White Paper

The Autonomous Digital Enterprise

BMC's Vision for 2025

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What will the modern enterprise look like in 2025, long after the COVID-19 pandemic has passed? More importantly, what should a modern enterprise aspire to be in five years?

That's the question that software vendor BMC has asked as they begin their own transformation into a modern enterprise. What tenets must such an organization follow, and what path must it take?

The answers to these questions form the Autonomous Digital Enterprise – BMC's vision for itself and its customers in 2025.

The Autonomous Digital Enterprise combines the most important technology and business trends of today and paints a picture of a post-pandemic organization that is positioned to succeed in an increasingly dynamic business and technology environment.

Planning for the Post-Pandemic Normal

As the COVID-19 pandemic drags on, we're all looking for that inevitable light at the end of the tunnel – the new normal of a post-pandemic world.

This as-yet undefined reality will catch some organizations by surprise. Others are shrewd enough to be planning for it, positioning themselves for whatever the post-pandemic normal will be.

But the smartest companies? They are working to *create* the new normal.

These singular organizations are ahead of the pack. They are not only able to deal with the disruptive change the virus brings, but who are also able to leverage such change for competitive advantage to succeed today and into the future.

Digital transformation – the software-empowered reorganization of the enterprise to better align with customer demands – has shifted from a long-term strategic initiative to a short-term, tactical must-have priority.

IT has certainly taken on new importance in the work from home (WFH) era, not simply because employees leverage technology to WFH, but because every interaction, from front-line customer interactions to routine back-office data processing, now depend entirely on IT.

In fact, digital transformation – the software-empowered reorganization of the enterprise to better align with customer demands – has shifted from a long-term strategic initiative to a short-term, tactical must-have priority.

The coronavirus has breathed new life into digital transformation, and the organizations that are able to succeed with such change are the ones that will not only survive the pandemic. They will be the companies that thrive during the new normal.

BMC: Transforming Itself with a new Innovation Mindset

BMC Software is among the first generation of software companies. Three men with the initials B, M, and C founded the firm in 1980 to serve the mainframe software market.

The company excelled among this relatively small club of mainframe customers. It went public in 1988 and acquired 24 other software vendors between 1994 and 2012, thus broadening its portfolio beyond the mainframe to a range of enterprise software tools.

The company had its share of successes but lacked one important element: a single, coherent vision. This lack of vision eventually led to the company going private in 2013, and in 2018, global investment firm KKR acquired it.

In October 2019, KKR recruited software industry veteran Ayman Sayed to helm BMC. High on his list of priorities: to establish a corporate vision that would drive the transformation of the company from a relic of the 1980s into a modern enterprise software powerhouse.

Even for a veteran vendor like BMC, there was an opportunity for a new vision to drive a change in the company's fortunes.

Sayed's goal once he joined the company was unquestionably ambitious, as BMC at the time had little to recommend it except for a collection of mature software products with a gradually dwindling customer base. Simply updating those products or adding new ones to the mix would be insufficient to change BMC's long-term fortunes.

The technology world, however, is always in a state of innovation-driven flux, continually opening up opportunities for new areas of business growth while simultaneously bringing less competitive offerings down. Even for a veteran vendor like BMC, there was an opportunity for a new vision to drive a change in the company's fortunes.

Then along came the coronavirus – redoubling the turmoil in the technology industry as well as the economy at large. Enterprises are now seeking exceptional cost efficiencies

while reinvigorating their technology investments for the new reality of a post-COVID world.

Business cycles are a reality of the modern economy, but this downturn is no ordinary recession. It promises to be transformative – the way that surviving a conflagration can be transformative. For its part, BMC must transform itself while its customers are simultaneously going through their own ongoing transformations.

A tall order to be sure. On the one hand, BMC must redouble its efforts to focus on the basics: creating agility and customer centricity for itself and its customers in order to provide business value.

But it must also lay out a vision of the post-COVID world – the new reality that is a culmination of both the survival of the global economy, combined with the ongoing business value-driven innovation in technology. The name of this vision: The *Autonomous Digital Enterprise* (ADE).

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The Traits that Autonomous Digital Enterprises Must Share

BMC has a five-year vision for the ADE: what they expect the world to look like in 2025, and what both BMC and its customers can do to aspire to this vision. Unlike similar corporate visions, BMC is the first to admit that it has a journey it must undertake to achieve this vision for itself just as its customers must.

Among the traits that BMC seeks – and encourages its customers to acquire as well – is first and foremost, an *innovation mindset*. A changing world requires changing solutions,

and every company, both vendors and their customers, must commit to innovation, even in times of crisis.

In order to take advantage of such innovation, an organization must also have *business agility* – the ability not only to respond to changes in the business environment, but to leverage change for competitive advantage as well. Such business agility empowers organizations to create new operating models that break down organizational silos that limit the ability to maintain a focus on dynamic customer needs.

Indeed, *customer centricity* is also an essential trait for the ADE, and for good reason. Customer centricity has been the *raison d'être* of digital transformation for several years now. With the increased urgency of the COVID era, such transformation is now mission-critical.

The final essential trait the ADE requires from enterprises is the *ability to leverage data to gain actionable insights* necessary to achieve the various and dynamic goals of the organization. Data quantities continue to explode, and data-centric innovation – especially around artificial intelligence (AI) – promises to drive the ADE.

The Five Tenets of The Autonomous Digital Enterprise

Enterprises with these traits will have positioned themselves well to become ADEs. In BMC's vision, such ADEs must follow five technology-empowered tenets. The first, and perhaps most important, is a *transcendent customer experience*. In other words, a customer experience that transcends its enabling technology.

Customer centricity naturally depends upon such experience. In the next half-decade, we can expect a transcendent customer experience to cement mobile devices at the center as the primary interaction channel for most customers. Customers, in turn, should take control of their experiences with the companies they do business with.

To support this do-it-yourself approach to the customer, enterprises must move from a reactive to a proactive footing in order to support such experiences by leveraging artificial intelligence (AI) to anticipate customer needs and use intelligence to support an enhanced employee and customer experience.

This proactive approach requires automation – and *ubiquitous automation* is the second tenet for ADEs to follow. Today, many people misunderstand automation as a way to put people out of jobs. In the future, however, automation supports and empowers

people to achieve their goals – whether they be employees at work or customers interacting with the enterprise to achieve some goal.

Ubiquitous automation depends upon AI and covers the full gamut of technology capabilities in the enterprise. Automation will pervade IT operations and service management, relieving operators and support personnel from routine tasks, enabling them to focus on higher value activities.

Automation will touch most business processes across the organization, thus finding its way into every division within every company – not as a way of displacing people, but rather for delivering increasingly powerful tools for people to create and deliver value.

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Hand in hand with ubiquitous automation is the third tenet: ADEs as *data-driven businesses*. The quantity of data in organizations continues to grow exponentially – and the more data an organization has, the better able AI is to derive vital insights from those data. Over time, the number of data sources will also continue to explode as will the value ADEs are able to extract from their data.

Software empowers all five tenets that drive ADEs – and thus how ADEs create and deploy software itself is one of the tenets. This trend, *enterprise devops*, is already well underway, as organizations rethink their culture and organizations to deliver better software faster.

As software efforts work through their respective lifecycles, the goal of devops is to remove bottlenecks to such work, thus enabling software teams to experience a type of flow as they complete their tasks, delivering optimal value without the frustrations that plague traditional software efforts.

Achieving this optimal flow – essential to delivering business value – depends upon both culture and tooling. ADEs must rise to the challenges of both.

The fifth tenet centers on managing risks that ADEs face in the modern world: *adaptive cybersecurity*. Bad actors, from individual hackers to nation-state threats, are also taking a page out of the ADE vision for themselves, leveraging innovation, agility, and automation to further their nefarious ends.

ADEs must step up their cybersecurity game to resist such attacks. It's no longer good enough to simply put defenses in place. Instead, such protections must adapt themselves to ever-changing threats, leveraging AI, devops, automation, and data to stay one step ahead of the bad actors that threaten the organization and its customers.

The days of perimeter-based security are long gone. It's no longer possible to put a wall around an organization. Every innovation over the last 30 years, from the Internet to cloud computing to mobile devices to edge computing, has expanded the threat surface of every organization.

For cybersecurity to adapt to such a dynamic, growing set of possible threats, it must leverage the best technology infrastructure the enterprise has to offer – what we call cloud-native computing.

Cloud-native computing extends the best practices of the cloud to all of IT. It spans traditional virtualization-based computing to containers to serverless computing, and comprises on-premises, multi-cloud, hybrid IT, and edge computing.

Cybersecurity itself must become cloud-native in order to adapt to threats that are themselves increasingly cloud-native in nature. Furthermore, the principles of cloud-native computing offer a framework for all the tenets of the ADE – providing the scalability, resilience, security, and adaptability that ADEs will require to remain competitive in the post-COVID world.

The Intellyx Take: Where to Place Your Bets

Corporate visions like the ADE are essential for ensuring that your organization's efforts are aligned – but they must also translate into immediate action.

In today's turbulent times, it would be easy to pull back all investment, lowering the organization's sails to weather the storm. However, smart companies know that they must continue to make judicious bets, not only to survive the current crisis, but to come out ahead when the weather finally clears.

To become an ADE, therefore, organizations should make some essential bets. They should bet on AI, as the truest path toward squeezing value from increasing quantities of data.

They should bet on transforming processes and priorities, starting within IT but in fact, across the entire organization. Automation is an enabler of such transformation – but automation's goals are fully human.

Enterprises should double down their bets on digital transformation. True many digital transformation initiatives have languished over the last few years as organizations struggled with their inherent complexity.

No more. The pandemic requires a rethink of digital transformation priorities and timelines – and organizations who get this transformation right will position themselves well to become ADEs.

Cloud-native computing is also an important bet for the future. Whether it be a bet on hybrid IT, Kubernetes, edge computing, or other components of the cloud-native vision, what matters is that enterprises move forward along a path to modern, scalable, adaptable infrastructure that leverages the cloud.

Finally, enterprises should bet on BMC. It's true that the company is on its own journey to becoming an ADE, and it will undoubtedly hit some bumps along the way, as will its customers. But the fact that the vendor has such an audacious vision is in itself a reason to place a bet on the new BMC.

About the Author: Jason Bloomberg

Jason Bloomberg is a leading IT industry analyst, author, keynote speaker, and globally recognized expert on multiple disruptive trends in enterprise technology and digital transformation.

He is founder and president of Digital Transformation analyst firm Intellyx. He is ranked #5 on Thinkers360's Top 50 Global Thought Leaders and Influencers on Cloud Computing for 2020, among the top low-code analysts on the Influencer50 Low-Code50 Study for 2019, #5 on Onalytica's list of top Digital Transformation influencers for 2018, and #15 on Jax's list of top DevOps influencers for 2017.

Mr. Bloomberg is the author or coauthor of five books, including *Low-Code for Dummies*, published in October 2019.

About BMC

From core to cloud to edge, BMC delivers the software and services that enable over 10,000 global customers, including 84% of the Forbes Global 100, to thrive in their ongoing evolution to an Autonomous Digital Enterprise.

Website: www.bmc.com