

A New Digital Approach to Strategic Activities: Technologies and Tools Available With the Consulting Support

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ABSTRACT

As automation increasingly influences businesses, digitalization technologies and tools such as artificial intelligence, machine learning, etc., become essential to support the definition and implementation of strategy activities aimed at improving businesses' competitiveness in the digital, cloud-based, and data-driven world. Since this business growth corresponds to an enormous increase in the data volumes, it is fundamental for businesses to adopt several digital solutions in their strategy process together with a tailored digital strategy embedded in their strategic plan. The purpose of this article is to critically analyse the classic strategy activities' latest trends/needs and how they could be properly addressed by the available digital technologies. Finally, for every activity are mentioned some best practices tools and software, supported by management consultants, since they trigger a high return on investment in term of the time savings, less dedicated resources, and final business performance.

KEYWORDS

Commerce, ICT, Leadership, Strategy

INTRODUCTION

In this new digital economy, the interconnection of an increasing number of people, activities and “things” is radically changing the existing business models. In this scenario many opportunities are emerging and an increasing number of businesses want to take advantage of them by becoming more “intelligent and digital.”

The digital business is based on innovative IT infrastructures whose pillars are represented by the mobile, Cloud, Big Data, and analytics technologies. This transformation is accelerated by the Internet of Things, the evolutions in machine learning and innovations such as blockchain.

The disruptive technologies and tools give the opportunity to radically transform the business models and create new products and services. The classic strategy activities (strategic plan, design of business, business planning, models, business valuations, M&A) are the first one to strongly benefit from the mentioned technologies & tools, as confirmed by the high return on these digital investments.

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STRATEGIC PLAN

The increasing need of having a strategic planning cycle completed in shorter time (from 12 to 24 months) is strictly linked to the different speed of business (e.g. high innovative products with a shorter life cycle or fast evolution of digital tools). Action plans map what needs to be immediately executed together with the investments and resources required (e.g. in the next months). This rolling action planning is shorter and includes realistic plans able to respond quickly to the new business trends (Desai, 2016).

In term of contents, the traditional analysis of markets, competitors (e.g. market shares, swot analysis etc.), regulations (impacting on sales opportunities and new markets) is now always integrated with the analysis of current and emerging digital technologies, of their impact on the company in the next months. In this new context the strategic planning team, traditionally used to collect and analyze a huge amount of data (prior to giving their recommendations), now acts as a project manager and operator in the field of the immense opportunity offered by digital transformation. For example, the customers analysis included in the strategic plan usually considers the main clients representing the higher percentage of company turnover; with the implementation of solutions supported by cloud technology, mobile business models and data analytics is possible to track also the small underserved segments of clients, analyzing their trends and needs, since these segments could be important for the business in the next future.

Cloud technologies (software, storage, networking, virtual machinery and applications) are now available on the internet (through SaaS platforms) also to SMEs, allowing them to operate in a more efficient way. Thanks to the support of this technology many opportunities can be achieved in term of efficiency with the enhancement of communication and collaboration (all the players can access simultaneously to data and give their contribution). Every department/level involved in the elaboration of the Strategic Plan can equally contribute and work for the same goals, by accessing a common cloud platform (in this way inefficiencies and discrepancies are avoided).

Interoperability allows systems to move to the cloud and be more compatible with other systems (e.g. data analytics and enterprise mobility are usually part of the cloud package). Flexibility and productivity are boosted by the possibility to work on data everywhere; the real-time nature of cloud software keeps updated staff and business on the latest developments in the strategic plan process. Risks can be quickly identified and promptly communicated to the organization. Some applications offer specific functions able to improve the visibility on the Strategic Plan process through dashboards showing the status/progress: this function allows the organization to address any issue in time. Since the resources are provided by the hosting service, businesses can scale up or down based on their operations and storage requirements. At this purpose, the cloud-based software can be adapted in size and scope to the evolving needs of the organization (in term of growth or change of goals). Data security is enhanced since business data are safe, recoverable and backed up. With the model “pay as you go” it’s possible to reduce the costs of equipment & systems, maintenance and IT upgrades, consulting fees, energy consumption and any issue is solved more quickly. Finally, agility allows companies to access the latest business strategies since cloud technology offers a platform for rapid development, distribution, deployment and experimentation of new technologies.

In this context, the support of consultants it’s necessary for structuring a cloud strategy able to facilitate a smooth transition. Before the start of the strategic planning process, it is important for consultants to understand the client company’s IT requirement (databases, applications, interfaces, extensions, networks and customized hardware) (Stegaroiu, 2018). Second, consultants can help in evaluating the opportunities, risks and challenges of adopting the cloud technology, assessing the feasibility of deploying in the cloud the current business applications. The last step is the adoption of the right cloud strategy by researching the right cloud service provider able to maximize the return on investment (ROI) of the business.

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