

Systems of Growth – Building a Platform-based Operating Model to Innovate and Differentiate at Enterprise Speed and Scale

July 2022: Complimentary Abstract / Table of Contents



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Introduction to a new paradigm of systems thinking for IT organizations

The role of IT organization is evolving from a run and efficiency mandate to drive business growth, change, and innovation. The traditional model of technology stack is being replaced from a systems of records and efficiency mandates to that of Systems of Growth. This new paradigm of systems thinking is centered around customer journeys that are extending beyond traditional enterprise boundaries tapping into inter-enterprise networks.

In this report, we explore the drivers for organizations adopting a systems of growth thinking. We focus on:

- Revenue-enablement mindset for IT organizations as drivers for systems of growth thinking
- Business case for systems of growth approach
- Operationalizing systems of growth through investments in data, platform, customer journeys, process maps, and ecosystem

Scope of this report



Geography
Global



Industry
Pan-industry



Services
Digital services



Focus areas
Emerging technologies, platforms,
innovation, and inter-industry networks

Overview and abbreviated summary of key messages

This report explores the drivers for organizations adopting a systems of growth thinking. The main focus here is given on revenue-enablement mindset for IT organizations as drivers for systems of growth thinking, forming business case for systems of growth approach and the operationalizing systems of growth through investments in data, platform, customer journeys, process maps, and ecosystem.

Some of the findings in this report, among others, are:

Disruptions

- The Enterprise technology strategy is being challenged by two forms of disruption – outside-in disruptions and inside-out disruptions
- An exciting array of exponential technologies are making their way through the ideate to activate to scaled enterprise adoption stages
- A platform-based operating model in combination with a data exchange is the foundation for future success

Systems of Growth

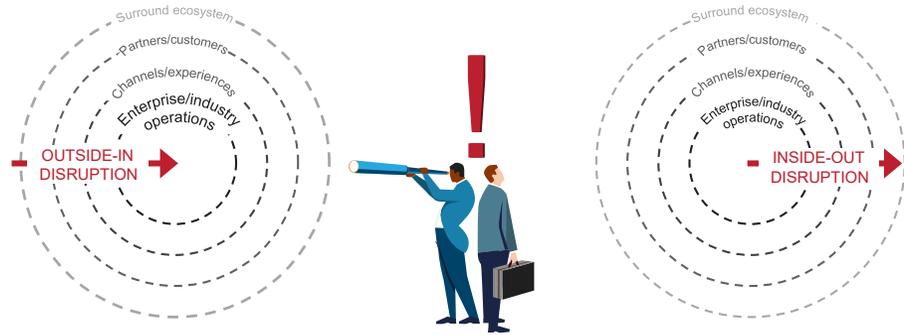
- Systems of growth thinking results in product, channel, and business model innovation. They are vehicles to fuel, manage, and/or respond to the disruption at enterprise scale (and speed)
- Systems of growth conversations will be shaped by nature of disruption and the corresponding scale and complexity
- Systems of growth will majorly be inter-enterprise and/or inter-industry use cases, expect a few contained intra-enterprise use cases

Target investment areas

- As organizations define and build the target operating model for systems of growth, they need to invest in four foundational capabilities:
- The capabilities that are needed to accelerate the systems of growth journey includes investments in Talent and IP/enablers, Event-driven system – ecosystem orchestration, Stakeholder journey maps (Re-imagine) and Data-driven operations – process maps

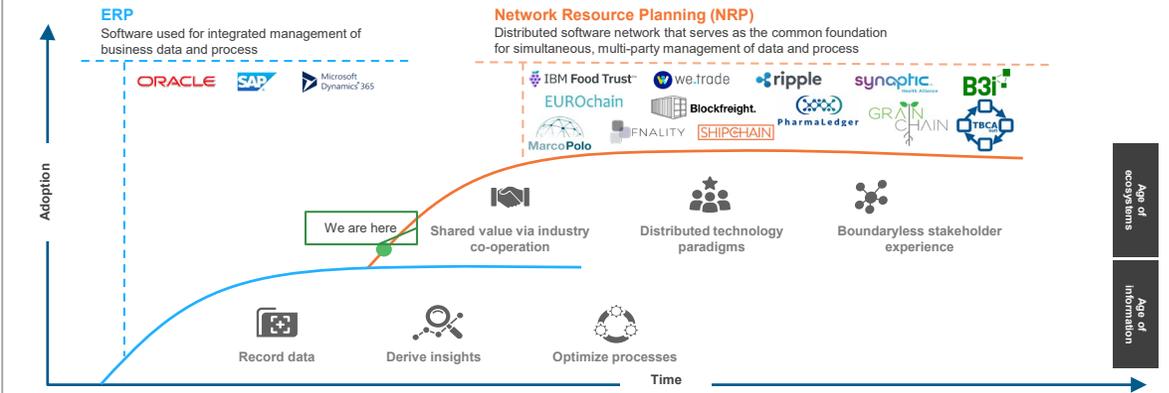
This study investigates the motivations behind systems of growth thinking adoption in enterprises with emphasis on revenue-enablement attitude for IT businesses as systems of growth thinking drivers and adoptions; below are four charts to illustrate the depth of the report

Enterprise technology strategy is being challenged by two forms of disruption



The point of reference of looking at the disruption makes it inside-out versus outside-in. Enterprises need to track and respond to disruption happening both inside and outside their defined industry boundaries.

Enterprise technology is now expanding to enable collaboration with network participants



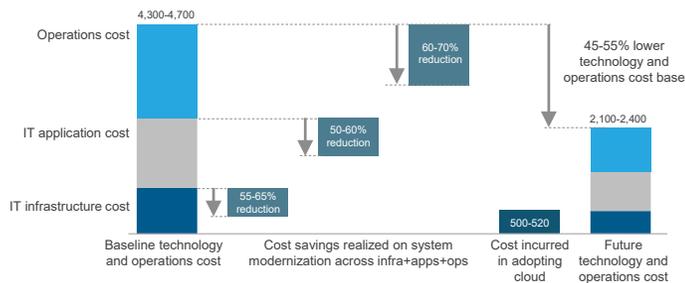
The funding framework for this platform-based operating model is top-line impact, the reduction in TCO is incidental but not the core driver – retirements example

Business case for platform adoption:

- Increase market shared by 150-200 basis points
- Faster time-to-market
- Enhance experience for all stakeholders across the ecosystem
- Self-funded model through new revenue streams (e.g., financial wellness and advisory)



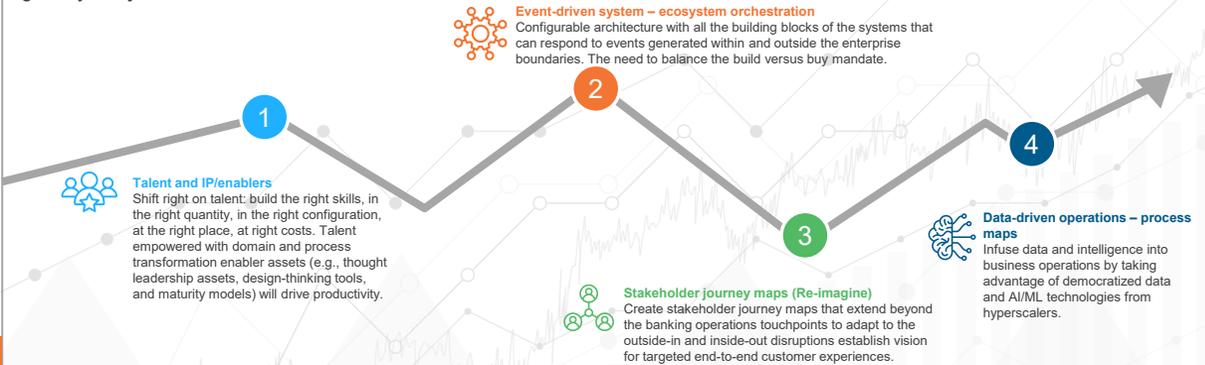
Impact of modernization of recordkeeping systems on recordkeeper's technology and operations cost structure 2021; US\$ million



Pivoting to a platform-based operating model goes beyond cost savings and helps achieve agility and superior experience

As organizations define and build the target operating model for systems of growth, they need to invest in four foundational capabilities

What capabilities are needed to accelerate the systems of growth journey?



Research calendar

Digital Services

Published
 Planned
 Current release

Reports title	Release date
Healthcare Payer BPO Annual Report: Value-Based Sourcing Helping Payers Stay Afloat in an Era of Uncertainty 2021	July 2021
Healthcare Payer BPO Service Provider Compendium 2022	August 2021
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Trump Cards: Driving Healthcare Innovation During Uncertainty	December 2021
Innovation in Pharmacovigilance (PV): How to Spend Smarter Not Higher?	January 2022
Rising Cost of Healthcare in the United States: Can Analytics Help?	February 2022
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Member Engagement of the Future	Q2 2022
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Healthcare Provider BPO Service Provider Compendium 2022	Q2 2022
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