A New Style of IT
The Dawn of a New Normal

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Introduction

The Digital Transformation is upon us.

Enabled by mobility, it is one of the most disruptive waves of technology evolution since the computer was invented. It has changed the world’s relationship with technology. The physical world and the digital world now blend into one.

Consumers and citizens, clients, and employees are already living the “always connected, anytime, anywhere” lifestyle. This has changed the way they conduct business, consume content and services in both professional and personal lives.

This is what we call “A New Style of IT”.

The disruption has rewritten the rules of business. The company that exploits the opportunity to innovate will be the company that will set the agenda for the future.

In this newsletter, we share our thoughts on the mobility-led opportunities that have emerged and look at issues that have to be addressed if we are to adapt successfully to the new world order. We have to embrace the change to drive the business outcomes needed into today’s rapidly evolving marketplace.

Innovation is only limited by the extent of our imagination. In the following pages we aim to share some important aspects of this New Style of IT.

Your feedback is always welcome as true innovation is always collaborative.

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Predicts 2014: Seizing the Digital Business Advantage

As businesses inject digital and electronic functions into products, services and channels, types and sources of competitive advantage morph. CIOs, strategists and business leaders must hone their branding, opportunity pipelines, capabilities and competitive intelligence.

**Key Findings**
- Digital business will mean changing the promise that underlies current brands, resulting in many businesses rethinking and repositioning their brand promise. In some cases, they will need to build new brands altogether.
- Fleeting “business moments”—that is, transient opportunities exploited dynamically—will represent the rise of dynamic competitive advantage and the decline of long-term, sustained advantage as a viable corporate strategic goal.
- Pioneers and fast followers rank business strategy expertise among their most important digital business disciplines, whereas mainstreamers barely mention it.
- Companies that grew up in the digital environment can exploit their understanding of 21st century technologies to grow from positions of obscurity to aggressive competitors, surpassing established players held back by legacy practices.

**Recommendations**
- Assess your current brands and their competitive positions. If they are headed into conflict with other brands that use digital approaches, start to plan for a new brand that will address new market segments in a manner that disrupts the status quo.
- Develop a diverse pipeline of business moment opportunities, and perfect a cadence that times the shift from one business moment opportunity to another.
- Create digital business strategy boot camps, with an emphasis on understanding how the business, its customers and its providers will survive and thrive in a digital world.
- Broaden competitive evaluations by paying attention both to smaller organizations that may have previously been ignored, and to powerful players that may invade from other sectors.

**STRATEGIC PLANNING ASSUMPTIONS**
By 2023, superior digital business capabilities will lead 4 out of 5 industry leaders to reposition their brand promise or build new brands.

By 2017, corporate strategists will perform daily competitive scans to compensate for the death of sustainable competitive advantage.

Digital business incompetence will cause a quarter of businesses to lose their market position by 2017.

By 2017, 1 in 5 industry leaders will have ceded their market dominance to a company founded after 2000.

**Analysis**

**What You Need to Know**
The rise of digital business remains a significant game changer for all businesses, and the rules of competition are about to be changed in most industries. The temptation is to consider that these game changers can be incorporated over time—things are never going to be as urgent as they seem now. That would be incorrect, because companies are adopting digital strategies as we speak, and the most important issue for companies is what they will learn about this in the process. The intent of these predictions is to prepare the ground for that learning, considering that brands, competitive strategies and internal competencies all will change in the time ahead. Read these predictions carefully to map out your own road to greater competitive advantage, and to take charge of your industry.

To set the stage, Gartner offers these two definitions:
- A digital business applies unprecedented combinations of new technologies to generate future revenue and future value.
- A digital business strategy answers the question, “How will we survive and thrive in a digital world?”
STRATEGIC PLANNING ASSUMPTIONS

Strategic Planning Assumption: By 2023, superior digital business capabilities will lead 4 out of 5 industry leaders to reposition their brand promise or build new brands.

Analysis by: Jorge Lopez

Key Findings:

• Digital business will mean changing the promise that underlies current brands, resulting in repositioning their brand promise. In some cases, this means building new brands altogether.

• Customers generally find they want their providers to stick to the promise represented by their brands. They will move to competitive brands if they feel betrayed.

• The growth of digital business has become a competitive advantage, as corporations incorporate what they learn, where possible, to transform the rest of their business.

Market Implications:

Changing the promise of a brand is a famously difficult thing to do in any industry, especially consumer industries. People who value a brand do so because they value its promise, and a change to that promise is a change in the relationship and the trust that the brand represents. One of the most famous such changes was when Coca-Cola introduced a new formulation of their longtime soft drink in 1985 that changed the taste of the product. The resulting consumer revolt led to the company reintroducing their original recipe, labeled Coke Classic. Sales soared to their former heights. To restore brand trust, the company had to revert to a prior strategy.

Recently, a complex change in a brand promise was found in the case of J.C. Penney. The company was facing declining sales, and decided to introduce a new experience for its customers, many of whom were accustomed to clipping coupons to capture discounts. New CEO Ron Johnson, who had arrived after successfully leading Apple’s retail operations with innovations that included the Apple Store and the Genius Bar, tried to innovate the relationship with J.C. Penney customers. He intended to leverage new approaches — including the elimination of coupons — as well as digital technologies. The customers, however, did not want to change the brand relationship with J.C. Penney, and they abandoned the retailer once it became clear the relationship had changed. This alarmed the board of directors, who decided to revert, as in the case of New Coke, to the older brand promise. They even rehired Johnson’s predecessor, Myron Ullman, to reinstate that promise, and to recapture the customers who were not pleased with the prior change.

What does this teach us about moving to a digital business? Ultimately, the capabilities that are unleashed in a digital business environment — speed, transparency, responsiveness and new categories, — may usher in new practices in pricing or promotions that change the relationship with longtime customers, in a manner that alters the underlying promise. As such, Gartner does not recommend experimenting with a new brand promise on top of an older one, where the consequences of failure can be catastrophic for a company.

The key to the future is to decide if the capabilities of digital business lead you to reposition your brand to take advantage of it, or to move to building a totally new brand. What increases the risks of introducing digital business is the degree to which your current customers see new capabilities as a breaking of the brand promise. As we have seen, even among those regarded as some of the best marketers, the risks can be extremely high.

The most important aspect of evaluating your brand risk due to digital business is to look at the many aspects where it changes your relationship, and concede that not all customers see these aspects as positive changes to their relationship with your company or your products. For example:

• Access via personal devices

• Enhanced connection to the customer’s key communities of friends through social networks

• Fulfillment designed around the customer experience, all the way through to operations

• Totally new product categories resulting from the application of digital technologies

An example of a company that took on the brand risk by creating a separate one is the reinvention of the Abercrombie & Fitch brand when the company was acquired by Limited Brands. It helped Limited move into the youth casual-wear segment without overlapping its other segments.
Other examples of digital opportunities that deserve mention include the introduction of wearable activity monitors such as Up by Jawbone and the NikeFuel. These are in a new category of products that deserve their own branding to build on a new promise for customers.

The conclusion for this prediction is that, because digital business has the potential to significantly alter the promise of a particular brand, it is best to consider the brand promise of digital business in separate form.

**Recommendations:**

- Assess your current brands and their competitive positions. If they are headed into conflict with other brands in your industry that use digital approaches, start to plan for a new brand that will address new market segments in a manner that disrupts the status quo.

- Study the case of J.C. Penney to learn how best to launch, and how not to launch, a new brand.

**Strategic Planning Assumption:** By 2017, corporate strategists will perform daily competitive scans to compensate for the death of sustainable competitive advantage.

**Analysis by:** Rand Leeb-du Toit

**Key Findings:**

- New strategic frameworks are becoming increasingly necessary as business moves into the digital industrial economy. Companies are digitalizing their products and processes, leading to new ways of doing business and of competing.

- Agile, digitalized market players are perfecting the art of scaling up and scaling down their business activities at velocity, to take account of rapidly forming and rapidly dissipating business demand.

- Fleeting business moments — defined as transient opportunities exploited dynamically — will represent ever-smaller slices of competitive opportunity. The result will be the birth of dynamic competitive advantage as a viable corporate strategic goal.

**Market Implications:**

Military strategists of yesteryear built Maginot line-like defenses against known enemy forces. In modern warfare, the foe is unseen, consisting of decentralized, dynamically formed cells that can appear anywhere, and at any time. 21st century business is much the same. Old school strategic frameworks focus on reinforcing longstanding defenses against known market competitors through advantageous positions. Once achieved, these positions are set rigidly in place, and systems are optimized to mine the sustainable advantages for considerable lengths of time. In the rapidly forming digital industrial economy, strategies and structures that are designed to extract maximum value from sustainable advantage become straitjackets and liabilities, as opportunities increasingly move toward dynamic and momentary experiences.

Dynamic competitive advantage, much of it revolving around business moments, requires companies to run at two speeds. Running at the first speed are the company’s stable, mission-critical systems and its values, norms and leadership — all providing a level of internal stability that allows for and empowers the second speed. The second speed represents the external dynamics of markets and competition, meaning that competitive intelligence and R&D should be looking not at the traditional competitors, but rather at the upstarts and the unorthodox that are newly orbiting the business at hand. When it comes to dynamic competitive advantage, stability, not change, is the most dangerous state. Change management should be seen not as a switch turned on or off once a competitive advantage has been fully mined; it needs to be on continuously.

**Recommendations:**

- Develop both a diverse pipeline of business moments, fluctuating between core business and multiple adjacent business opportunities, and a cadence that perfectly times the shift from one business moment to the next.

- Seize business moments by innovating quickly, using hypothesis-driven experimentation methods and applying a just-good-enough lens to the experimentation.

- Once the experimentation has identified new opportunities, scale the “stickiest” opportunities to maximize momentary competitive advantage before moving to the next opportunity.
Strategic Planning Assumption: Digital business incompetence will cause 25% of businesses to lose their market position by 2017.

Analysis by: Diane Morello

Key Findings:

• Pioneers and fast followers in digital business rank business strategy expertise among their most important digital business disciplines. Mainstreamers, however, do not mention business strategy expertise among their most important disciplines.

• In Gartner’s Talent on the Digital Frontier survey, nearly 8 out of 10 digital business leaders admitted to needing adaptation and learning in order to fit the world of digital business. The required capabilities may take CIOs and other business leaders by surprise (see Note 1).

Market Implications:

During the past 20 years, powerful online businesses — eBay, Amazon, iTunes, Facebook, Google — were viewed as wholly different business types by companies that emerged during the decades before them. Businesses and institutions considered the online companies so far off their radar screens that they ignored them or considered them irrelevant. Since then, the online players have successfully rewritten the rules of competitive markets, have learned how to erect and dismantle intangible barriers to entry, and have taken advantage of unprecedented combinations of new technologies to generate new revenue and new value.

According to Gartner’s survey about talent, business strategy expertise ranks highly among the digital business leaders who characterize themselves as pioneers and fast followers. Those aggressive competitors usually make up no more than a quarter of businesses, and their focus on business strategy expertise is arguably one of the contributors to their success. In contrast, mainstream and conservative businesses seldom mention business strategy expertise among their most important disciplines — something they will need to rectify competition stiffens in the dynamic world of digital business. CIOs and digital business leaders must concentrate on building new capabilities to reinforce the connection between strategy and execution. Otherwise, they will fall behind, losing customers, market share and competitive position to businesses that digitally remaster their products, services and supply chains.

Recommendations:

• Create digital business strategy boot camps, with an emphasis on understanding how the business, its customers and its providers will survive and thrive in a digital world.

• Measure organizational competence in business strategy development and execution, using such tools as strategy competency models and the Gartner Execution Model.

• Quickly introduce roles, assignments, teaming constructs and learning programs that will move the needle on people’s adaptation to the digital world.

• Raise the understanding and the fluency of IT professionals in business strategy, digital business disciplines and areas of expertise. To propel that understanding, apply consumerlike metaphors to the behaviors, apps and information resources of IT professionals.

• Be brutally honest about competitive advantage in a digital world. Weak expertise in business strategy, combined with insufficient digital business capabilities, will drain resources, introduce poor judgment and sacrifice market credibility.

Strategic Planning Assumption: By 2017, 1 in 5 industry leaders will have ceded their market dominance to a company founded after 2000.

Analysis by: Stephen Prentice

Key Findings:

• Companies that have grown up in the digital environment can exploit their understanding of the Nexus of Forces (social, mobile, cloud and data) to grow rapidly from a position of obscurity to aggressive competitors, while many established players will be held back by legacy thinking, culture and approaches.

• The failure of many established companies to understand and effectively respond to the new digital economy has left them vulnerable to more agile and digitally savvy competitors.

• The challenge of overcoming internal culture and a lack of digital business awareness reduces the ability of traditional players to mount effective competitive attacks on existing market leaders from the same mold.
Market Implications:

- In the new digital business landscape, longevity, size and reputation count for little in a market that thinks differently, changes quickly and expects a more collaborative approach. Recent history is littered with examples of market-leading companies whose market dominance, and belief in the existence of a long-term advantage based on past performance, found their position undermined and overrun by more-agile competitors or significant market shifts, which they failed to recognize until it was far too late. The failures of Kodak, Borders and HMV are just three examples.

- The same failures to identify market shifts, embrace new technologies, and understand new business models and customer expectations conspire with outdated culture and inadequate digital business skills to all but eliminate the ability of their traditional competitors to exploit such opportunities. Companies that once would have aggressively pounced on a competitor that stumbled now find themselves in a position that is only marginally stronger, and thus need to focus on their own survival.

- As the strong fail, and their traditional competitors are unable to exploit the opportunity to enhance their own market position, younger and more agile competitors are able to grow rapidly from a position of obscurity to capitalize on the collective weakness of the established players. With no legacy to hold them back, a firmly entrenched digital mindset and a more appropriate mix of skills — supported by effective exploitation of myriad cloud-based services — they can rapidly become potent competitors, and even market leaders.

- Consider three companies that have played a critical role in building the new digital economy over the past 13 years — Facebook, Google and Amazon. These are essentially young companies, born in a digital era, and they have built commanding positions in the overall market, displacing previous leaders and posing new competitive threats across a wide range of industries. Facebook (founded in 2004) now dominates the social media landscape in most Western markets, pushing aside a number of previous players (such as Myspace) and undermining others (such as Yahoo).

- Google (incorporated in 1996) has similarly overrun previous market leaders (AltaVista, for example), and has resisted most attempts by other, powerful players, such as Microsoft, to dominate the search and information market. It has successfully used its strength to become the dominant player in the mobile operating system market, building a powerful platform in Android that is now the market leader. In doing so, it has contributed to the decline of once-powerful players in that market, such as Nokia and Rim. It continues to innovate, using its market strength to threaten new markets with innovative products such as Google Glass, break new ground with advanced analytics and threaten establish software vendors with cloud-based alternatives. It is poised to become an unlikely entrant into the automobile sector, through its development of autonomous vehicles.

- Amazon (founded in 1994) has moved from being an online bookseller to redefining the book publishing sector by creating the e-reader market. It is now widely regarded by many existing retailers as a significant threat across multiple sectors, from electronics to home products and to fashion. In the brave new digital world, history, longevity and even brand recognition count for little. Established dominant players in the technology space, such as IBM and Apple, have been forced to essentially reinvent themselves, or to create entirely new markets in order to survive.

- The significant issue here is that these threats and rapid market changes are no longer the sole preserve of the traditional “technology” companies. Every industry and every company now depend on technology, and require a degree of mastery in the digital business landscape. Essentially, every company now finds itself, to a greater or lesser degree, subject to the same volatility that has characterized the technology sector for the past three decades. The asset-intensive “heavy” industries (such as mining, construction and the like) are least threatened at present, but will not be immune. For “intermediate weight” industries (such as retailing and transportation), and “weightless” industries (such as music and finance), the threats are more immediate. Even digital platforms, such as Apple’s iTunes, which usurped the traditional music distribution business, now find themselves ceding market share to even newer entrants, such as Spotify, with their music stream solutions.
• While the prediction relates to a time horizon of just four more years, we expect the dominance of young companies — born in the digital era — to grow rapidly in the years that follow, probably rising to 1 in 3 or even 1 in 2 by 2023, as the gap between established companies and digitally savvy startups with an ingrained culture of digitally enabled innovation is further and continually undermined and eroded.

Recommendations:

• Broaden competitive evaluations: Pay attention to smaller organizations that were previously ignored and to powerful players in other sectors. Companies like Google represent a real threat to many industry sectors, and must be included in the competitive scans.

• Move rapidly to reduce or eradicate legacy thinking, building the new skills, products and business processes necessary for survival in the digital era. Continual innovation must be based around digital products and services to avoid the threats posed by the new business landscape.

• Urgently share knowledge of the possibilities (both in terms of opportunities and threats) posed by digital technology and digital business with business colleagues and collaborate to realistically assess the risks.

A Look Back

In response to your requests, we are taking a look back at some key predictions from previous years. We have intentionally selected predictions from opposite ends of the scale — one where we were wholly or largely on target, as well as one we missed.

On Target: 2012 Prediction — By 2014, 20% of companies will cross into other industries with technology solutions without recognizing the prevailing rules of competition.

In late 2011, we predicted that companies searching for new sources of revenue would build on their strengths and attack other industries in new markets. We introduced the prediction when business, information and 21st century technologies were converging, leading in large part to the morphing and mashups of the digital business era. Examples emerge in places we would not expect: Google moves into the automotive market, Nike and Reebok move into health-care monitoring, CVS and Walgreens move into medical clinics, Alibaba moves into loans, and mobile operators move into finance through payments, remittances and banking.

We stand by the Predicts 2012 comment: “The need for growth is and will continue to drive experimentation on many fronts, including one that looks to other industries for opportunity, rather than to one’s own.” Know the industry you are invading better than anyone else, and anticipate the behaviors and consequences of your arrival.

Missed Target: 2012 Prediction — Through 2015, 80% of CEOs will say, “Our culture is our competitive advantage.”

Near the end of 2011, we predicted that the viewpoint of CEOs regarding competitive advantage would shift to the main engine of that advantage: their corporate culture. More precisely, we predicted that 80% will do so. While that prediction about the emphasis CEOs have placed on corporate culture was accurate, it was incorrect to set the expectation at 80%. In fact, today, many CEOs are placing their faith in digital business as the source of their competitive advantage, and in many cases, they are seeing their opportunity for competitive advantage as competing with superior forces, like government regulation. For this reason, we believe we need to substantially reduce our prediction to a number well below 80%.

Note 1
Talent on the Digital Frontier Survey

In Q2 2013, Gartner conducted the Talent on the Digital Frontier survey. More than 150 digital business leaders responded who were intimately involved either in defining the digital business strategy or in securing the talented people required to make the digital business strategy sing. For more insight on what the survey revealed, see “Talent on the Digital Frontier: New Capabilities, Built Out Quickly, Will Dominate Digital Business” and “Talent on the Digital Frontier: The Stakes Rise in Digital Business.”

Gartner RAS Core Research Note G00258996, Jorge Lopez, Rand Leeb-du Toit, Diane Morello, Stephen Prentice, 11 December 2013
The Role of Social Media in Mobility

A coherent horizontal digital transformation strategy is a key competitive differentiator

It’s hard to overstate the massive global societal shift mobility has enabled. The smartphone and tablet have revolutionized life on multiple levels—along with the accelerated pace of innovation and change enabled by complex interconnected infrastructure behind the scenes.

Organizations that will win in this sophisticated new world will focus on simplifying and streamlining their operations as they move to a completely digital and interconnected enterprise model. Mobile may be ‘the last mile’ to the user, but compelling, simple user experience accessing low latency back end operations are the essence of a successful digital experience that will make customers come back again and again. This digital transformation strategy differentiation ranks equal or greater than legacy brand presence and credibility as we move forward.

The word ‘social’ in the context of our new digital world has taken on multiple personas and dimensions. To understand the role ‘social media’ plays it is important to first understand that our personal, individual digital explorations, interactions with friends and connections is in our own time and around our own agendas.

Working collaboratively in our modern digital enterprise world uses similar connected environments but requires orchestrated workflows. This leverages the agility and speed of professional interactions to enable us to work towards common goals more simply using modern digital tools.

Unless you have experienced the speed and power of working in a connected digital enterprise, it can be hard to differentiate between personal social networking interactions in your own time and the value of sharing insights, information and participating in workflows as part of a professional team.

‘Social Media’ is essentially the conversational advertising and public relations of businesses of all sizes, facilitated by the first generation of mass global social networks which have enabled ever greater connectivity and effectively destroyed barriers to interaction.

Mobility has greatly accelerated these 24/7 conversations, enabling the individual to communicate anytime and anywhere, taking photos and digitally sharing them. The data trail of analytics from these mobile activities grows ever richer, adding location and context to an already rich information flow.

As we accelerate into a world of ‘the internet of things’ RFID chipped objects will provide a rich data stream at the same as thumb typing on QWERTY keyboards bows out to voice to text translation on mobile devices, resulting in total digital transformation of business.

In an ever more crowded world, conversational context trumps marketing blasts... but the nonexistent barriers to digital publishing conversely makes it harder and harder for businesses to connect and interact with customers and prospects due to information overload. Recognition that today you are no longer competing within your industry vertical but instead competing with everyone’s digital experiences to gain mindshare and customers is a key strategic differentiator. Thinking cross organization about orchestration of all relevant elements instead of just about mobile or cloud tactics is critical for efficiencies and simplicity going forward in an ever more complex world.

Enabling a seamless mobile experience may require accessing multiple legacy backend systems half way around the world - the devil is in the details of course. To enable the digital transformation required to enable the magical customer experiences which will define the best brands of the future is no trivial task.

Social in Your Hand
35.5% of mobile phone users in the US accessed social networking (dimension data, xigo)

Facebook has 48% of Daily Active Users and 49% of Ad Revenue come from mobile devices ("Facebook Says 48 Percent of Daily Active User and 49 Percent of Ad Revenue Come from Mobile", socialmedia today, Aaron Elliott, Nov 4, 2013)

Facebook has 7 out of 10 users access the site at least once a month from their mobile devices. ("Mobile-First Networks Are Taking Over Social Media Around The World", Business Insider, Cooper Smith, Nov 11, 2013)

Asia-Pacific has more active social media users than any region, with eighty-two percent of Thai smartphone owners access social media daily on their phones. ("Mobile-First Networks Are Taking Over Social Media Around The World", Business Insider, Cooper Smith, Nov 11, 2013)

An optimal mobile experience, it’s more than the device.
The back-end response time is critical to the overall mobile user experience

End-to-end, content delivery to a mobile device needs a responsive, agile, well integrated enterprise solution
Reorganize and optimize your infrastructure, and improve the overall user experience

Data consumed; data generated. What does this mean to you?
Social media data: analyze it; consume it as a business asset.
Customer insight, sentiment and market shifts can all be identified through the analysis of social media data for use within your business.
Solid internal collaboration and organization aligned with agility and flexibility to evolve alongside or ahead of the fast mutating digital world is essential to survive – the social networking skills the digital generation have learnt in their personal lives are now part of the way successful companies work together behind their firewalls, the backbone of sophisticated communication workflows with customers, prospects, partners and suppliers. To enable the digital enterprise, it is necessary to think horizontally across the entire digital horizon.

Planning social media marketing activities are one facet of your complete digital enterprise strategy – an end-to-end plan that defines the most appropriate technologies to serve your business goals going forward and that anticipates the iterative, agile strategies companies are moving to for fast changing, flexible decision making.

Once these digital enterprise transformation plans are in place we can bring the full power of the New Style of IT to bring your plans to profitable fruition.

Source: HP

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Customer Experience Leadership in an Omnichannel World

Every interaction that a consumer has with a brand today holds the potential to build brand equity—or to detract from it. And in an omnichannel world, where attention spans are measured in seconds, not minutes, it’s critical that companies put their best foot forward at each step in the customer journey. Customer Experience (CX) leaders understand this, and share three philosophies that set them apart from their peers and help them beat the odds – with better acquisition, retention, and advocacy rates – where other brands falter.

Today’s omnichannel consumers are moving targets. They’re connected. They’re social. They move seamlessly between branded messages and touchpoints, switching devices in real time. And they’re using mobility to bridge digital and physical experiences in new ways.

Together, they’re a force of nature. And they’re forcing brands to adapt: challenging the concept of what constitutes a ‘store’ in all categories, from financial services, to travel and hospitality, to fast-moving consumer goods, healthcare, and especially retail.

Faced with inadequate customer intelligence to guide them, or organizational structures that don’t allow them to act on it holistically, a lack of urgency to move beyond the status quo, or a culture that has yet to embrace the role of partners in driving innovation, many brands are struggling to keep up.

They’re falling short, failing to demonstrate the level of CX leadership that’s required to connect with today’s fast moving culture. And they may be losing prospects, customers, and even employees because of it.

For nearly 18 years, we’ve partnered with global brands on CX-lead initiatives, helping them understand and measure the impact that CX has on their bottom line, and break the cycle. And while every partnership is unique, we’ve learned that there are three ways of thinking about CX – three shared philosophies — that all leading brands share. These philosophies, when institutionalized and executed consistently, set them apart from their peers and help them succeed — realizing higher levels of acquisition, retention, and advocacy — where other brands falter.

Experiences that aren’t useful, usable, or well-designed hamstring B2C, B2B, B2E, and B2P ‘customers’ alike. Unchecked, poor CX creates a vicious circle — a workforce unable to do its job, and unhappy customers — which has a direct impact on the bottom line.

The Three Shared Philosophies of CX Leaders:

1. They’ve said so long to silos, and approach CX as an enterprise-wide responsibility;

2. They’ve blurred the lines, combining their digital and physical experiences in new and innovative ways, to the mutual benefit of both;

3. They’re partnering strategically, and playing to their strengths; CX leaders aren’t afraid of seeking outside expertise to help span fragmented competencies.

CX Leaders Say So Long, Silos.

Today’s omnichannel consumer has high expectations. Armed with a smartphone, backed by a variety of social networks and access to anything, anywhere, at anytime, she’s more empowered than ever. Whether she’s researching, buying, getting service or seeking support, she expects each experience to be consistent, optimized, and well orchestrated.

CX leaders understand that in an omnichannel world, a brand is only as good as its last interaction, and that when any one part of the experience falls down, the entire brand suffers. And their approach to CX management reflects this in two key ways: their internal structure and their approach to data.

“84% of retailers worldwide say that creating a consistent customer experience across channels is very important.”

Retail Systems Research
While marketing, sales, and service functions undoubtedly have a role to play in shaping an organization’s overall CX strategy, today’s leading brands view CX as an enterprise-wide responsibility. They’ve revamped internal structures – moving away from separate lines of business, with separate CX goals and separate initiatives – towards more tightly integrated cross-functional teams that together share a joint, end-to-end CX mandate. CX leaders make caring for the customer journey everyone’s job. And while CX laggards struggle to understand how to dismantle the technological and cultural silos built in the early days of e-commerce, CX leaders understand that today’s omnichannel consumer expects to be recognized across all of her interactions with the brand. And they’re investing in next-generation back-end systems capable of integrating and managing all types of data (profile, preferences, order and contact history, and more), integrating it seamlessly at all touchpoints (stores, web, mobile, social, email and call center) in the customer journey.

CX Leaders Blur The Lines.

According to recent research by IPG Media Labs, shopper satisfaction at retail stores has been declining by as much as 15% per year – the result of online experiences shaping higher consumer expectations. But CX leaders are bucking the trend and beating the odds. Why? Because they’ve stopped thinking about digital and physical as competing ‘channels’, and instead focused on how they can be used to enhance and reinforce one another.

Four Ways That CX Leaders Are Using Mobility to Enhance the In-Store Experience:

They’re enabling DIY: streamlining the shopping experience by providing consumers with apps that allow self-checkout and the ability to scan products for prices right from their smartphone. And they’re redefining the role of retail staff in the shopping experience in the process.

They’re doing more with less: turning billboards, buildings, and the spaces and places in between into showrooms capable of merchandizing a near limitless range of products, often with mobility as the commerce enabler. And when less (or no) space is devoted to inventory, retailers can focus on delivering extraordinary experiences to consumers.

They’re personalizing loyalty: partnering with third-party loyalty leaders to deliver personalized offers to targeted consumers, and curated rewards via mobile. And they’re collecting valuable data in the process.

They’re connecting everything: tracking customers’ movements in-store to evaluate and refine the physical experience much like an e-commerce site, and enabling pairing with mobile apps to deliver highly personalized, time-sensitive offers to shoppers in store.

Today’s CX leaders are re-imagining the store: blurring the lines between their digital and physical worlds, and enhancing the experience of doing business with both. They’re using

**Spotlight: eBay’s Retail Associate Platform**

Savvy retailers are taking a page from the best e-commerce sites and putting real-time analytics and recommendation engines in the hands of their sales staff. Systems like eBay’s Retail Associate offering are aimed at retailers both small and large. Retail Associate fuses data about consumers, products and inventory with social media conversations and point-of-sale technology. The mobile service gives retail sales associates the ability to identify past customers when they walk in the store by triggering a profile showing the customer’s purchase history, sizes and favorite colors, plus new product recommendations. The result is a more personalized sales experience and better turnover of inventory.

(blog.ebay.com/ebay-inc-introduces-retail-associate-platform-to-support-brands/)
customization, real-time personalization, ratings and reviews, digital content, and self-checkout to elevate the in-store experience, and store level inventory, reserve an item, and enhanced store locators to augment the digital experience. And they’re winning the hearts and minds of today’s omnichannel consumers one interaction at a time.

**CX Leaders Partner Strategically.**

Critical Mass is a founding partner of Apps Ecosystem: a unique HP initiative designed to bring together a network of best-of-breed digital engagement partners to solve end-to-end CX challenges – for our shared clients – on a global scale.

CX leaders understand that creating extraordinary experiences means recognizing where they’re strong, and where they need support; one company rarely has the entire range of required skills in-house to bring an entire CX solution to life.

**Are You On The Path To Becoming a CX Leader?**

Organizations wishing to become CX leaders must institutionalize and put into action the three philosophies that set good brands apart from extraordinary ones, and: 1) say so long to silos, 2) blur the lines between their physical and digital experiences, and enhance both, and 3) partner strategically, playing to their strengths and augmenting capabilities where necessary to deliver end-to-end CX solutions.

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Source: Critical Mass Singapore
The five essentials to building apps that power your business

To remain relevant and competitive, organizations must deliver meaningful and engaging experiences that connect their customers with the information they need, when they need it, and how they want it. Building engaging apps requires close collaboration between design and technology and the business. Here are five essential activities to produce more interactive, engaging experiences.

Develop a Defined User Experience Strategy Linked to Business Goals.

It’s not about delivering a great experience for the sake of a great experience. It’s about helping the business owners achieve value through a better experience to their users. Collaboration with business leaders and technologists is essential to identify and link measurable user experiences to business goals.

Most business goals fall into one of two benefits: save costs or increase sales. For instance, if a goal is to reduce costs internally then one of your user experience (UX) goals may be to reduce the time it takes your most important users to complete a major task. Identify how you will measure the successful achievement of this goal. Beautiful graphics and fancy interactions mean nothing if they don’t simplify the task, anticipate needs, or motivate desired behavior. Once you have identified concrete, measurable goals, build out a strategy and roadmap to support it.

Embrace the power of user insight

Most everyone in the experience design world understands the power of user insight. It’s been a secret weapon for UX teams for decades. However, some companies are still skeptical about the value of user research. Why do it? Because we don’t want to build the wrong thing. Because we are not designing for ourselves. Working with users often tells us things that you thought were essential and really are not. And users also reveal insights previously not considered. Those insights may help set you apart from your competitors. Additionally, the power of user insight keeps development teams focused on priorities, not opinions. Devise an affordable research plan that aligns with your goals, budget and timeline. Use tools like journey mapping and user personas to transform your research into insight and drive user-centered thinking across your entire team. Embrace users and they will embrace your app; ignore them and they will, rightfully, abandon it.

Design for Innovation and Simplicity

Today’s engaging experiences are highly contextual and personalized. They anticipate, guide and motivate. As the boundaries between physical and digital start to disappear, apps require the use of touch, gestures, motion, and proximity — all delivered unobtrusively and intuitively. To be successful, the experience must be designed and evaluated according to the behaviors and habits of the end users.

First focus on defining the core user interaction model and architecture then look and feel. The combination of design and technology skills is one of the most powerful and innovative ways to ensure engagement. Armed with user insight and digital design skills, UX professionals can ideate with the team and produce sketches and wireframes. This early work allows visualization and validation of system flows and interactions. Since an experience is defined by more than its form and function, the visual design can now transform the interactions.

Fail early and fail fast

One of the most effective ways to assure an engaging experience is through prototyping and testing. Design prototypes allow design teams to simulate and evaluate the end-user experience. They provide a way to quickly communicate designs and collaborate with users, technical teams and business owners. Use sketches and prototypes to test often and early. It is a quick, low-risk method to assure you got it right before you build. Encourage your design team to fail early and fail fast and keep your users and stakeholders involved. This process encourages innovation and makes failure far less expensive.
Collaborate with the extended team

A good experience requires considering all components, not just what the user sees at the glass; interactions below the glass are just as important in creating an engaging experience. Many non-functional components such as system response times and security play a huge role in a user experience.

Captivating user experience requires as much discipline as it does inspiration. It requires the synergies and collaboration among multiple talents all with the user as everyone’s focus. And the process is just as important as the product.

Source: HP

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The Importance of Mobility Application Testing

Because mobility is now the leading strategic technology trend, driven by insatiable consumer demand, the rapid and appropriate testing of mobile applications has become critical, requiring a completely different approach.

Swept along by the mobility tsunami, which shows no signs of easing, organisations are now busy upgrading their existing mobility offerings, releasing new applications so customers, wherever they are, can easily interact with their products and services. There is even a new thriving business sector which has emerged, making traditional websites mobile friendly.

This shift, to communicating on the move, means organisations face challenges such as how to re-engineer their customer facing applications to make them mobile, plus how to ensure they function correctly and are suitable for their purpose.

The mobility rush

This ‘mobility rush’ has led to the acceleration of organisation’s release to market schedules. Traditional applications can take 12-18 months from inception to public release. But mobile applications, and their competitive environment, demand a much more rapid timeframe, generally just three months from inception to public release.

This hectic pace dramatically changes how a mobile application is tested, requiring testing experts such as HP, to deploy agile and continuous methods, together with hybrid methodologies where required.

To match the current demanding expectations of consumers, an organisation’s mobile applications must be intuitive, easy to use, engaging and even ‘fun’ to use. If they’re not, end users will quickly desert them and are likely to spread the bad news via social networking, damaging an organisation’s reputation. Once damaged, a mobile application’s standing can be very difficult to restore, even if future versions are much improved.

Mobility testing landscape

To avoid this corporate ‘double whammy’ (lost reputation plus potentially wasted investment in the mobile application) organisations need to ensure that before any mobile application is publicly released, there are four vital testing areas which must be covered.

1. **Performance**: Mobility testing must go beyond just how the individual application performs. It must include verifying the dependability of the organisation’s chosen mobile network. Too often different networks have poor connectivity zones – even dead spots. This means mobile applications require fail safes and extra preventative measures so any consumer transaction does not become corrupted, or even lost completely, because of network glitches. Like nothing else, such problems will anger and alienate users.
2. **Usability**: Consumers now expect mobile applications to be completely user-friendly. This high standard has already been set by the internet gaming world which has produced applications which are fun and friendly. If any mobile application, however important its purpose, is perceived to be troublesome, end users will quickly flee elsewhere, likely spreading their displeasure via social networking, damaging an organisation’s reputation. In such a scenario, the organisation is unlikely to get an appreciable return on its application investment.

3. **Functionality**: Today’s multiple breeds of mobile devices, using diverse operating systems, mean each has to be checked to ensure proper functionality across this available spectrum. This requires market research to reveal what mobile devices end consumers are actually using to access the product or application. This legwork can rule out low market penetration devices or operating systems, or those the organisation’s customer base does not actively use. The speed of mobility adoption means that expert testers, like HP, has developed specialized tools so the bulk of this functional testing can be automated.

4. **Security**: Too often mobile applications can pose serious security risks in today’s new world of professional black hats and hackers. Before any mobile application can be released to the public, there must be extensive specialized security testing to properly ensure it meets required security protocols and requirements. Recent publicity about the hacking of mobile phones at the Sochi 2014 Winter Olympics, clearly highlights the dangers.

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**New demands on testers**

The new requirements of mobility application testing mean fresh demands on expert testing organisations, such as HP. The testing ball game has changed. They now need proven toolsets and partnerships with third parties to properly verify mobile application functionality. Ideally, physical, not emulated devices, should be tested, because emulation can have inconsistencies only evident when the application is loaded onto a real device.

The new world of mobility now requires a different approach to application testing because the downsides can be dramatic, but getting it right, by choosing the most experienced expert provider, can mean greater profits through better services to clients, end users and consumers who now seem always on the move.

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*Source: HP*

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**Benjamin Romberg**

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Securing your Mobile Channel

Embracing mobility as a new channel for customer service, transactions and other business processes, has become crucial to any organization’s success – they have no choice because the consumer world has resolutely committed to the mobile lifestyle. There is no turning back.

New risks will come with mobility adoption but there are also established systems now available to manage and mitigate these to capitalize on the benefits. The key is to actively confront and minimize these new risks to enable the considerable potential mobility payout.

Organizations need a risk-based approach when introducing new technologies such as mobility into their enterprise. This approach must be end-to-end rather than focusing security solutions in isolation to the business. An holistic, integrated risk management approach trumps an ad hoc, bolted on solution, every time.

Constant security vigilance

Any organization’s mobility strategy must include risk mitigation best practices and the ability to continually monitor threats. Beyond putting in appropriate security policies and controls when adopting mobility, organizations require constant vigilance against security breaches. Anyone can install burglar alarms, but if no one is monitoring them 24/7, they are pointless. The guards should always be on duty and alert at the gate. The effort to ensure this, while complex, is well worthwhile because breaches can be very expensive in both fiscal and image terms. As too many recent real world examples have shown, security breaches threaten an organization’s brand reputation, inhibit customer satisfaction, and damage corporate assets, not to mention its share price.

Enterprises now have an increasingly difficult job. They must keep up with the ballooning volume and sophistication of external threats. Going it alone could result in late detection, poor clarity around which threats are most severe, and difficulty reprioritizing resources for remediation. Additionally, the threats are not all deliberate and external. There is a rapidly increasing trend for employees of organizations to work on the move, away from the office, linked by information technology, which brings its own special security risks.

Outsourcing complexity for profit

The complexity of the task has prompted many large organizations – both government and private enterprise – to turn to outside security experts, like HP, for help. Such outsourcing of complex requirements to proven external providers enables organizations to focus more on their core business, to do more of what they do best. As the old adage goes, enterprises need to focus more on the overall business rather than working too much ‘in the business’.

Outsourcing to external specialists also ensures that meeting security reporting can be done both to internal executives and outside regulatory agencies.

Companies falling behind

Is global enterprise winning the technology security war? There is plenty of evidence that organizations are struggling to adapt their systems to the huge popularity and rapid adoption of mobility.

PwC’s Global State of Security Survey 2014 found that: “While many have made significant security improvements, most companies are still falling behind today’s determined adversaries.”

The survey also stated that: “Detected security incidents have increased—and so has the cost of breaches. And hot-buttons like cloud computing, mobility, and BYOD (‘bring your own device’) are often being implemented before they are secured. Adding to the challenge, many executives are hesitant to share security intelligence with others—forgoing a powerful offensive tool against targeted, dynamic attacks.”

Increasing criminal opportunity

And the opportunities for cyber criminals to attack enterprises appear to be increasing.

HP’s CyberRisk Report 2013 detailed increased reliance on mobile devices, the proliferation of insecure software and the growing use of Java as factors that contributed most to the growing attack surface in 2013.
“Adversaries today are more adept than ever and are collaborating more effectively to take advantage of vulnerabilities across an ever-expanding attack surface,” said Jacob West, chief technology officer, Enterprise Security Products, HP. “The industry must band together to proactively share security intelligence and tactics in order to disrupt malicious activities driven by the growing underground marketplace.”

This Report highlights that enterprises need to collaborate with security service providers to address increasing and varied threats to be united and effective in their risk management. As long as a comprehensive approach is in place, enterprises can adopt new technologies with greater confidence. They can face the mobility risks, counter them and profit from the mobility benefits.

The winning combination

The HP CyberRisk Report also said that: “While it is impossible to eliminate the attack surface without sacrificing functionality, a combination of the right people, processes and technology does allow organizations to effectively minimize the vulnerabilities surrounding it and dramatically reduce overall risk.”

The HP Report recommended that “Organizations and developers alike must stay cognizant of security pitfalls in frameworks and other third-party code, particularly for hybrid mobile development platforms. Robust security guidelines must be enacted to protect the integrity of applications and the privacy of users.”

Detailed early warning

If there is a core message that encapsulates the best advice on capitalizing on mobility, it is this: when introducing mobility to an organization’s business processes, accurate, actionable and detailed early warning of any risks to critical assets is needed. The organization needs to know which threats are relevant to their environment and to allocate resources accordingly. They need to manage overall business risks, not just security threats, and to identify abnormal behavior early so they can proactively take action. These tasks are best implemented in partnership with external experts, so an organization can focus on its core business.

The new risks of the mobility landscape can be overcome, but it is best done through partnering with external security specialists and through a more unified approach to maximize the benefits to business of the mobility capability.

Source: HP

Lawrence Ong
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HP Enterprise Services, Asia Pacific & Japan


Importance of BYOD in Enterprise and Implementation Options

BYOD (Bring You Own Device) has suddenly been thrust upon organizations around the world. Limited approaches by organizations over the past five years have met with limited success – until now. In 2014, the difference is that BYOD is inherently being driven from the consumer level rather than being enterprise-driven. Employees’ expectation of use of their own smartphones and tablets in their professional lives has grown rapidly across the last 18 months.

The impact on the CIO and IT department is great. The old paradigm of corporate-owned, locked down, highly standardized devices providing a known and secure environment for enterprise operations is just that: the old paradigm. The CIO must now adopt a new approach and move away from a device-centric approach to an end-to-end mobility solutions approach.

While the consumer-level adoption of tablets and smartphones has driven BYOD, many business units in enterprises are now establishing mobility-related initiatives, capitalizing on new abilities to reach, enable, and engage employees and customers. This completes the loop, putting more pressure on the CIO to find robust BYOD solutions.

Focusing on security
Security of the end-to-end mobility solution needs to be high on the CIO’s agenda. Malicious parties continually search for security weaknesses in corporate systems. Mobility solutions, which are typically systems of engagement rather than systems of record, can provide an unintended welcome mat to hackers and for malicious code entry. Mobility can increase the business risk of losses through impaired security.

But close focus on device security only will be missing the target. Rather, IT Organizations need to have an holistic approach to mobility security, starting with devices and working through every element in the chain, including supporting infrastructure, carrier and networking services, device-based mobile apps, and back-end applications.

The final link in the security chain is the user. Users can be careless and will regularly do exactly what is not expected. User policies, processes, and procedures need to be implemented — and actively managed — across the enterprise to ensure security risk is lowered.

Managing the complexity of mobility solutions
Mobility solutions are complex. Inherently, integration of applications, products and services from disparate suppliers is necessary. Combining the many system components needed into a secure solution is a major challenge. Organizations who choose to design and build their own mobility solutions are faced with a high workload of integration design, planning, and testing. The complexity between various products and services needs careful consideration by solution designers because interoperability is not assured.

One advantage of purchasing pre-configured mobility solutions, such as HP Enterprise Cloud Services – Mobility, is that much of this complexity of design and operation is already managed by the supplier. It can provide the client organization with a tried and tested approach with reduced complexity for the CIO and team.

Another way of managing the complexity of a BYOD mobility implementation is through a staged process. Engaging on a limited scope with a small number of users and then growing in a planned manner allows problems to be resolved early with minor rather than major impact.
**BYOD mobility solution design considerations**

Segregation of corporate data and services from an employee’s personal data and services is one significant challenge. Some organizations are adopting a model where the organization offers a limited range of devices to employees while retaining full ownership. This is a variant on the old paradigm of full corporate ownership of IT systems, offering employees some level of choice of device.

HP provides an alternative that proactively enables BYOD. By creating a secured domain within the device, authenticated access to corporate data and services is enabled. These services can include mobile device management services, a corporate application store to manage mobile app access, and Cloud File management to bring secured sync and store capability for any device.

HP is driving the market in APJ forward with flexible and innovative offerings. The market demands options rather than one-size-fits-all solutions. After all, the diverse markets across Asia Pacific and Japan, organizational dynamics, and specific industry drivers, mean that the mobility needs of every organization is truly unique. Solutions such as HP Enterprise Cloud Services – Mobility deliver the flexibility to meet these truly unique needs, reducing complexity, delivering a pre-integrated solution.

Source: HP

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David Simpfendorfer  
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HP Offering

The New Style of IT

The expectation of instant connection to information—anytime and from anywhere—is driving a shift to a New Style of IT. This new style is business-led, with IT supporting organizational goals. It is efficient, open, flexible, scalable, and collaborative. Going forward, it will predominantly be made up of as-a-service and consumption-based models for speed, agility, and cost effectiveness.

It’s a world where cloud, security, big data, and mobility all converge in comprehensive solutions to better connect with customers, citizens, communities, partners, and suppliers.

That’s why CIOs of organizations need to start thinking less about machines and more about how technology is delivered and consumed, and how it helps solve their issues. It’s more about how users engage with technology than the technology itself.

They will need to connect millions of devices securely through the cloud via new applications. Consumers, citizens, and employees will continue to demand increased flexibility in the services and devices they use. Organizations will have to figure out how to extract better value from the increasing volumes of data they gather. And all of the systems will need to be secured in an environment that is protected from ever-increasing cyber threats.

About HP Enterprise Services

Broad portfolio and industry expertise

In HP Enterprise Services, our long-standing industry expertise supports solutions that can help you address these new drivers and challenges. Working with one of the broadest portfolios in the industry, we bring together the devices, hardware, software, and services you need right now to advance the way you use technology to engage with customers and achieve goals.

We can prepare you for the journey to the cloud. Mitigate risk. Tackle the explosion of data. We advise, transform, and manage to advance your specific organizational objectives—no matter where you are in your progression, and no matter how complex the environment. To deliver on what your employees, customers, citizens, and partners expect.

A safe pair of hands

HP has global scale and deep relationships with more than 400 of the world’s Fortune 500 companies. Our portfolio of infrastructure, applications, and business process outsourcing services makes HP a leader across numerous industries and geographies. And we’ve been providing solutions to some of the most complex enterprise and government environments for more than 50 years. That’s why clients view us as a “safe pair of hands” and why we’re able to serve more than 1,000 clients in 135 countries.

Just as we’ve done through technology changes in the past, we’ll listen to your concerns and collaborate with you on purposeful innovation that keeps you a step ahead. And we won’t stop until we’ve achieved the outcomes that matter most to you. We’re successful when you are.

To learn more, visit [hp-enterprisesolutions.com](http://hp-enterprisesolutions.com) or contact us at [enterprisesolutions@hp.com](mailto:enterprisesolutions@hp.com).

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