Digitally Reinforced Business Resilience

A playbook to prepare your organization for the next disruption

nagarro

Introduction

Modern organizations are complex global entities. They rely on many intricate interconnectivity and dependencies with other entities for their successful operation. Even the most remote and unrelated incidents can quickly cascade into events with global implications in this hyper-connected world.

Time after time, internal and external events disrupt the operating environment and alter operating conditions for organizations. While some organizations are quick to respond and innovate to make the new environment work in their favor, many others fail to change and ultimately fail.

The difference is resilience.

Why resilience matters

McKinsey predicts that 45% of annual profits will be lost over the course of a decade, due to rapid, frequent, and unpredictable events.

However, a Boston Consulting Group (BCG) research reveals that:

- **Performance during crisis periods has almost three times the impact of performance during stable periods.**

- **Almost two-thirds of companies identified as long-run industry out-performers did better than their peers during crisis periods.**

Intense volatility and uncertainty across global businesses and industries have accelerated digitization and digital transformation investments. The focus is to minimize disruptions to business and restore stability. While this has presented significant opportunities for internet and computer software companies, they must also adapt their products and solutions to meet shifting global customer needs and megatrends. They also need to be proactive at addressing security and dependency challenges while at the same time ensuring customer experience, plus retention.

Sources:

McKinsey Global Institute –
Risk, resilience, rebalance in global value chains

Boston Consulting Group –
Becoming and All-Weather Company

What is a resilient organization?

An organization is resilient when it can outperform its industry peers on one or more of the following three dimensions when encountering a shock or disruption:

- **Lower the immediate impact**

- **Recover faster**

- **Recover to a greater extent**

Resilient organizations have enhanced capacity to absorb the initial shock to minimize the decline, adapt faster to the changed conditions, and advance the recovery until the organization has achieved a position of advantage or leadership in its industry in the new normal.

Higher contract renewals, annual recurring revenue, service level agreement (SLA) compliance, customer acquisition cost, profitability, and employee satisfaction are some key indicators of industry-leading business performance of a resilient organization during unfavorable business conditions.

5 things resilient organizations do well

Based on our experience with clients, we have concluded that these are some of the behaviors and priorities aptly demonstrated by over 100 client organizations who have successfully embarked on a journey of digitally reinforced resilience.

1. Embrace long term shifts

Anticipating and embracing long-term industry shifts and trends significantly contributes to business resilience.

With growing client affinity towards 'software as a service' and subscription models, a leading **software provider to non-profit organizations** transitioned from a license-based on-premise application to a SaaS subscription model to serve them even better.

2. Deeply care about agility and responsiveness

These companies and their offerings are purposely built to respond fast to change.

A **leader in digital sales enablement** moved away from a monolithic solution and re-architected their core product as a cloud agnostic microservices-based solution to fuel global growth ambitions.

3. Find compelling ways to accelerate innovation

Resilient organizations experiment with new ideas and produce breakthrough products and services efficiently.

A global **leader in risk management** streamlined their product design process with a design system and delivered 5+ fully functional new products in less than a year.

4. Invest in readiness for uncertainty

Improved software resilience and security management minimizes disruptions and unplanned downtime.

A top provider of **enterprise SaaS Human Capital Management (HCM) solutions** improved cloud resilience with chaos engineering to help the core SaaS product recover from failures and remain persistent.

5. Leverage data, design and AI effectively

Data and AI powered systems enhance capabilities to sense and decode cues from internal and external environments for smarter decisions.
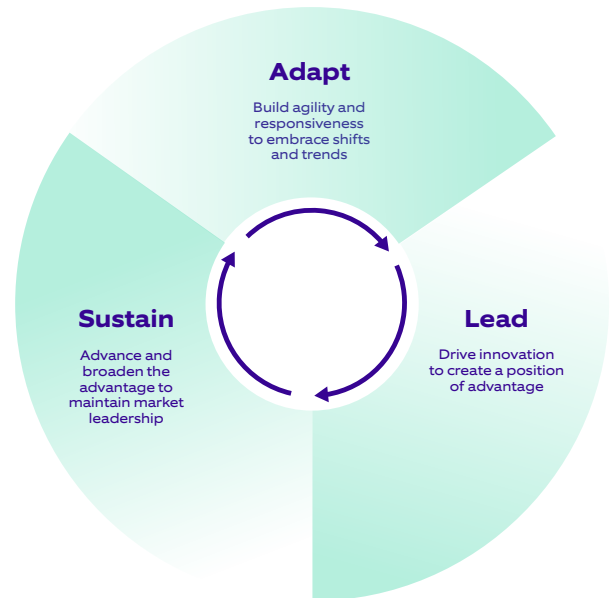
A **top European provider of Credit and Finance Risk Management solutions** leveraged AI and analytics to enhance their offerings and reduce operational costs associated with data collection for their clients.

How to build resilience?

Drawing from our experience of partnering with leading organizations across industries, we have identified three recurring stages of digitally reinforced business resilience: **Adapt**, **Lead**, and **Sustain**.
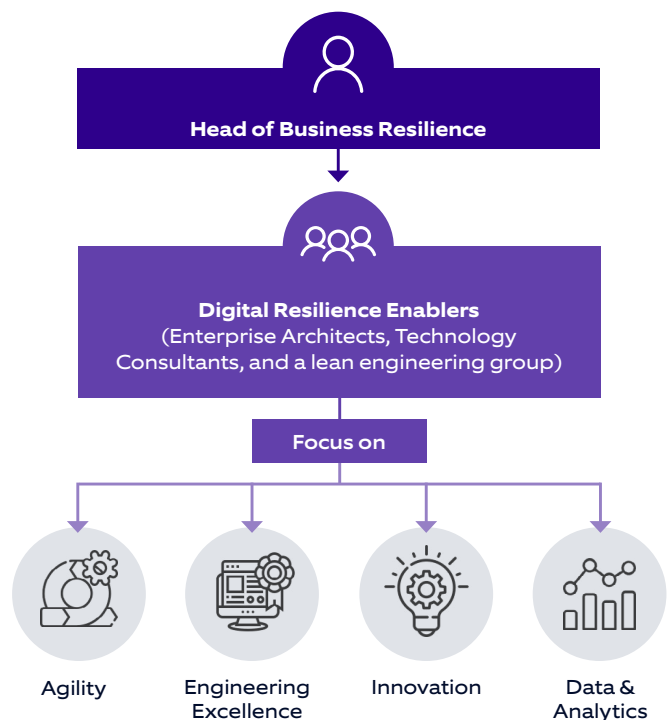
Adapt
Build agility and responsiveness to embrace shifts and trends

Lead
Drive innovation to create a position of advantage

Sustain
Advance and broaden the advantage to maintain market leadership

Framework for Digitally Reinforced Business Resilience

Step 1: Form a core resilience team

Select a corporate resilience leader and establish a cross-functional team to drive resilience initiatives. The resilience team works with business functions to better understand the overall risk landscape and align with business goals. A lean group of engineers help the resilience team to accelerate initiatives.

Head of Business Resilience

Digital Resilience Enablers
(Enterprise Architects, Technology Consultants, and a lean engineering group)

Focus on

Agility

Engineering Excellence

Innovation

Data & Analytics

Step 2: Assess the current state

Siloed business functions, legacy technologies, monolithic systems, high exposure to security threats, and regular unavailability of business-critical systems make organizations more vulnerable to risks. Start by critically evaluating each business function against the three resilience stages to assess the current state and determine the next actions.

Stage	Characteristics
Adapt	- Slow to expand to new markets or respond to disruptions or change. - Lack of data-driven decision-making. - Unable to scale offerings and operations with customer demand.
Lead	- New product development lacks strategy and vision to serve unmet customer needs. - Idea to product journey is inefficient. - Slow to invest in modern technologies. - Low awareness of unit economics.
Sustain	- Products have reached maturity. - Key markets have reached saturation or decline. - Drop in market share or lower contract renewals.

A detailed assessment is carried out for each key practice or value chain activity of a business function to determine its capacity for resilience.

Refer to the sample assessment questionnaire below for more understanding.

Business function: Design and Engineering
Scope: Software Resilience

Resilience Criteria

1. We have prioritized initiatives for resiliency and chaos engineering.

2. We have invested in chaos engineering platforms.

3. We are already running automated chaos experiments in a test environment.

4. We have automated pipelines that trigger experiments, report metrics, and take self-healing actions.

5. We monitor and report results of resiliency tests with dashboards that help in estimation and forecasting by analyzing results.

6. We have metrics to project revenue loss of a failure and forecast infra capacity requirements.

7. We conduct gamedays with expanded scope to test complex events.

8. While performing resiliency tests, we simulate varying production and sample traffic scenarios and run chaos experiments.

Step 3: Explore solutions

Explore a few solution examples and use cases from our past and ongoing client engagements to build business resilience to adapt, lead, or sustain for each business function.

Business functions / Resilience stages	Sales & Marketing	Design & Engineering	Customer & Employee Experience	Operations and Finance
Adapt	• Streamline quotation and pricing workflows • Amplify sales enablement	• Transition to Microservices • Embrace design systems • Proactive SRE practices	Enable new listening channels for customers and employee feedback	• Build good habits to control cloud spends • Ensure 24x7 operations
Lead	• Strive for seamless sales user experience across the Lead to Cash journey • Enable channel for self-service	• Design for resilience • Scale automations • Drive innovation at scale	• Embed intelligence to the platforms to elevate customer experience • Nudge to influence employee behavior	• Amplify automations for solid governance • Build new Ops teams – e.g. AIOps
Sustain	• Add intelligence to pricing, marketing budgets, forecasting • Enable fast quotations and sales self-service	• Target self-healing systems • Leverage AI, design effectively • Launch new products quickly	Steer cultural changes through intelligent platforms	Sunset legacy product lines

Step 4: Prioritize solutions

Prioritize and kick-off new projects and initiatives based on their potential impact on improving business resilience and the effort and/or cost to implement them for each business function.

E.g: Prioritize digital solutions to enhance business resilience for customer and employee experience functions of the organization.
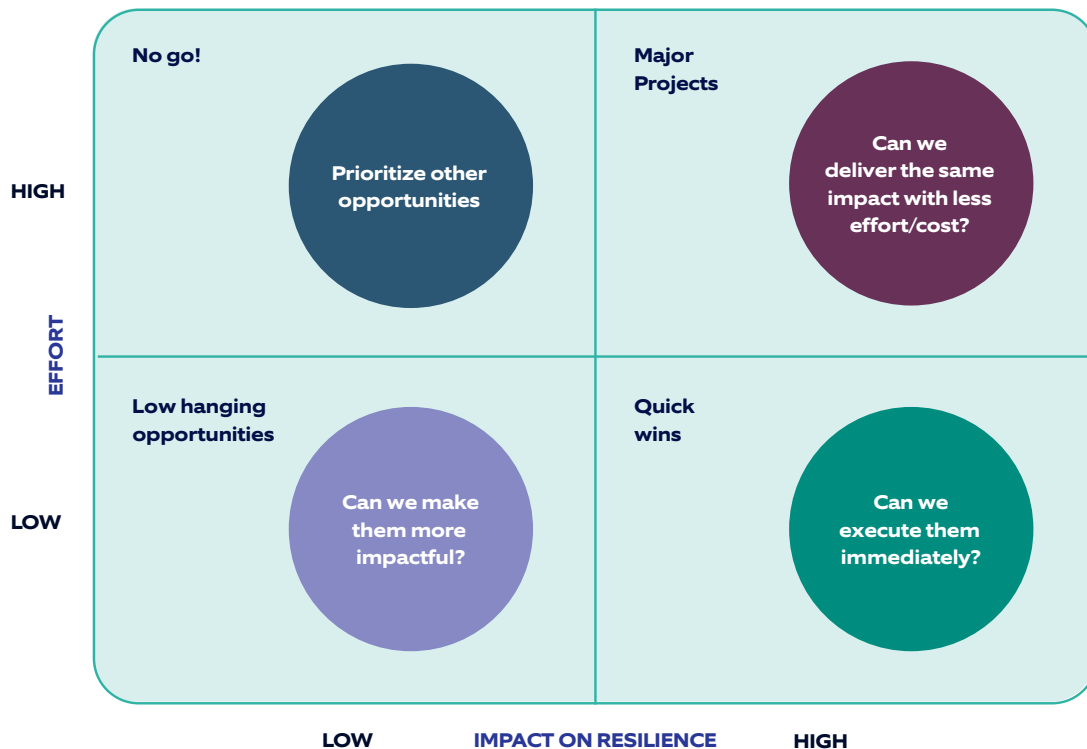
Step 5: Continuously improve

As new digital solutions are introduced, organizations must identify and define measurements and benchmarks to evaluate post-implementation results. Industry benchmarking will also help organizations measure up to industry peers.

Set up an internal cadence to collect and analyze data against the benchmarks. When progress is being made against the benchmarks, keep raising the bar. In case of challenges, perform a root cause analysis to identify and iron out problems.
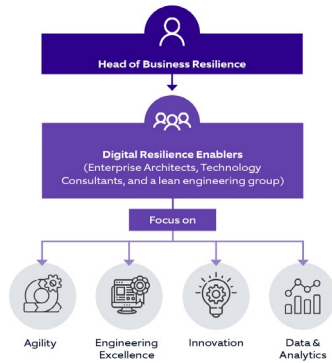
For example:

- What is the mean time to recovery (MTTR) for your product/service? How does it compare to your competition? What is the acceptable MTTR to your customers?

- What is your customer churn rate? How does it compare with your industry peers?

In summary

Step 1: Form a core resilience team

Head of Business Resilience

Digital Resilience Enablers
(Enterprise Architects, Technology Consultants, and a lean engineering group)

Focus on

- Agility
- Engineering Excellence
- Innovation
- Data & Analytics

Step 2: Assess the current state of each business function

Stage	Characteristics
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Sustain	• Products have reached maturity. • Key markets have reached saturation or decline. • Drop in market share or lower contract renewals.

Business function: Design and Engineering
Scope: Software Resilience

Score 1– 5
1- Strongly disagree
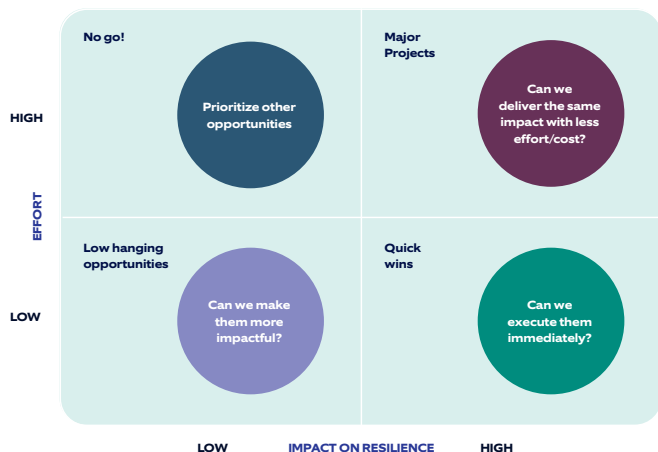5 - Strongly agree

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Step 4: Prioritize solutions

No go!
Prioritize other opportunities

Major Projects
Can we deliver the same impact with less effort/cost?

Low hanging opportunities
Can we make them more impactful?

Quick wins
Can we execute them immediately?

HIGH — LOW (EFFORT)

LOW — HIGH (IMPACT ON RESILIENCE)

Step 5: Continuously improve (Repeat steps 2-5)

Why Nagarro?

A trusted and a CARING partner

Nagarro is uniquely positioned to partner with you in your journey to build a more resilient organization. With our Thinking Breakthroughs approach, we enable technology-led business outcomes. We offer a variety of engagement models which helps accelerate your resilience journey.

Q: How do we identify and secure low hanging opportunities?

A: Through purpose-designed workshops, our experts offer strategy, innovation, and technology consulting in a highly collaborative and time-bound manner to uncover key business challenges and ideate solutions to overcome them. A key focus of these workshops is maximizing business impact.

Q: How do we make quick wins early in the business resilience journey?

A: With Nagarro's Digital Venture teams, we help you propel ideas into products.

Our high-velocity teams support your corporate incubator with fast prototyping of concepts, research for target persona, quick PoCs, business case creation for further investment, and develop MVPs. A rich collection of our pre-built modules and accelerators help reduce time and cost to market.

Q: How do we streamline and accelerate the delivery of multiple projects?

A: Nagarro offers fully managed scrum teams to scale your engineering effort where the ownership and responsibility to design, develop and maintain the solution is with Nagarro. Alternatively, we offer product implementation teams (professional services) which augment your delivery capabilities with full ownership of requirements, delivery, and L2/L3 support. 24x7 managed services is also available to offer dedicated engineering and IT Ops to support your solutions.

Stories of resilience

Seismic Software Inc.

Client:
Seismic Software Inc.

Country:
United States

Resilience challenge:
Embrace long term industry shifts to drive sustained global growth

Seismic wanted to build a best-in-class sales enablement and marketing orchestration solution from scratch, to deliver engaging buyer experiences to its global clientele.

How Nagarro helped
Delivered V1.0 of the product 12 months before deadline

Nagarro built a truly global scale SaaS platform with distributed teams, a future-proof design, geo-replicated datasets overcoming many integration challenges. Our ongoing partnership continues to add value for Seismic.

Outcome
Seismic recognized as a leader by Forrester Wave™

Today, trusted by 600+ companies, including IBM and American Express, Seismic's Storytelling Platform™ is a leading sales enablement, marketing orchestration, and social sales engagement solution. This Nagarro-developed solution was recently recognized twice within six months by Forrester Wave™ as a leader in the sales content solution (SCS) space.

Learn More: Seismic

Stories of resilience

RMS Inc.

Client:
RMS Inc.

Country:
United States

Resilience challenge:
*Improve efficiency and consistency to build
digital products faster at scale*

The world's leading risk management company
wanted to streamline their product design process
and promote consistency across a growing product
and applications portfolio.

How Nagarro helped

Nagarro created a scalable, modern design system
that allowed RMS to streamline their product design
process and promote consistency across their prod-
ucts and applications. The focus was on delivering a
unified customer experience.

Outcome
5+ fully functional products built in less than a year

In addition, RMS saved up to 30% time in prototyping
and $50k savings per release in cleaning up UI issues.
They have also created a growing collection of
100+ components.

Learn more: RMS Design System

To get started,
contact us at:

horizontal.tech@nagarro.com

We are shaping the company of tomorrow
Nagarro is a global digital engineering leader with a full-service offering, including digital product engineering, digital commerce, customer experience, AI and ML-based solutions, cloud, immersive technologies, IoT solutions, and consulting on next-generation ERP. We help our clients become innovative, digital-first companies through our entrepreneurial and agile mindset, and we deliver on our promise of thinking breakthroughs. We have a broad and long-standing international customer base, primarily in Europe and North America. This includes many global blue-chip companies, leading independent software vendors (ISVs), other market and industry leaders, and public sector clients. Today, we are over 12,000 experts across 27 countries, forming a Nation of Nagarrians, ready to help our customers succeed.

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