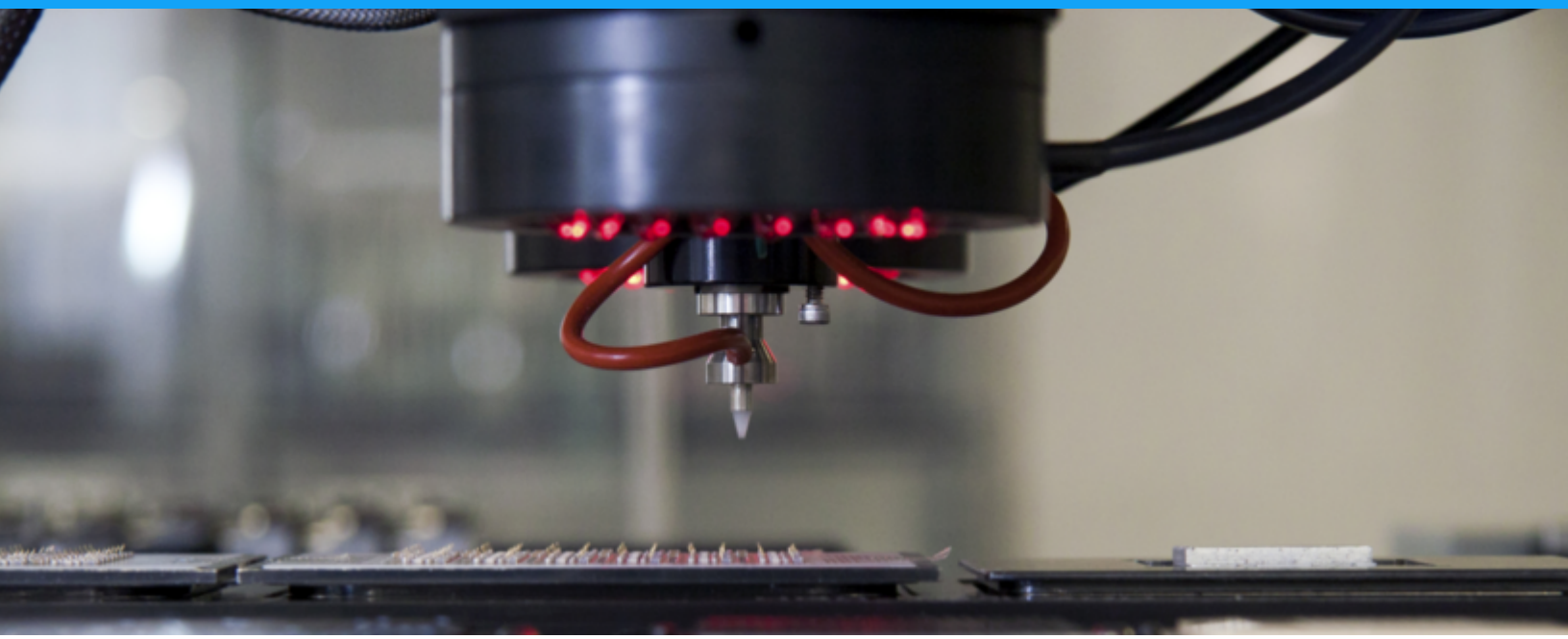


A team approach leads to successful digital transformation in high tech and electronics

Like most industries, manufacturing is in the direct path of a digital tsunami that is about to hit. For manufacturers in high tech and electronics, the potential impact and resulting transformation are becoming quite clear. Many high tech companies are actually leading the way, setting precedents and pioneering use case applications for Internet of Things (IoT), predictive analytics, and connected networks and supply chains.

As the digital reality becomes closer, though, manufacturers are realizing the magnitude of the transition. Neither the CIO, nor even the entire IT team, can bear the burden alone. The tasks are simply too wide-ranging, crossing several departments, and impacting the entire value chain, from suppliers to depot repair technicians.

A team approach seems the logical answer. According to R "Ray" Wang of Constellation Research, you need at least six teams working simultaneously on various components of digital transformation in order to be successful. In a recently published report, "**Nine Entry Points to Digital Transformation**," Wang provides research-driven insights about launching a digital journey, including recommendations for creating teams.

Let's look at the six teams, as described by Wang, and explore how these ideas apply specifically to the high tech and electronics industry.

Getting started

As Wang's report explains, digital strategies hold vast potential for companies looking to jump start growth and create an industry-wide renaissance. The need for a detailed, comprehensive digital strategy especially applies to the high tech and electronic industry, which faces complexity of products, frequent product introductions to keep up with technology and consumer trends, short product lifecycles as versions become obsolete, and a complex supply chain as components are often manufactured by specialized contractors.

The speed of change adds to the pressure. While transformation is certainly high stakes, the IT team cannot focus solely on reimagining processes. A team approach of multiple groups contributing to success is far more likely to achieve the desired results and make a sustainable impact. Because of the vast opportunities that await, enlisting several team members seems justifiable. If digital transformation is the big opportunity your company has been eagerly awaiting, you don't want to risk letting it slip by, its potential barely touched.

Let's look now at recommendations for six teams:

Team 1: Improving existing processes

This team of individuals should have a mandate for creating faster, better, and cheaper capabilities in existing business models. This team will look for ways to tweak systems, without throwing them out. Their projects are often quick wins and help keep the lights on while other new business models or disruptive concepts are being fleshed out.

When building the team, look for individuals with overall industry expertise, a passion for improvement, an understanding of existing constraints, a firm grasp on customer needs, and a spirit of innovation.

Team 2: New business models

Often seen as members of the tiger team (i.e. special operations), these people explore additional business models for piloting inside organizations. This team can investigate how data collected from sensors can be turned into customer value or operational improvements. For example, sensor data from multiple customers can be aggregated and turned into benchmark reports or best practice guidelines for the electronics or computerized components. Key team traits include bold thinking, a passion for innovation, and the ability to deal with abstract concepts.

Team 3: Concept-to-commercialization

This team must figure out how to take the new ideas and monetize the concepts. This can be in the form of offerings sold to customers, extra service features, or operational improvements that provide savings for the high tech company. These can be new revenue streams or enhancements to existing ones. Often, this team is a multi-disciplinary group of experts in incremental innovation, transformational innovation, and sustainability of operations. Key traits include a high degree of creativity, disruptive thinking, and a great understanding of the high tech customer's motivations and what the market will find valuable and worthy of investment.

Team 4: Cross-team harmony

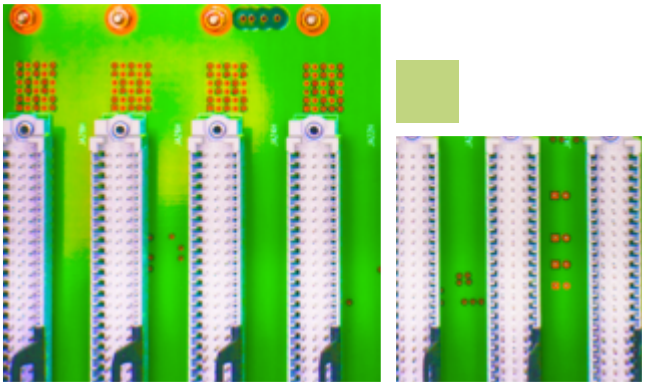
The overall attitude the organization assumes toward the digital initiatives will set the tone for the digital transition. While this must largely come from the top executives and be forged through example, a team dedicated to inspiring and building a sense of cooperation will also be helpful in achieving harmony through the design and deployment period. For example, the commercialization team may suggest a new service offering to sell to customers. The service department may feel this new offering will place added stress on the service department, risking customer satisfaction. The culture team can provide the objective view and broker a compromise where all sides win—including the customer. This team requires a diversity of thought across multiple disciplines, from accounting, to sales, to service. Problem-solving should be the number one trait of these team members.

Team 5: Governance and risk management

Regulation compliance is extremely important in the high tech industry because the products are often used in mission critical applications, like medical devices, communication systems, security monitoring, defense electronics, or emergency response. Many of these specialized applications have their own sets of regulations and requirements, including logistics and maintenance contracts. Managing versions, components, calibration, and scheduled maintenance are important elements. The governance team can focus on ways to manage these added detail issues, allowing the other teams to concentrate on creative thinking. Key traits for this team include policy-making experience, program management and understanding of the specific governance issues related to the high tech and electronics industry.

Team 6: Keeping the lights on during transition

The high tech organization cannot stand still while the digital initiative is being planned and executed. Due to the time sensitivity, ongoing contract agreements, and mission-critical nature of the customer base, prompt attention to service requests and availability of replacement parts are always high priority. If you want to keep this customer base happy, their priorities can't be forgotten just because the organization's business model is evolving. In fact, it is more important than ever to prove to the customer base that the organization remains committed to keeping pace with change as new directions are explored. This operational team can focus on keeping the lights on, including communication with customers. Key team traits include attention to detail, strong work ethic, and adherence to standards and rules.



A case study: Winchester Electronics

WINCHESTER
ELECTRONICS

Winchester Electronics designs, manufactures, and deploys a wide variety of connectors, cable assemblies, wire harnesses, and custom interconnect solutions for markets that require the highest-quality interconnect solutions for most mission-critical applications.

Winchester recently moved its ERP deployment to the cloud. It was a move driven by several market pressures, including the desire to integrate disparate ERP systems for consistency and standardization, plus take advantage of the provider's backup, maintenance, and security capabilities so the internal IT team could be redeployed to other strategic, value-adding activities.

"With solutions in the cloud, we can access business applications anytime, anywhere. We have never suffered any loss of service with the cloud," says Eric Frost, Business Unit Controller and Materials Manager. Frost adds that another benefit of cloud deployment is the "always modern" feature, meaning Winchester doesn't have to bother with upgrades to keep systems up to date. These capabilities all help **Winchester Electronics** remain competitive in a highly complex industry.

Next steps

With this information about the value of a team approach and the recommended profiles of its members, you can develop your own teams, assigning personnel and providing some guidelines about how each team should function, including how often they should meet, how they should define goals, and how they can measure progress. In each team, a leader will be needed, as well as a communicator who will be responsible for tracking issues, documenting decisions, and acting as liaison to the other teams and top-level executives supervising the project.

The role of the executive team and concluding thoughts

Digital transformation is intimidating. While high tech organizations may realize its significance to the market, the opportunity to jumpstart growth, and the potential benefits of modernizing, companies may still have questions about where to start and how. As digital concepts are typically groundbreaking technologies, case studies and proven best practices are still limited—but they are growing daily. This is why working with a technology partner is so important. The partner, who may already have several digital projects completed, will be able to bring guidance and experience-driven insights to the initiative.

The team approach, as prescribed in this paper, will also make the daunting project seem manageable. By breaking it down into the six core aspects, one for each team, the concerns become less overwhelming. As teams focus on managing the day-to-day details, the CIO and other top executives are free to focus on the strategic principles. This includes setting budget, guiding the teams, and forging partnerships. The organization-wide strategy for investment in technology is certainly top priority, reserved for the executive team.

Are you ready to take a deeper dive into the topic? Download this whitepaper, "**Nine Entry Points to Digital Transformation**."

To learn more, visit Infor.com/manufacturing

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