



**CIONET**

DISCUSSION SUMMARY

NOVEMBER 2022

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# HOW TO DESIGN A FUTURE READY BUSINESS



This article was written based on the conversations held during an exclusive dinner on November 8th at Silo's in Boortmeerbeek. The event was sponsored by Cognizant, one of the largest global professional IT services company.

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# HOW TO DESIGN A FUTURE READY BUSINESS

**We live in a time of spiking energy costs, soaring inflation, broken supply chains and climate change dominating the news headlines. Long term business planning becomes incredibly complex. Cognizant and CIONET organised a roundtable discussion with Belgian Digital Leaders on how to make their business future proof and how to set their 2023 business and IT priorities right.**

In November 2022, over a dozen digital leaders gathered near Mechelen to discuss what it means to prepare a business for anything. To keep the conversation going and not to refrain people from speaking their minds, we will not quote anybody specific, but rather report anonymously instead. Present during the roundtable were people from BNY Mellon Europe, CHU Saint-Pierre, Colruyt, Corona Direct, Fedasil, Telenet, Terumo and Etex, together with the organisers from Cognizant. Thanks to the well-prepared introductions from Etex and Cognizant, and the various backgrounds of the attendees, we were able to collect interesting conclusions and refreshing insights.

The topic of the roundtable was timely and highly relevant. There is so much volatility in our world now, and many businesses are not really ready for how the world is evolving. In times where everything seems to be business critical, with so many priorities that it is almost impossible to know where to focus, we had to discuss what it means to be future ready and resilient. Please read on and discover the five main conclusions from our roundtable. Feel free to share your opinion and contact us.

## Reform the management team

In trying to get priorities straight during hectic times, there are many conflicting priorities. So, the first conclusion is that whatever the times, don't miss the big picture, continue to look for the underlying trend, and stay focused on what really matters.

Suffering from the current noise of priorities, dashboards, and SLA's, people might be missing the bigger picture. One solution is to not cease thinking about your organisation in five years' time and what organisation you want to bequeath to the next generation of business leaders.

Organisations will have to make important trade-offs and deliberately ignore certain substantial projects, which requires a lot of courage. Diversity in the board or in the management team will make your organisation more courageous. Not the type of courage to make adventurous decisions that border foolishness, but daring to ignore distractions and keep the focus straight, regardless of urgencies or today's delusions.

We really need more courage, because at present, management thinks too much about tactics and seem to have forgotten about values and long-term plans. More than ever, we need leaders that take organisations in a better place than where they have found it.

## Anticipate for anything

We have never known what the future will bring, and these days, it seems more volatile than ever. Many businesses have adopted a strategy to try and be ready for anything. This comes down to building a supremely flexible organisation in which projects can be switched on and off at the blink of an eye and operations can scale up and down effortlessly.

The traditional recipe is to cut a small portion of all project budgets and continue everything. You do not become a more resilient organisation, one participant remarked, you just get slightly worse in everything you are doing. People present at our roundtable almost unanimously, rejected the idea of trying to become more flexible while keeping all current and planned projects running.

In one organisation, people actually get a bonus for dumping projects. That is, when their proposal to close a project is accepted, of course. This nicely illustrates the state of mind of the company.





IT can make a significant contribution by moving away from monolithic applications and modernise its software, maximally based on reusable components. They should also make more use of cloud services and a broader range of technical solutions that allow to flex.

Another area where IT departments can scale down, is its number of employees. One organisation only has a small internal IT team that mainly consists of IT product owners. This allows for flexibility when you can rely on external partners, such as strategic service providers that bring deep technical competencies for a broad range of technologies when needed. A strategic external partner can also act as the service integrator for the wider eco-system.

## Never stop hiring

"Never stop hiring", is one of the more striking remarks of the roundtable. We currently witness that the business cycles run faster than the recruitment cycle, a participant observed, to general approval. As a consequence, businesses should recruit regardless of the business cycle. In good times or in troubled times, keep investing in talent continuously.

It would be better if the management team could write a blank cheque when it comes to hiring people. That would mean that when you encounter outstanding talent you can immediately bring them into your organisation without going through lengthy processes.

Everyone present at the roundtable works in IT departments where a shortage of skilled people is the standard situation.

At the moment, this is the main reason new technologies are not being introduced fast enough. So, it is obvious that IT departments should not hesitate to hire anybody with a valuable resume.

One participant observes that younger people are savvier of where they will work and the brightest are moving away from what was once a brilliant lengthy career at a single company.



## Do not overlook procurement

What if you have obtained excellent pricing conditions at the expense of contracts that are difficult or costly to terminate? An often-overlooked aspect of flexibility comes under the direct supervision of the procurement department. They should value flexibility over all other purchase conditions and should forget the idea of constant chasing for low prices. Nowadays, the best supplier is the supplier who is always open to renegotiate contracts and conditions. Or even better, who has built financial flexibility into their offering.

Specifically for the IT department, they should consider how they acquire their cloud infrastructure services. Too many organisations have not yet fully benefited from the cloud and are stuck with contracts that hardly differ from the time when they acquired hardware in vast quantities. What works best nowadays, are agreements with low monthly fees and a considerable number of variable components. Strictly talking about pennies, such contracts are probably more expensive but allow to drop any cost to almost zero overnight.

Another project for IT and procurement is to bring down the number of software tools.

Major companies pay licences and support fees for hundreds of tools that they are not using, or for which they are using several similar tools. Getting a good overview of all applications is a good start. Plan to jettison at least a third of them and maybe even more, is the next step. This is the number one priority for one of the participants of our roundtable. It will free up budget and more importantly, make the organisation more flexible.

## Enable fast decision making

Fast decisions are easy. Wise decisions, that is harder. So, how fast can your organisation make informed decisions? Because that is what defines truly flexible organisations. Being future-proof clearly implies to become better at data-driven decision taking.

Having a solid data and analytics strategy in place, was highly recommend by most people present. With the strong suggestion, though, to only invest in collecting and analysing the data that you really need. The typical company runs daily, weekly, monthly, quarterly, and annual reports that nobody uses. It is easy for IT to monitor the actual users for each report and based on those insights, terminate all reports with zero or low usage.

Companies only need one basic type of reports, one participant remarked, and that is reports with facts that are necessary to take the right decisions. Essential facts and decisions can change all the time, so it was proposed to discuss reports every month with major decision makers and make changes every time the business changes. This way, reports can be more useful and give people the ammunition to be successful.

A second type of report that is needed, is a report that tracks the implementation of decisions and changes that have been made.

The roundtable was almost unanimous in expressing the need to train the company to become more digital savvy. Most companies spend a lot of money on introducing technology, but make insufficient effort in making people adopt it. A data strategy goes nowhere if people do not understand how to use reports or how to ask for reports that could help them become better.

One participant shared an unfavourable example of an international sales team that decided to increase their prices in order to sustain margins after production costs were on the rise. They did so on gut instinct and did not use information on their competitor's pricing that the IT department had readily available. If they had done that, they would have known that nobody else was raising their prices, even though everyone was suffering from a similar increase in production costs. The company is now experiencing a significant drop in market share, which could have been avoided.

## Wrap-up

To finish, we would like to share two key insights from Cognizant's analysis of the Economist Impact research they have commissioned about how to support businesses on their journey to being ready for whatever the future may bring. It is both revealing and satisfying to see the parallels between their conclusions and the topics discussed during our roundtable.

### Strategic clarity is muddled as priorities proliferate

Over 90% of business leaders say it is a strategic priority to adopt a data-driven approach and create a digital-first business model. For over one-third of that group, both imperatives are business-critical. The trouble is, these priorities are accompanied by a host of other strategic objectives that encompass the entirety of the business trinity: process, people, and technology. The risk, of course, is that competing priorities will paralyse any of these initiatives from moving forward.

### Workforce strategies need a major overhaul.

The appetite for new technology also belies a longstanding issue that can no longer go unaddressed: the lack of focus on talent management. Even with respondents naming a lack of knowledgeable staff as a top hurdle to meeting business goals, our analysis of the data uncovers a chronic lack of focus on preparing workers for the new ways of work. For example, just one-third of respondents are using data to understand employee satisfaction or performance. Companies that over-index on technology with little focus on people will not achieve the full value of their tech investment.







## About CIONET

CIONET is the leading community of more than 10,000 digital leaders in 20+ countries across Europe, Asia, and the Americas. Through this global presence CIONET orchestrates peer-to-peer interactions focused on the most important business and technology issues of the day. CIONET members join over a thousand international and regional live and virtual events annually, ranging from roundtables, programs for peer-to-peer exchange of expertise, community networking events, to large international gatherings. Its members testify that CIONET is an impartial and value adding platform that helps them use the wisdom of the (IT) crowd, to acquire expertise, advance their professional development, analyse and solve IT issues, and accelerate beneficial outcomes within their organisation.

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## About Cognizant

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