Pivoting to Digital Maturity

Idea In Short

Build three foundations first: flexible secure infrastructure, data mastery and talent brought along the journey. Then pick one function, finance, procurement or sales, and transform it completely rather than spreading digital investment thinly. Momentum from one deep win funds the broader change program.

Seven Pivots From 1,200 Executives

Deloitte's study Pivoting to Digital Maturity surveyed 1,200 executives, 74 percent of them C-level and the rest vice presidents, and identified seven pivots that push digital transformation forward.1 Strategy readers will recognize the intellectual lineage. When Deloitte describes developing a broad array of technology-related assets and business capabilities, it echoes Hamel and Prahalad's core competency thinking from decades earlier.2 The framework's real contribution is sequencing. All seven pivots matter, yet three come first, the way a concrete foundation precedes plumbing, heating and insulation when building a house.

Foundation One: Flexible, Secure Infrastructure

Deloitte identified 63 pivot applications capable of transforming a specific function, likely meaning processes such as accounts payable, strategic sourcing or transactional pricing. Learning which applications apply to your business, how they create step-function advantage and where you rate on the scale presumably requires a paid engagement, which is fair enough. The published definition stands on its own:

> "This entails adopting cloud infrastructure; embracing agile/DevOps methodologies; developing and using technology platforms where possible, rather than ad hoc applications; and implementing a cybersecurity strategy, among other elements."

Development and operations (DevOps) practices, platforms over one-off applications and security by design form the recurring themes. Companies still running transformation on brittle, ad hoc systems are decorating a house with no foundation.

Foundation Two: Data Mastery

Mastery is a demanding word, evoking the documentary Jiro Dreams of Sushi and its portrait of impossible perfection. Deloitte means something more practical: a pervasive capability to make smart, real-time decisions. The valuable nuance is the phrase innovation at the edges of the organization. Clear line of sight for three or four people at headquarters achieves little. The question is whether retail cashiers, salespeople and manufacturing shift managers make their thousands of daily micro-decisions thoughtfully. Data mastery succeeds when insight reaches the edge, not when dashboards multiply at the center.

Foundation Three: Bring the Talent Along

The wording carries a quiet presumption, since journey implies the organization knows the route with precision. In practice, transformation is discovery for the organization and the talent alike. Deloitte's fuller description acknowledges this through its emphasis on networks:

> "Accordingly, the digitally savvy, open talent networks pivot is an amalgam of practices intended to give organizations access to the right talent at the right time. These include retooling training programs to focus on digital competencies and staffing teams through more flexible, contingent talent models to rapidly access in-demand skill sets and flex the organization's workforce based on business need."

The vocabulary captures the open-ended nature of the human capital investment: right talent at the right time, digital competencies, flexible contingent models and in-demand skill sets. Workforce strategy becomes a portfolio, not a headcount plan.

Pick One Function and Go Deep

Here lies the crux of the whole framework. Once the three foundations exist, leadership must make a choice. Pick a function, finance, procurement or sales, and digitally transform it completely. Do not spread digital peanut butter across the company. Deloitte explains why concentration wins:

> "This approach helps organizations build confidence in their ability to execute the pivots. And it allows leaders of other functional areas to observe the benefits of transformation achieved by those who have gone first. This can build organizational momentum to support the scale and scope of change that digital transformation requires."

One deep, visible win recruits the rest of the organization. Ten shallow pilots recruit cynicism.

The Remaining Four Pivots

Ecosystem engagement accelerates innovation and ranks among the hardest moves. Building an external network of suppliers, universities, startups, industry groups and complementers that feeds, vets and launches innovation makes most executives uncomfortable, because it trades control for speed. Intelligent workflows come next, and seasoned operators will recognize Define, Measure, Analyze, Improve, Control (DMAIC) thinking: continuous improvement and recalibration applied to digitized processes.

Customer experience arrives as pivot six, described as a design thinking exercise to imagine the unified experience and work backwards from the customer. Lean practitioners will endorse the idea and question the placement. Should customer value not be step one, the question that disciplines all the other spending? Zero-based budgeting advocates would sharpen the point further: fund what keeps the customer happy and treat the rest as suspect.

Business model adaptability closes the list, and it is fundamentally a leadership question. After building a stronger, more flexible and agile organization, is the leadership courageous enough to leap to the next S-curve? Survey respondents named the current operating model as the top challenge to transformation, which poses a chicken-and-egg puzzle. Experienced practitioners know change requires head, heart and hands, and frameworks from McKinsey's 7S onward agree that strategy, skills, systems and structure move together or not at all.

What Boards Should Ask

The framework converts readily into governance questions. Before approving the next transformation budget, boards can ask where the organization stands on each foundational pivot and demand evidence rather than maturity-model self-scores. Does infrastructure run on platforms or on ad hoc applications held together by heroics? Do frontline employees make data-informed decisions, or does insight stop at the executive floor? Has the talent strategy moved beyond training courses toward genuinely flexible access to scarce skills? The single most useful question targets concentration: which one function will we transform completely this year, and what will done look like? Programs that cannot answer that question are spreading peanut butter, whatever their slideware claims. Sequencing discipline, more than budget size, predicts whether the two trillion dollars industry-wide buys transformation or theater.

A Two Trillion Dollar Bet

Sizing the market precisely is difficult because digital transformation spending overlaps with baseline information technology (IT) investment, a boundary that is not mutually exclusive, collectively exhaustive (MECE). Market researcher International Data Corporation (IDC) nonetheless projected global digital transformation spending near two trillion dollars by 2022, growing at a compound annual growth rate (CAGR) above 16 percent.3 Money at that scale guarantees vendors, conferences and buzzwords. The seven pivots, taken in order, offer something scarcer: a sequence that separates transformation from theater.

- 1Deloitte Insights
- 2The Core Competence of the Corporation
- 3IDC

Summary

Digital maturity rests on seven pivots, three of them foundational. Infrastructure, data and talent come first, then one function transformed deeply beats peanut butter spending. Ecosystems, intelligent workflows, customer experience and business model courage complete the set. Two trillion dollars rides on getting the sequence right.