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The road to recovery

India edition of our global C-suite survey,
Leading in a Digital-First World

Preface

Digital transformation has always been high on the agenda for India's business leaders, but now it is happening faster than ever.

India's businesses have looked to digital as a solution to steer themselves out of the pandemic; more than half of companies have described their digital transformation as being fast-tracked by one to three years due to the public health crisis.[1]

More than a year since the crisis took hold, how has that transformation effort fared? Tata Communications' latest global survey of 750 C-suite executives, 150 of whom are based in India, suggests that India's business ecosystem has plenty to do to transform the majority of its firms into the most successful digital-first operators, which we call 'Digital Trailblazers'.

However, they could become Digital Trailblazers only by making adjustments in three areas:

| 01 | **The digital-first agenda** |

| 02 | **The connectivity mandate** |

| 03 | **Fostering trust** |

How we assess the digital maturity

Tata Communications' new research reveals why some firms are performing better than the rest.

The survey assessed the characteristics and performance of companies at different stages of the journey to becoming digital-first organisations. Out of 750 global respondents, 150 were India-based.

Confronted with rapid change, many have raced to establish a digital-first operating model that connects employees, customers, partners, and suppliers in a way that is:

Secure   **Seamless**   **Trusted**

Some organisations have struggled with this transition. Others have made faster progress and are already benefitting from their digital advantage.

The research highlights three distinct groups of organisations who have had varying degrees of success with their digitalisation programmes:

- **The Digital Trailblazers,** have established mature digital-first operating models. They scored the overall performance of their digital operating model either 9 or 10 on a scale of 1 to 10.

- **The Digital Migrators,** have made partial progress to digitalisation. They scored the overall performance of their digital operating model either 7 or 8 on a scale of 1 to 10.

- **The Digital Aspirants,** are still at the early stages of the journey and scored their digital operating models 6 or fewer on a scale of 1 to 10.

Seeking Trailblazer status
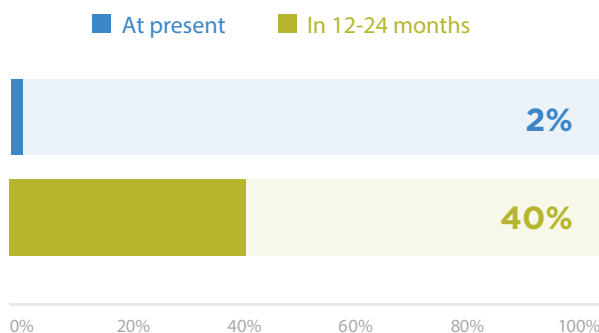
The digital-first agenda

As India started its digital revolution much later than its western counterparts, our research finds that just 2% of firms in the study have achieved the status of Digital Trailblazer. This distinct leader group of organisations is prepared to deliver seamless experiences and high levels of performance across their ecosystem through digital-first operating models, good connectivity and trusted processes.

However, there is plenty of ambition for most Indian businesses to improve and race up the digital-maturity curve: 40% expect to be Digital Trailblazers in the next 12-24 months, which would create a wave of digital transformation across the country. So, what must be done to make this happen?

Indian businesses are preparing to step up on digital in the months ahead

Proportion of Indian firms that are Digital Trailblazers

■ At present   ■ In 12-24 months

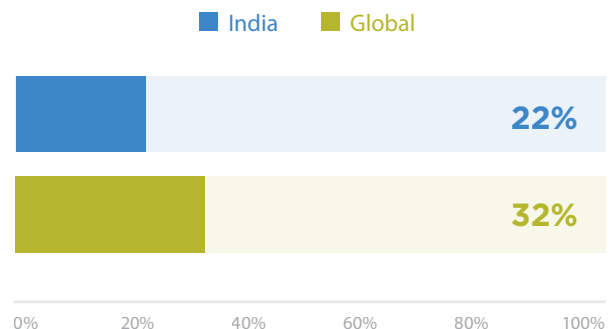|	
At present	2%
In 12-24 months	40%

0%   20%   40%   60%   80%   100%

One of the problems Indian businesses must address is a perception gap: about six in 10 executives say their organisations are already effective in attaining top-level transformation goals, such as being digital-first, and 75% say they offer an excellent digital experience.

When it comes to on-the-ground practices, that confidence diminishes. Just 22% say they are successful at reinventing processes for a digital-first approach to operations, compared with 32% globally, for example.

A late start to digital transformation means Indian businesses must pick up the pace on digital-first

Success reinventing processes for digital-first approach

■ India   ■ Global

India	22%
Global	32%

0%   20%   40%   60%   80%   100%

According to Vineet Jaiswal, Group Chief Digital Officer at JSW Group, an industrial firm in India, this problem lies in the misconception that "digital is only technology" when it encompasses much more. **"It is also process improvement and people upskilling, as well as cultural transformation,"** he says. **"These are areas where I feel many people are lagging."**

Fortunately, Indian business leaders know they need to address these broader elements of a digital-first strategy as soon as possible. For example, one in three aims to create a dedicated C-suite leadership role focused on supporting a digital-first operating model in the next 12-24 months. A similar proportion says that upskilling more talent on digital will make the most significant contribution to improving performance outcomes.
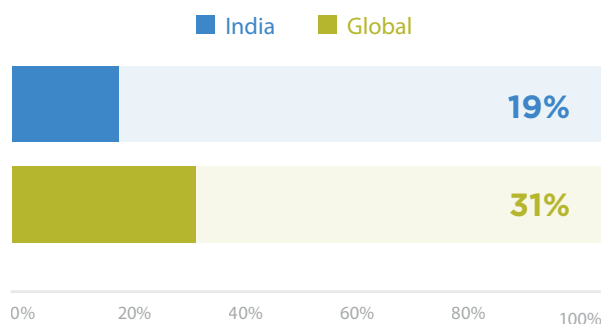
The connectivity mandate

More innovative thinking around connectivity will help to integrate India's businesses into a collaborative ecosystem.
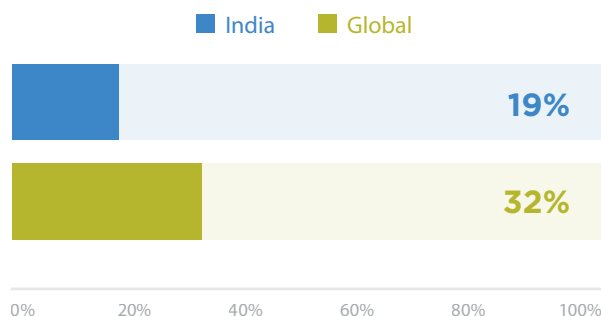
Almost 7 in 10 (68%) say they are effective in this respect, but just 20% can deliver effective collaborative capabilities with those inside and outside their firms. Only 19% say they have enabled their workforces to be productive wherever they are, compared with 31% globally.

Connectivity in India must be improved to support 'work from anywhere'

Success enabling workforce to work productively anywhere

■ India   ■ Global

India	**19%**
Global	**31%**

0%   20%   40%   60%   80%   100%

Success establishing secure and trusted interactions for partners and suppliers

■ India   ■ Global

India	**19%**
Global	**32%**

0%   20%   40%   60%   80%   100%

The global trend towards an ecosystem operating model makes these connectivity and collaboration shortfalls a particular concern. About (51%) of companies in India feel that collaboration with other businesses has become critical due to the pandemic. This trend highlights the need for businesses to build interfaces with others that are easier to engage with digitally, can be trusted, and enable people to connect from anywhere. This is a clear warning that connectivity will need to improve.

There are already initiatives underway in India to address this. In May, for instance, the country struck a partnership with the European Union (EU) to support a "transparent, viable, inclusive, sustainable, comprehensive, and rules-based approach to connectivity".[2]
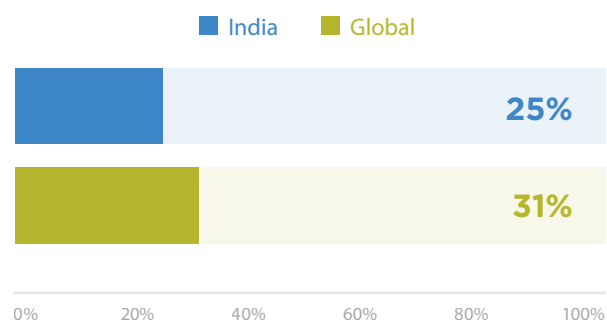
Fostering trust

As organisations have shifted away from the in-person meetings and on-site security measures that traditionally foster strong relationships with stakeholders, many have assumed that their new work-from-anywhere approach would guarantee a similar level of trust. Unfortunately, the transition has not proved to be smooth in this respect.

Case in point: 71% of respondents in India say they are effective in being safe and secure, but just 25% claim success in establishing secure and trusted interactions with customers. Even fewer (19%) claim success in establishing trust with partners and suppliers.

Digital trust is vital to maintaining strong customer relationships

Success establishing secure and trusted interactions with customers

■ India   ■ Global

India	**25%**
Global	**31%**

0%   20%   40%   60%   80%   100%

Many of India's business leaders hope to address these security shortcomings. More than half (51%) say cybersecurity is their most crucial development area, for instance and their most highly prioritised area of development in the next 12-24 months is efforts to support and bolster digital trust.

Supercharging transformation

Executives in India expect to make the most of the digital opportunity in front of them to become valid partners in a post-pandemic ecosystem: within the next 12-24 months, expectations are to witness a twenty-fold increase in the number of organisations that have made their operations sufficiently digital to attain Digital Trailblazer status.

If it happens, this acceleration will come at a critical time. In April, the IMF raised its outlook on growth for India to 12.5%; however, with emerging COVID-19 variants placing the country's trajectory of recovery in jeopardy, digital rollouts must take place as quickly as possible.[3]

Three steps to maturity

To increase their rate of progress up the digital maturity ladder, we recommend that Indian businesses:

Consider the culture

Digital transformation is well underway in India, but cultural change should accompany it. Training the workforce to adapt to a new way of working is just as important as investing in the latest technologies. Organisations should communicate the importance of digital-first to all their members and embed a positive attitude towards it in the business culture.

Overcome ecosystem barriers with connectivity solutions

The new world of work depends on people being able to communicate and collaborate wherever they are, whenever they need to. This will demand sufficient investment in connectivity. Businesses should consider the facilities and different considerations that employees and customers will need, as the working world becomes more diverse and widely dispersed.

(Re)build a trusting relationship with customers

Through digital channels, organisations can be closer to their customers than ever before. To make sure that customers continue to trust them, India's businesses need to secure these channels by investing in cybersecurity and finding a way to communicate these measures to the customers, whether through personal webchats, phone calls, or sensitively produced marketing material.

Find out more about how organisations plan to become digital-first in our global report at digitalfirst.tatacommunications.com

[3] https://www.ft.com/content/746ea3f9-5b5a-4c02-a0e4-6d7c5491fe0f