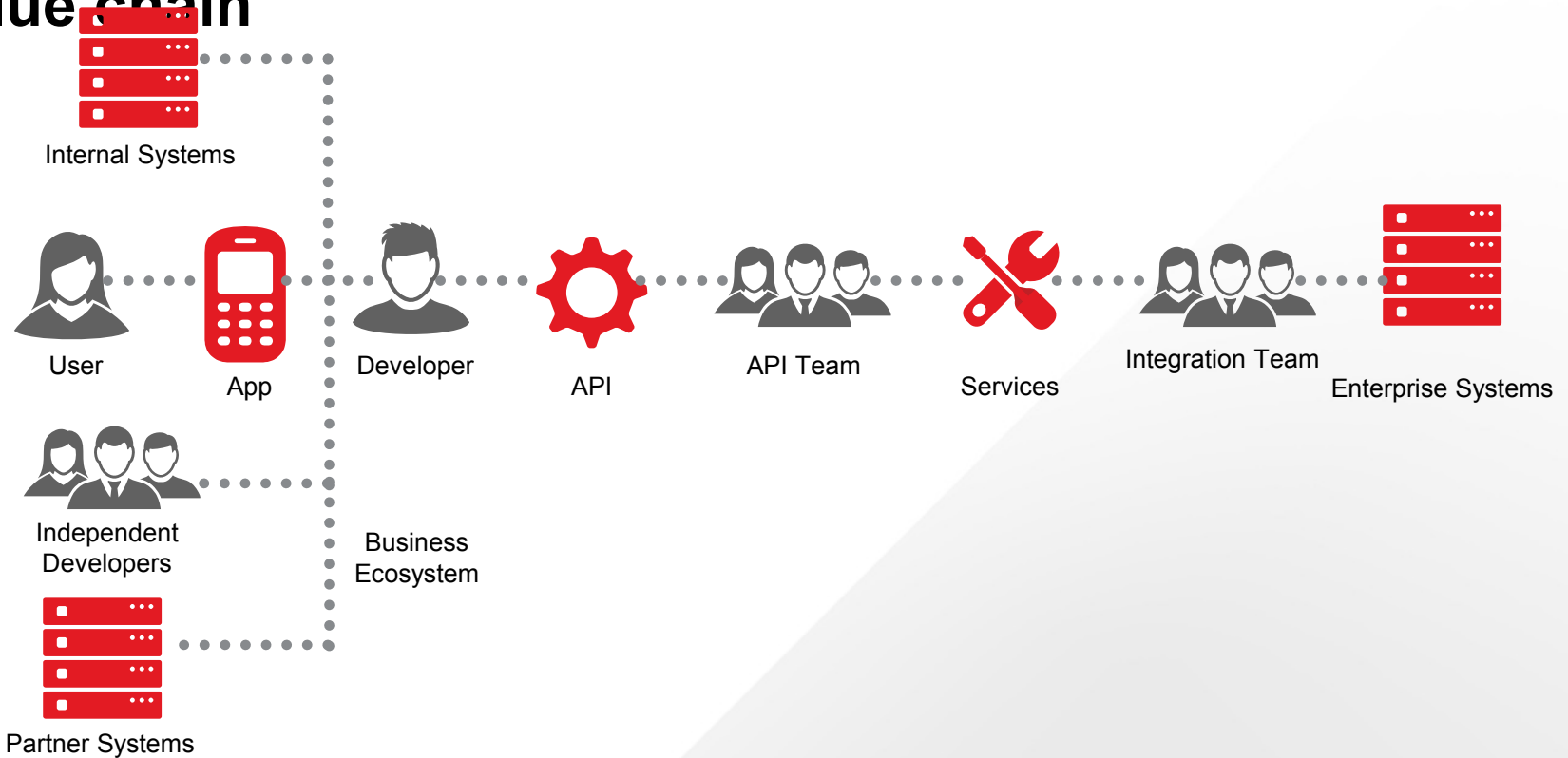
Heavily stove-piped systems; low velocity of innovation; high infrastructure cost and complexity. **Recognized the need for change and faster delivery of customers services.**

AMPLIFY API Management brokers the consumption and scale of over 150 services for mobile and web using multi-speed IT and DevOps processes.

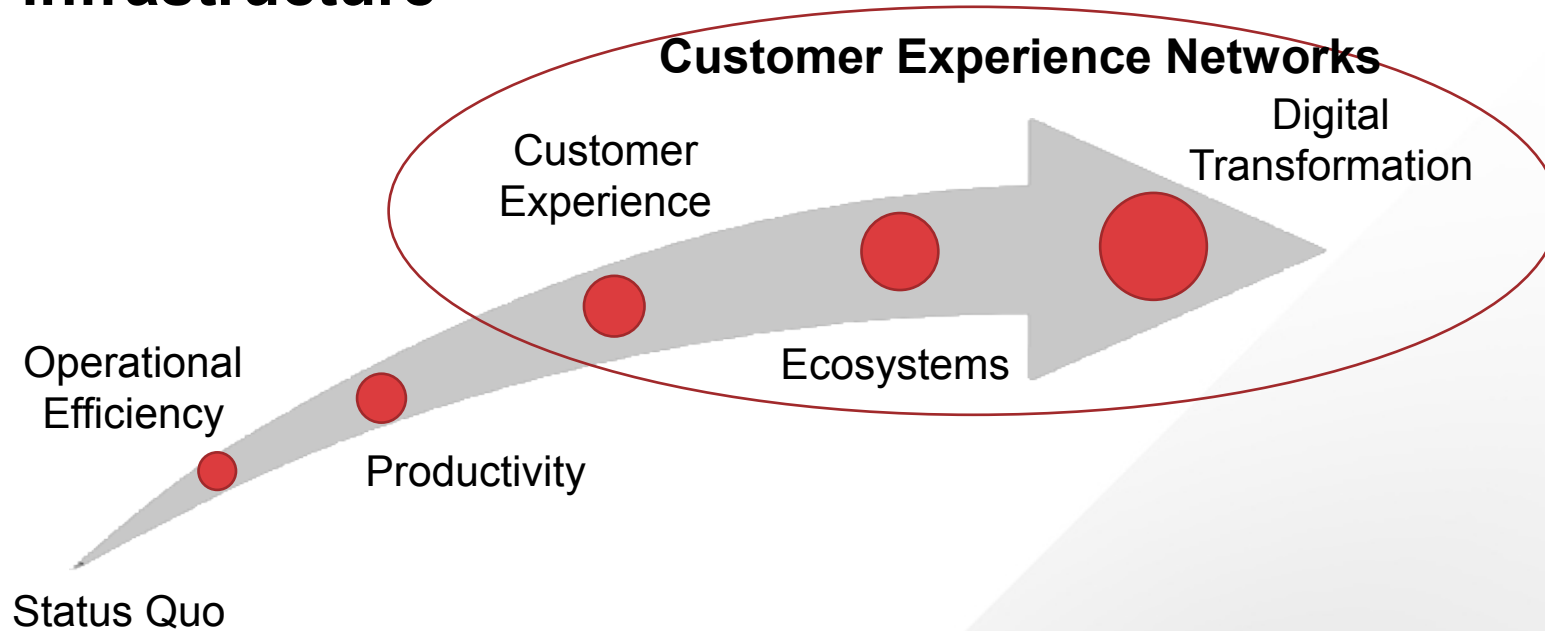
**300% reduction in test and release cycles** while doubling revenue growth to 8%. Reduced development costs by 80-95% and integration cost by 98%. Delivered a consistent omni-channel customer experience with an improved security boundary



# Digital business requires a complete digital value chain



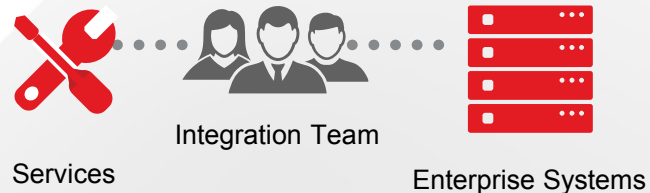
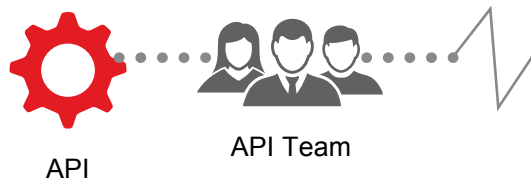
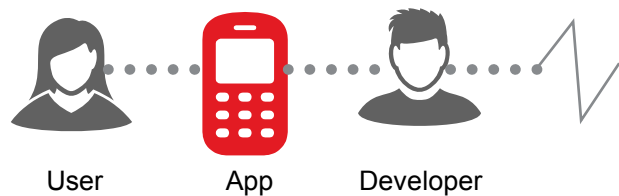
## 4. Don't settle for only improvements to infrastructure



*Business value categories based on Axway analysis of hundreds of API implementations*

# 5. Address tactical needs from a strategic point of view

Partial solutions increase risk, reduce efficiency



# Worldwide shipping company

Increased costs and complexity from using 3 ERP systems prevented timely response to customer service and potential loss of customers

Needed to consolidate the ERP systems and managed file transfer services enabling greater efficiency, agility, and reduced costs.

**Initial attempt used multiple products from separate vendors and a massive amount of code. Project lasted over a year before it was cancelled due to complexity.**

AMPLIFY API Management and SecureTransport used in second attempt for an 'API-First' design that enabled greater efficiency, agility, and reduced costs.



## 6. API Team - 4 heads are better than 4 hats if you can...

- API Product manager with business responsibility
- Architect for the design of APIs
- API developers that understand both the API consumption and back end integration needs
- Operations, to monitor and manage the API platform
- Developer evangelist, to increase API adoption by intended market



# About those APIs...





## 7. APIs are software products, not product features

- Its not just a feature – you want developers to depend and build on it
- Has a business justification with a plan for revenue impact
- Built with the developer user in mind
- Can address multiple use cases
- Needs roadmap, marketing and launch plans
- Support model and plan for security

## 8. The number of APIs should not equal the number of existing services



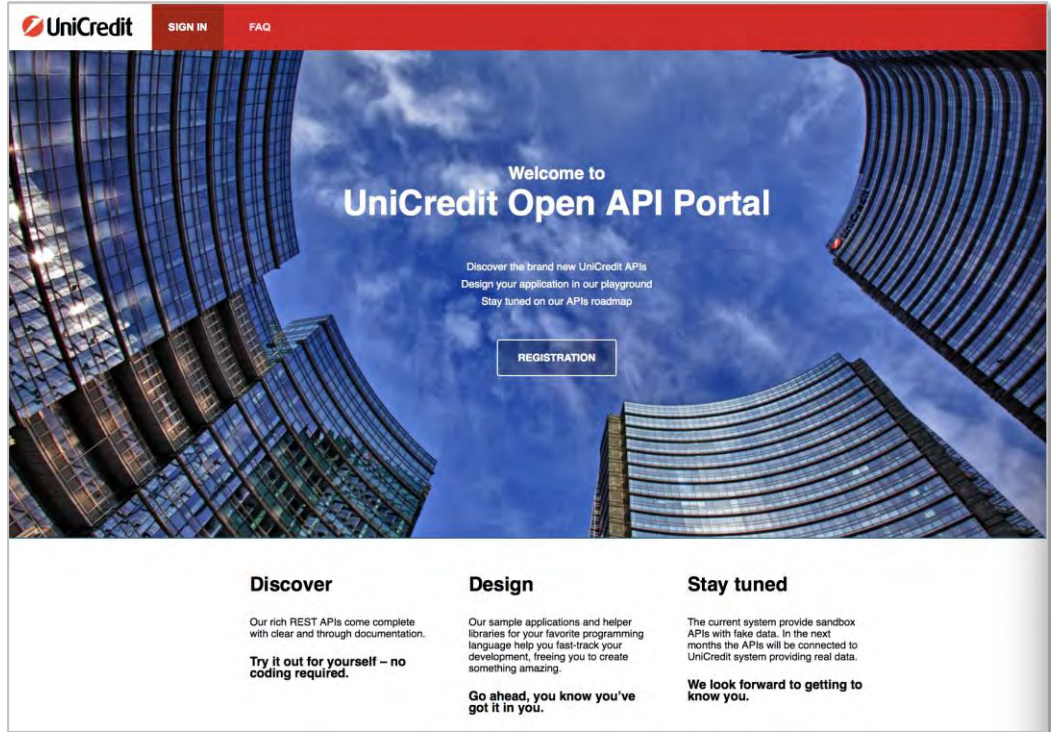
Existing Services



APIs

## 9. Treat internal APIs and developers as well as external ones

- Internal hackathons improve your product before release
- Developer portal access helps internal developers quickly learn how to use the APIs and can identify portal bugs
- APIs enable internal solutions from developers other than those in IT



# 10. API metrics should reflect business value








- API metrics in isolation can tell the wrong story
- The number of developer signups are important but the number developing apps is more important
- Understand the status and growth of external developers much like sales does with a pipeline funnel
- Measure your ability to create an API, using time
- Measure the impact of partner hackathons with the change in their app development metrics



**Don't overlook how  
business can change**



# 11. Stay close to the customer

		Annual incremental revenue per customer (from a one-point increase)*	x Average number of customers per company	= Total revenue
	Auto manufacturers: mass market	<b>\$48.50</b>	<b>1M</b>	<b>\$873M</b>
	Hotels: upscale	<b>\$7.54</b>	<b>44M</b>	<b>\$332M</b>
	Wireless service providers	<b>\$3.39</b>	<b>82M</b>	<b>\$278M</b>
	Big-box retailers	<b>\$2.44</b>	<b>100M</b>	<b>\$244M</b>
	Auto and home insurance providers	<b>\$14.32</b>	<b>15M</b>	<b>\$215M</b>
	Airlines	<b>\$3.49</b>	<b>48M</b>	<b>\$168M</b>
	Traditional retail banks	<b>\$8.27</b>	<b>15M</b>	<b>\$124M</b>

**“Forrester found that from 2011 to 2015, a group of CX leaders’ revenue outgrew the revenue from a group of their CX laggard competitors by more than 5 to 1.”**

## **The ROI Of CX Transformation**

Forrester Research, Inc.,  
June 2017



Owns and operates three major Australian tourism and entertainment destinations: The Star Sydney, Treasury Casino & Hotel in Brisbane, and Jupiters Hotel & Casino on the Gold Coast.

To improve service for customers and members, by connecting its new customer-facing digital channels to the company's back-end systems.

Internal and partner APIs bring together hotel and restaurant bookings, loyalty programs and current promotions and activities

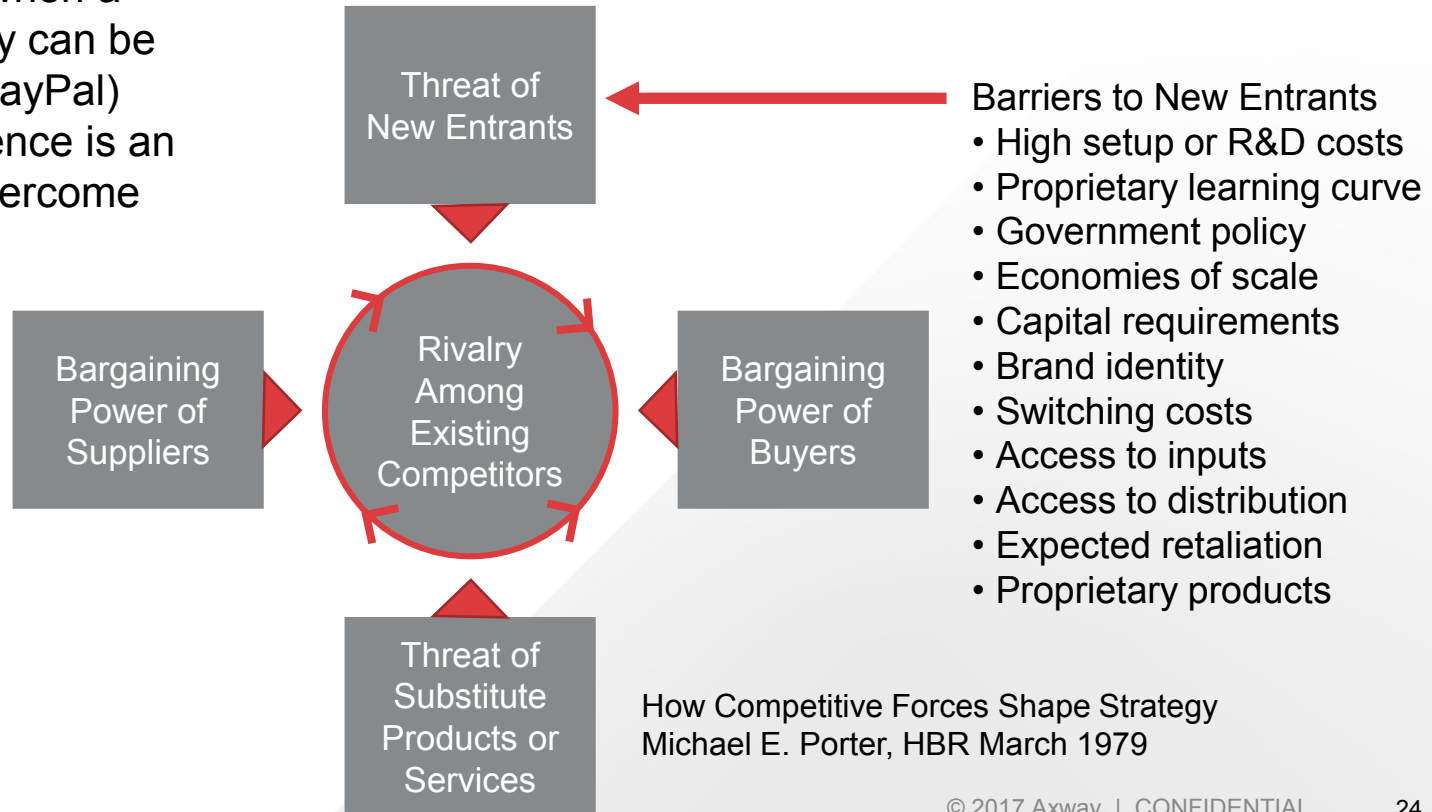
“We had a full ROI on the Axway solution in four months. For us, the API layer is an enabler to generate revenue.”

Laurent Fresnel, Chief Technology Officer



## 12. Understand how you can be disrupted and barriers to entry

- Disruptors enter when a valuable capability can be easily digitized (PayPal)
- Customer experience is an easy barrier to overcome





Provider of data on credit history, business-to-business sales and marketing, risk exposure, supply chain management, lead scoring and social identity matching

**Customer churn risk and competitive pressure due to data latency, manual processes and expecting customers to shape their business processes around D&B's data delivery formats.**

Needed Data as a Service strategy liberating the data in the D&B repository by directly embedding the information into its customers systems through an API.

**D&B Direct Service contributed to 180% growth in 2 years** and provides a seamless and real time data experience for its customers



# Final thoughts

- There are best practices to consider anywhere along the digital journey
- As in life, good planning helps the effort to avoid potential obstacles
- The digital journey and the change that accompanies it is never ending so plan accordingly
- A strategic approach will serve you well today, and into the future
- The design of both APIs and business metrics to evaluate them is both art and science
- Keep strategy top of mind as disruption in your industry continues

# Thank You!