

TRANSFORMING INTO A SOFTWARE COMPANY

SOFTWARE CAN SOLVE BUSINESS PROBLEMS.

– CARLY ROSENBERG T'05, BLUEFLY

A key path forward for traditional businesses facing digital disruption is to transform their businesses to be more software-first in their mindset. Essentially, businesses need to become software businesses themselves, or at least think like one.

While this isn't a prescription for all companies, even the most physical businesses have already transformed into digital, software-focused companies.

McKinsey outlines several reasons transforming your business to think like a software company, including:

ENHANCING interactions among customers, suppliers, stakeholders, and employees

IMPROVING management decisions as algorithms crunch big data from social technologies or the Internet of Things

ENABLING new business or operating models, such as peer-to-peer product innovation or customer service

FORRESTER'S JEFFREY HAMMOND OUTLINED FOUR SPECIFIC SKILLS COMPANIES MUST MASTER TO TRANSFORM IN A SOFTWARE COMPANY:



CUSTOMER EXPERIENCES



SOFTWARE PRODUCT THINKING



RAPID, ITERATIVE DEVELOPMENT



ECOSYSTEM BUSINESS MODELS

Taken together, these four principles illuminate why design thinking has become so important in the modern digital age. It's not a surprise that design firms, such as IDEO and frog design, have risen to prominence during the digital age.

Frog focuses on design thinking, but also further deepens their approach with emphasis on experience strategy. As frog's Patrick Kalaher D'91 explains, "Experience Strategy choreographs interactions between people, products, and services over extended periods of time."

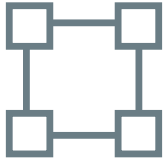
Experience Strategy as a Path to Digital Transformation

Frog focuses on building lasting experiences for its customers. To support it in this endeavor, the design firm created a framework that focuses on three key imperatives for experience strategy:



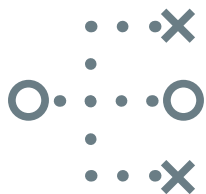
DON'T JUST MAKE THINGS

Break the cycle of building a newer, faster, cheaper version of the same product by focusing on customers and their needs. Building a new product is secondary to identifying customer need.



CREATE ANCHOR POINTS

Anchor points create positive customer experiences and build reliability into customer relationships.



ORGANIZE FOR SUCCESS

The structure of your organization will be reflected in the products you create. Think about the type of products you create and whether your existing organizational structure reflects those products.

Building on its three imperatives of experience strategy, frog advocates for building an experience platform, consisting of products, strategy, design and your organization, all aligned to build better experiences for customers.

FOCAL POINTS TO BUILD AN EXPERIENCE PLATFORM

Signature Product Design – Drive change in organizational thinking through the launch of lighthouse products

Connected Ecosystems – Connect your products and services together into more effective ecosystems to capture greater value

Unified Experiences – Provide the tools and strategies to align your user experience across disparate teams.

Creative Culture & Processes – Empower teams to work more creatively collaboratively to address user needs.

Organizational Impact – Change your organizational culture from engineering driven to human centered.

ORGANIZATIONS HAVE TRADITIONALLY
ECHOED THE SHAPE OF THE
EXPERIENCES THEY CREATE; WE JUST
DIDN'T LOOK AT IT THAT WAY.

– PATRICK KALAHAR D'91, FROG DESIGN


Think Like a Software Developer

Software thinking is important when transforming your business. Jeffrey Hammond of Forrester Research outlined several traits of modern software applications that are both excellent guidelines for building software solutions and also important strategic advice for traditional businesses applying software thinking at their companies.

SEVEN TRAITS OF MODERN APPLICATIONS, APPLIED TO BUSINESS STRATEGY



- 1. Omni Channel Clients** – Think about the many ways you can and do reach your customers and address them in a coordinated manner, whether digitally or in traditional channels
- 2. Deployed on Elastic Infrastructure** – Cloud solutions allow greater adaptability and should be leveraged for infrastructure deployment; Additionally, think about future needs and growth of your business and leverage the most adaptable solutions possible
- 3. Aggregate Discrete Services** – Stop managing discrete services and instead find ways to aggregate those services in a coherent way
- 4. Use Managed APIs** – You don't need to build everything anew; APIs are a great way to link systems and information together; Similarly, think about disparate systems and teams at your organization and find ways to enable connections internally that benefit your business

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- 5. Integrate Open Source Software** – Open source software allows you to rapidly develop and deploy solutions without starting from scratch; in your business, find ways to leverage existing resources – internally or externally through partnerships – and rapidly build solutions
- 6. Employ Continuous Delivery** – Software developers never stop delivering product, whether its updates or new releases or entirely new products; Think about the many ways you can continually develop and deliver products and services to your customers
- 7. Gather Fast Feedback** – Software development is a perpetual iterative process to make improvements and fix issues; Take a look at how you gather feedback and make adjustments to your business and apply the same principles of constant feedback loops and improvement to products and services

Thinking like a software company can help traditional businesses adapt to the change caused by digital disruption and transform into a leading digital business.