

The 'cloud' is bringing about a digital change

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Most of us visualise a digitally transformed organisation as its front-end avatar, delivering great experiences on demand and fulfilling customers' requests with zero delay. What we often fail to see is the digital core of the enterprise, behind the interface, that is geared to produce these delightful customer outcomes.

But leaders driving digital transformation have always known otherwise. This was unambiguously established in a recent survey report we published, titled, 'How Enterprises are Steering through Digital Disruption' – where respondents attest to using digital technologies as commonly for IT management (79%) and business process management (60%) as for customer relationship management (62%).

Today, an organisation working its way to a more digital future has to focus on transforming from its core, including its fundamental infrastructure, operational systems and the surrounding processes. This aids greater leverage and value from technology.

Surprise bottlenecks

When the modern ERP system was born in the 1990s, it was almost single-handedly responsible for enabling enterprises to participate in the heady growth of those times. But the same system – centralised, monolithic and mostly deterministic – is coming up short against the demands of the digital age where providing engagement, innovation, and instant gratification is non-negotiable.

Surrounded by inflexible processes and complex services, it also can't as easily 'talk' to newer systems that leverage cutting-edge technologies like artificial intelligence, machine learning, augmented and virtual reality, big data, real time analytics, IOT and blockchain.

This makes agile innovation at speed and scale a huge challenge. Since these



Baby steps: Non-core parts of legacy systems must go to the cloud before critical elements can follow. ■ GETTY IMAGES/ISTOCK

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legacy systems form the heart of the traditional enterprise, and represent investments running into millions, it is impossible for enterprises to jettison it all in favour of digital alternatives.

The challenge is to modernise these systems and legacy processes so that they can support real-time, automated and efficient operations at the backend as well as personalised experiences at the front end.

The 'cloud' has an enormous role to play in creating the digital enterprise. In fact, the enterprise cloud (with 60% respondent votes), features among the top three digital technologies, along with data analytics and cybersecurity, in our survey.

Changing with the cloud

Here, we are not merely talking of lifting and shifting an ERP system, warts and all, to the cloud, but of transforming it from the inside to make it real time, digital-ready and cloud-capable while simplifying the processes around it.

Also, opening up the now simplified core with API-microservices to create secure pathways for newer digital platforms to access these systems is a vital milestone on the path to digitisation; this means decoupling the

evolution of frontends and backends allowing for a continuous renewal of the front, without disrupting the core.

Enterprises must undertake this complex journey after deliberating: whether to go to the public or private cloud, which legacy assets to divest, how to modernise migrating assets, how to re-engineer process flows, and so on. It is always prudent to transport non-core parts of the legacy environment to the cloud before doing the same with critical elements.

Question of security

Here, it is natural for organisations to ask how secure their systems will be on the cloud, given the survey report revealed that cybersecurity was a huge area of focus in every sector: cybersecurity was the most deployed technology in respondent firms (69%, ahead of even big data analytics).

While the concern is justified, it is important not to confuse physical proximity with better security. Often, systems on the cloud, are better protected than inside enterprise premises, purely because enterprises exercise greater care and governance over their cloud assets.

So, where the system is located matters very little; it is things such as means of access, procedural rigour and quality of governance that count.

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