

Vocus Insights

Successful digital transformation

How to avoid
common pitfalls.



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Elevate your digital transformation game

Welcome to part two of our Vocus Insights series, designed to help you achieve brilliant outcomes for your business. In this paper, we delve into the complexities of digital transformation—a path well-trodden but with widely varying degrees of success. Digital transformation has emerged as the go-to solution for navigating challenges while unlocking value through better customer experiences, employee engagement, and operational efficiency.

The paper explores the importance of establishing robust foundations built on security, flexibility, and the appropriate infrastructure. By doing so, you can effectively reduce complexity and costs, enable growth, and drive meaningful transformation within your organisation. We hope these insights prove valuable as you navigate your own digital transformation journey.

Ricky Corker
Chief Executive, Enterprise & Government – Vocus

Executive summary

Digital transformation remains a business imperative despite being high on many organisations' agendas for the best part of a decade. That's perhaps not surprising, given the volatile economic landscape and never-ending digitalisation pressures.

Transformation offers tantalising rewards, including improved customer experiences, employee engagement, productivity and operational efficiency. It can even support new digital business models. Yet effective transformation remains a pipedream for many organisations.

This paper addresses common challenges and obstacles to digital transformation success, focusing on three key areas. It offers expert advice for transforming:

- **Cybersecurity** by protecting data that's increasingly distributed across multiple locations
- **Network infrastructure** by optimising the complex connections between users, devices and workloads
- **Scalability and agility** by minimising complexity and other impediments to change.

Importantly, the paper also examines how successful digital transformations start and end with the business — with technological change designed to support new business processes and deliver sustainable outcomes.



"Digital transformation means different things to different organisations. I've seen a simple video conferencing app transform how employees work, while other organisations are building technology ecosystems to solve complex industry challenges or make fundamental changes to their customer services."

Greg Phillips, Head of Digital Solutions and Innovation, Vocus

16.1%

compound annual growth rate in global spending on digital transformation to 2027 — IDC forecast



Digital growth, opportunities and threats

60%

higher average annual total shareholder return achieved by digitally advanced banks compared to slow-moving competitors — Harvard study using McKinsey metrics

91%

of organisations in Asia Pacific have adopted digital-first strategies to transform themselves into digital businesses — IDC



70%

of companies' digital solutions do not scale beyond pilots or remain stuck in organisational silos — Boston Consulting Group

Shift to continuous transformation

It's clear that digital transformation has become an ongoing process that requires new capabilities and sustainable ways of working. After all, organisations need to continually adapt to changing business conditions and advances in digital technologies.

For example, organisations have recently had to cater for the shift to remote and hybrid work, supply chain issues, cost pressures, inflation and economic challenges. High-profile data breaches have also put the spotlight on cybersecurity.

Given these recent events and challenges, it's no surprise that many organisations have gone back to basics, prioritising productivity, efficiency and security. Cloud applications and other modern technologies can be used to address these issues, while recent breakthroughs in AI promise truly transformative capabilities.

The challenge is implementing technologies in a way that delivers on their promises, contributes to the business and helps build a platform for sustainable transformation.



"The biggest mistake organisations make is thinking digital transformation is a technology project. It's a journey that requires a long-term vision, strategy, planning and alignment with business goals."

Bernhard Hürzeler,
Founder, Argenti Cloud

Top Australian IT priorities and challenges

Vocus surveyed hundreds of Australian IT leaders in 2023 to understand their digital transformation priorities. The survey identified two clear top challenges:



59%

of the IT leaders nominated data and system security as their first or second priority

47%

identified productivity as their first or second priority



The IT leaders planned to use technology to supercharge a range of functions, with automation, productivity, efficiency and cybersecurity among their top priorities.

Address the complexity challenge

While it's important to adopt technology solutions that address specific business challenges, doing so in a haphazard manner can lead to unexpected issues — such as increasing technological and data complexity.

Organisations are deploying more and more applications in various locations, from a range of vendors and using different technologies. The result is often a tangled 'hairball' of workloads and environments, impacting costs, impeding digital initiatives and adding to the list of often-scarce IT skills organisations need.

In addition, technology complexity creates significant challenges in three key areas: data security, network management and performance, and scalability and agility.

“The trouble with using technology tactically to solve business problems is that the short-term benefits end up being outweighed by long-term consequences, such as increasing complexity. That has a compounding effect that makes digital initiatives progressively more expensive. Taking a strategic approach to digital initiatives is therefore vital to remain competitive over the long term.” – Bernhard Hürzeler



The multi-cloud dilemma



As organisations continue to shift workloads to the cloud, many use multiple providers and a mix of public – and private – cloud environments to cater for different business applications and requirements.



90%

of organisations are maintaining or increasing cloud spending despite economic uncertainty
— Flexera

87%

of organisations have hybrid or multi-cloud architectures
— Flexera

75%+

of C-suite executives admit their technology, data and other operations are too complex
— PwC

Modernise security to navigate escalating threats

As technology environments become more complex and workforces remain highly distributed, traditional perimeter-focused security measures are no longer sufficient on their own. Organisations must protect an attack surface that extends far beyond their offices.

Meanwhile, cyber attacks continue to become more frequent and sophisticated, increasing the likelihood of breaches. As a result, leading organisations are adopting new security techniques that are designed to protect data distributed across cloud services, data centres and individual devices.

These techniques include 'zero trust' architectures, which support modern digitalised organisations by allocating systems and users the lowest possible access privilege. Advanced authentication is critical, although that can be done in a way that makes it easy for authorised users to access the data and applications they need from anywhere.

In addition, modern security solutions are highly scalable and include data governance processes to support regulatory compliance. These solutions can also make use of AI to automate network monitoring and threat detection.

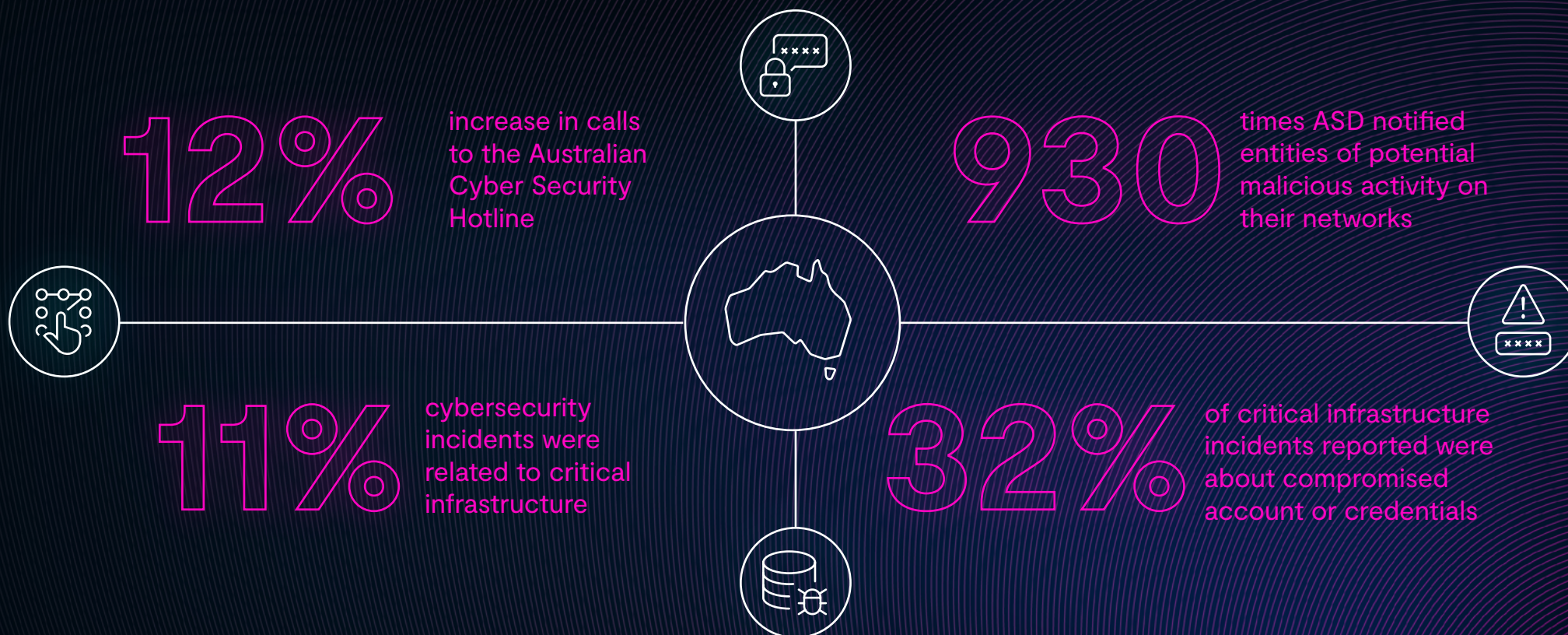


"Organisations now need to protect data on every level and at every boundary from mobile devices to the cloud. That requires more than technology. It needs buy-in across the organisation, and building security into every aspect of transformations, including application development practices."

Bernhard Hürzeler, Founder, Argenti Cloud

The state of cybercrime in Australia

Cyber attacks are growing while becoming more sophisticated and costly for businesses, according to the Australian Government's technical authority on cybersecurity, the Australian Signals Directorate (ASD). Its [Cyber Threat Report 2023-2024](#) revealed:



Build resilience with network diversity

Increasing complexity leads to greater connectivity challenges too. These include managing complicated connections between users, devices and workloads in distributed workplaces, data centres, other physical infrastructure and cloud services.

Complexity further adds to the challenge of ensuring corporate networks have the bandwidth and latency required to support data-rich applications, enhance user experiences and improve employee productivity.

To address these challenges, leading organisations are migrating from legacy network technologies to modern software-defined platforms that make it easier to manage and optimise complex connections. A secure access service edge (SASE) solution takes this approach further, combining network and security capabilities on a unified cloud platform to deploy zero-trust and other advanced security measures more easily.

Network resilience is also critical to minimise downtime. To this end, leading organisations are going beyond the traditional backup approach and adopting a multi-layered, diverse network architecture that can also protect critical infrastructure and improve operations.

“My conversations with organisations have changed. Yes, they still want to talk about the economics of fibre for their core networks but there’s also increasing interest in solutions that increase resilience and use other technologies, such as LEO satellite services.”

Greg Phillips, Head of Digital Solutions & Innovation, Vocus



The foundations of a multi-layered, diverse network

A multi-layered, diverse network requires the right mix of technologies, geographical routes and providers. These allow you to build redundancy, resilience and performance into your connected infrastructure. For example, network technologies can include:



Dark fibre as the core network, providing high-capacity, low-latency physical links between offices, data centres and hybrid cloud environments



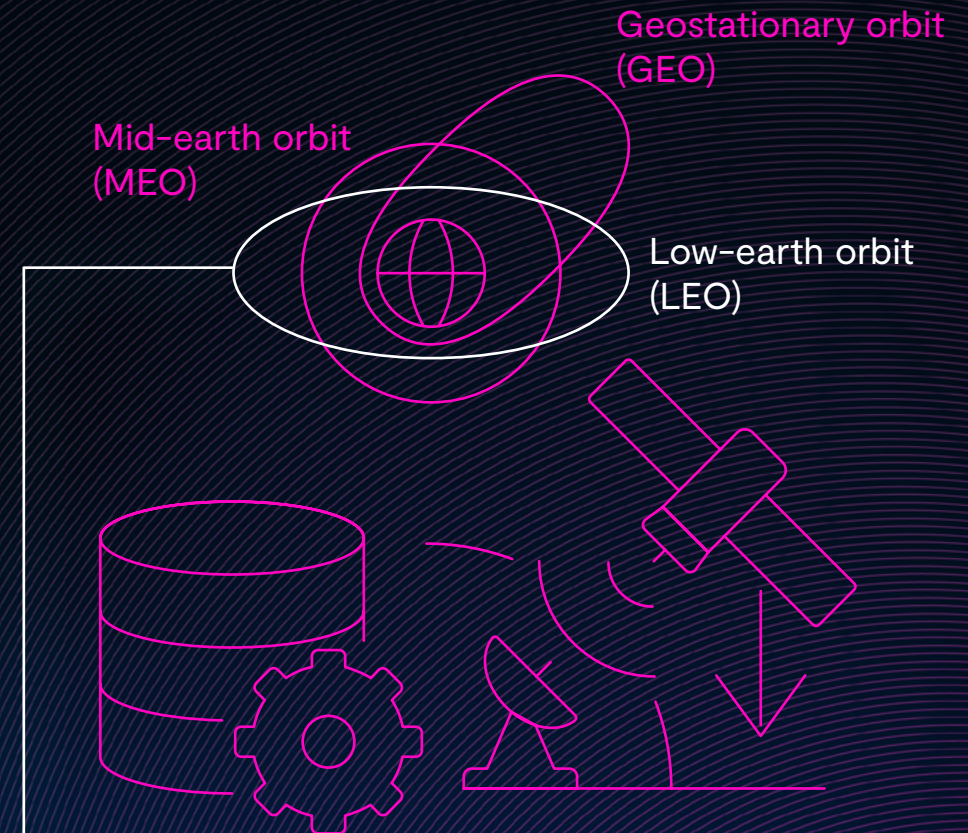
Microwave for high-speed, point-to-point wireless extensions to physical infrastructure



Private LTE/5G networks to provide reliable, secure mobile connectivity



Low-earth orbit (LEO) satellite services, bringing high-performance connectivity to even the most remote locations.



In fact, Gartner has declared LEO satellite communications as one of the top five digital technologies that will transform organisations due to its global coverage and low latency.

Align with business goals to unlock agility

Shifting to the cloud can help organisations scale and become more agile by simplifying digital infrastructure management and accelerating application development. However, those potential benefits can be neutralised by increasing complexity, leading to issues such as unforeseen cost blow-outs and integration problems.

A holistic digital transformation plan can help avoid or address these issues. Such a plan should include long-term strategic guidelines to help eliminate unnecessary complexity and enable agile practices. It should also be aligned with business goals to help prioritise investments and transform business processes that deliver sustainable success.

Cost optimisation is a vital component of any IT strategy. It involves taking advantage of IT and cloud management tools to monitor and allocate resources, provide detailed cost visibility, and measure the value of services and projects.



“The most effective transformation initiatives take a holistic approach, ensuring back-end and front-end systems remain in sync, minimising technical debt and enhancing the technology stack’s scalability and agility.”

Bernhard Hürzeler, Founder, Argenti Cloud

Embrace digital transformation best practices

Succeeding with a sustainable digital transformation program requires adopting modern technology enablers as part of a business-focused strategy. For example, best practices include adopting:



A holistic transformation plan that's aligned with business goals and unlocks new business processes that deliver sustainable success



Long-term guidelines that eliminate unnecessary technological complexity and enable agile practices



Cybersecurity techniques such as zero trust architecture that protect highly distributed digitalised organisations without compromising the user experience



A multi-layered, diverse network architecture and software-defined platform to help manage, optimise and build resilience into connected digital infrastructure



Cost-optimisation strategies and tools that can enhance resource allocation and measure the value of services and projects.

"The most successful transformations I've seen start with redesigning business processes. They use technologies as enablers that build upon each other and come together as a platform for supporting meaningful, sustainable change."

Greg Phillips, Head of Digital Solutions & Innovation, Vocus



Choose the right transformation partners

Achieving sustainable success with digitalisation requires building capabilities and adopting new ways of working across the organisation — and with the full support of the executive team.

However, it can't be done alone. Employees need to be trained in new ways of working and it's simply not economically feasible for any organisation to build all the required capabilities in-house.

It's therefore vital to choose partners such as Vocus that can provide the right mix of technology solutions, specialised expertise, and partners to complement in-house capabilities and experience delivering successful transformations.

“For long-term success, organisations need to develop a new capability — transformation as a discipline across the business. That involves developing guidelines, methodologies and frameworks that accelerate decision-making, planning, development, testing and deployment — but with checks and balances too.” – Bernhard Hürzeler.



Acknowledgment

We thank the industry experts and Vocus experts for contribution to this paper.



Greg Phillips

Head of Digital Solutions & Innovation,
Vocus

With over 25 years of experience in the industry, Greg has developed digital strategies and architected projects for some of the world's leading brands across utilities and resources, financial services, and government sectors. Greg is passionate about working with customers to achieve business goals through innovation, technology, and disruptive ideas.



Bernhard Hürzeler

Founder, Argenti Cloud

With 30 years of experience across commercial and non-profit sectors, Bernhard has an expertise in various industries including engineering, manufacturing, IT, finance, and banking. He chairs Doppelmayr Australia Pty Ltd, and holds a PhD in Civil and Environmental Engineering. He is a technology expert in enterprise architecture, security, AI, data science, and software engineering.

About Vocus

Vocus is Australia's leading specialist fibre and technology solutions provider, connecting wholesale, enterprise and government customers nationally through our extensive network solutions on land, sea and from space, and to the world via our diverse, high-capacity links to major global gateways.

Our network is backed by a world-class team of experts and partners, local account management and delivery teams, and 24x7 Australia-based support. We achieve success through our national scale, smarter solutions, fast turnaround times and excellent service, and offer truly integrated end-to-end connectivity solutions across data networks, internet, cloud, data centres, unified communications and much more.

We help our customers implement secure, resilient, and adaptable solutions to help digitalise their business. Whether you're at the start, the middle, or towards the end of that journey, our secure and reliable solutions can provide the foundation for success. To get in touch, call 1800 035 540 or [visit this link](#).