

The Chief Digital Officer's Guide to Digital Transformation

The Essential Role of APIs in Today's Digital Business Landscape





Digital Transformation is Accelerating

Today, digital is everywhere—cloud, mobile, social and the Internet of Things are changing the way we all work and play.

This rapidly evolving digital world is also redefining the relationship between your business and your customers, who now expect a convenient, interactive experience from their preferred brands. Security is also a concern. Risk is rising, as both the enterprise and its customers exchange a growing amount of sensitive data.

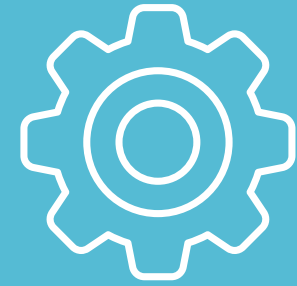
This transformation is also amplifying competition. As analyst Mark Raskino notes, “As a consequence, all players rebuilt their strategies around the same time, and all have awakened to the power of digital business at the same time. Contention is therefore inevitable.”¹

“Digital business will redefine traditional industry and market boundaries and will lead to industry-blurring disruption and reinvention on a scale never seen before.”

– “Top Industry Predictions for 2015: Digital Business Transformation Gets Underway”
Gartner, December, 2014.

¹ Gartner, “Digital Business Requires CIOs, CEOs and Strategy Officers to Improve Technology-Related Competitor Intelligence,” Mark Raskino, December 19, 2014.

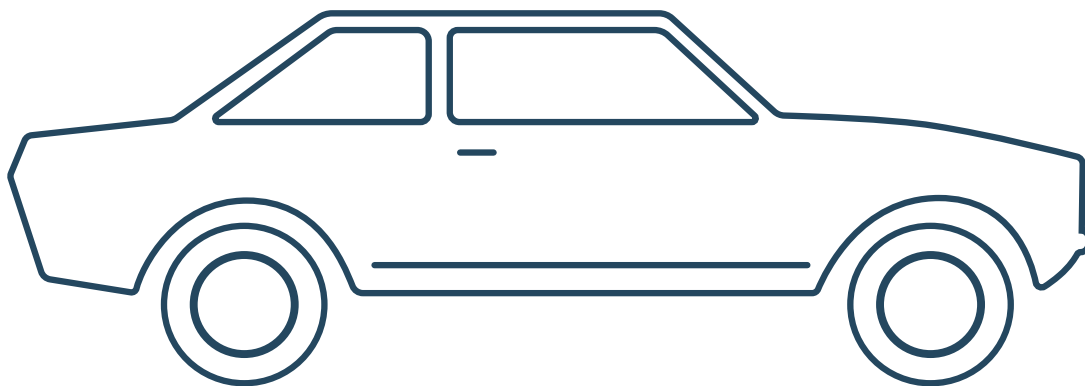
Technology Is Reshaping the Competitive Landscape



Innovative technologies are intensifying competition; however, they are also blurring the lines that once clearly delineated specific industries. This will cast your business into competitive scenarios never before considered.

For example:

The Car

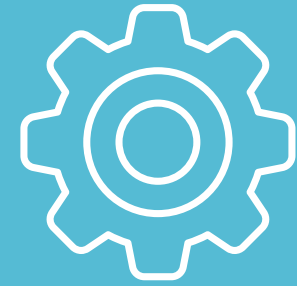


In the past, automobile manufacturers operated in a fairly finite world. Building and selling a car is by no means a simple proposition, but the key roles in the industry were well defined.

The Connected Car

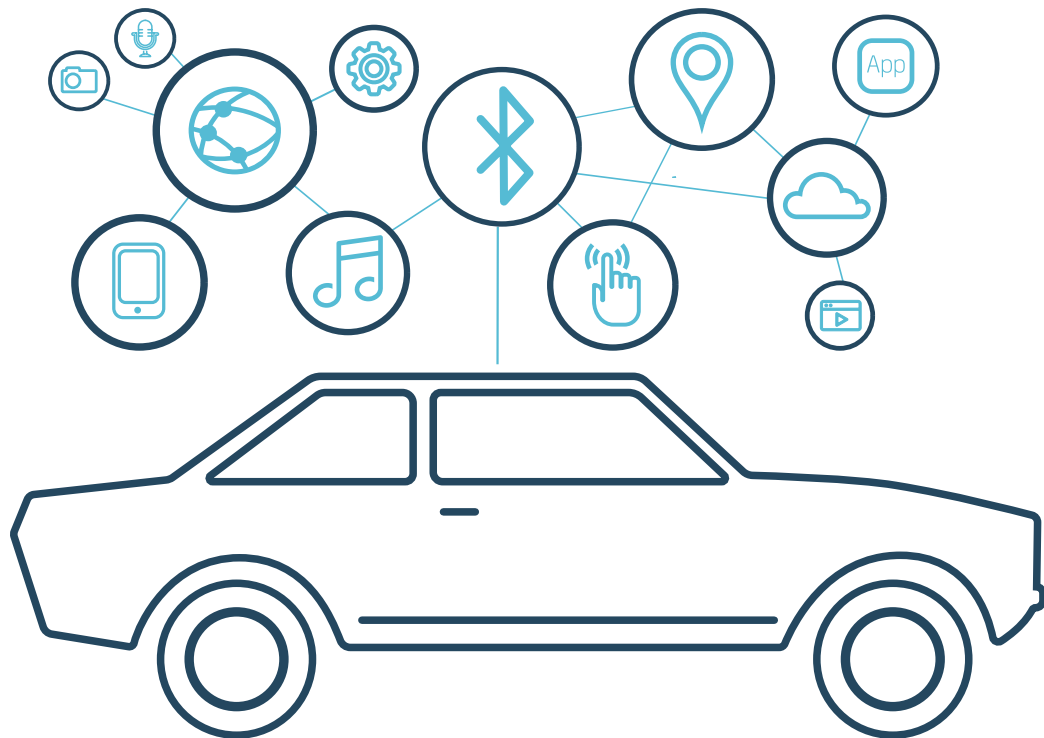


Technology Is Reshaping the Competitive Landscape



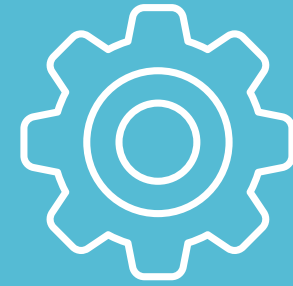
Today, cars are connected devices, allowing drivers and passengers to remotely access the vehicle when outside and stream music, use navigation apps and much more when inside.

The Connected Car



The Connected Car
ECOSYSTEM ➡

Technology Is Reshaping the Competitive Landscape

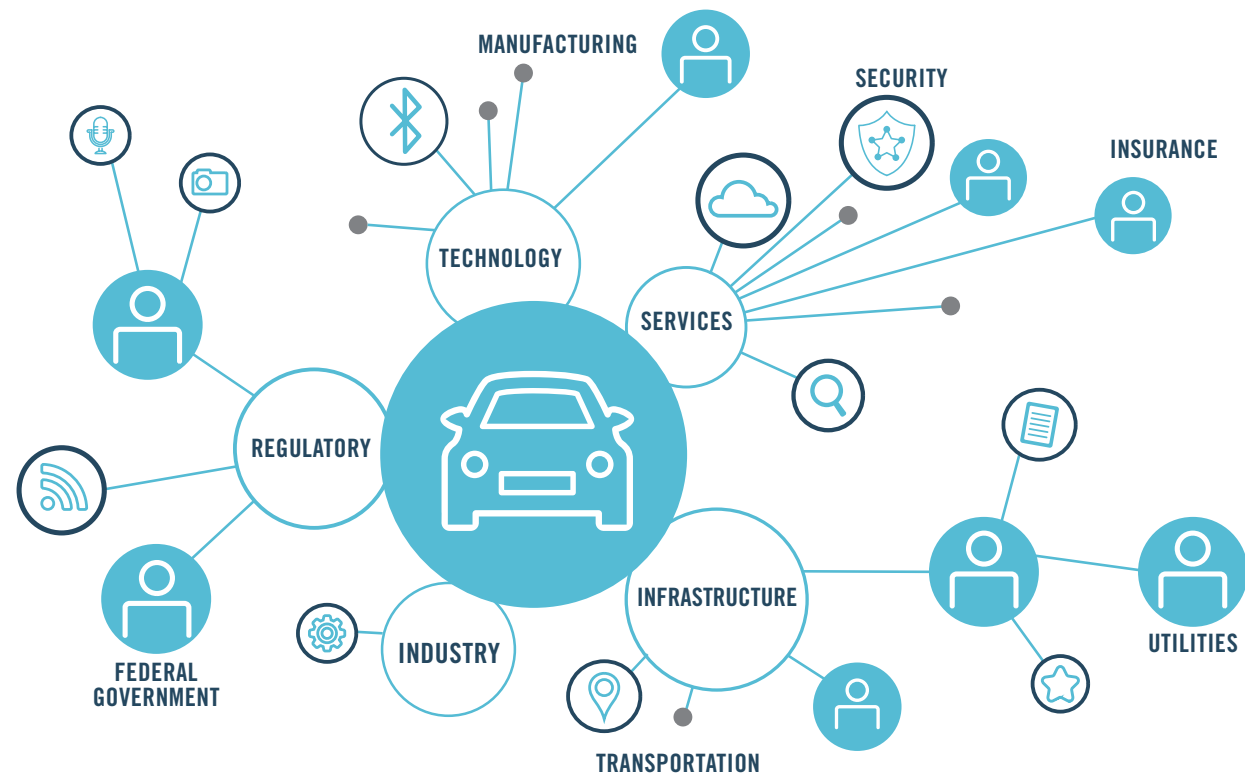


Automakers now find themselves in a hyper-connected industry. Because of this connectivity, retailers, insurance companies and a host of other players have shaped a new competitive landscape.

Once a simple, stand-alone durable good, the car has now become part of a vast ecosystem of connected products and services that have blurred industry boundaries.

[Learn more about the connected car opportunity.](#)

The Connected Car Ecosystem





The digital evolution is a complex process, affecting almost every area of your organization. Broadly speaking, you'll want to carefully consider these four steps:

1

Assess Your Business Against the Backdrop of the Digital Landscape

Internal

While you could hire a third-party consultant, you can get a sense of your company's digital readiness by doing a quick internal assessment. Start with these questions:

- Are certain core products your largest revenue generators?
- Has your market share declined over the past several years?
- Have you added new skillsets in the last three years?

Questions like these will help you see more clearly whether you're at risk for stagnation, or if you're innovating and progressing toward the open enterprise.

Customers

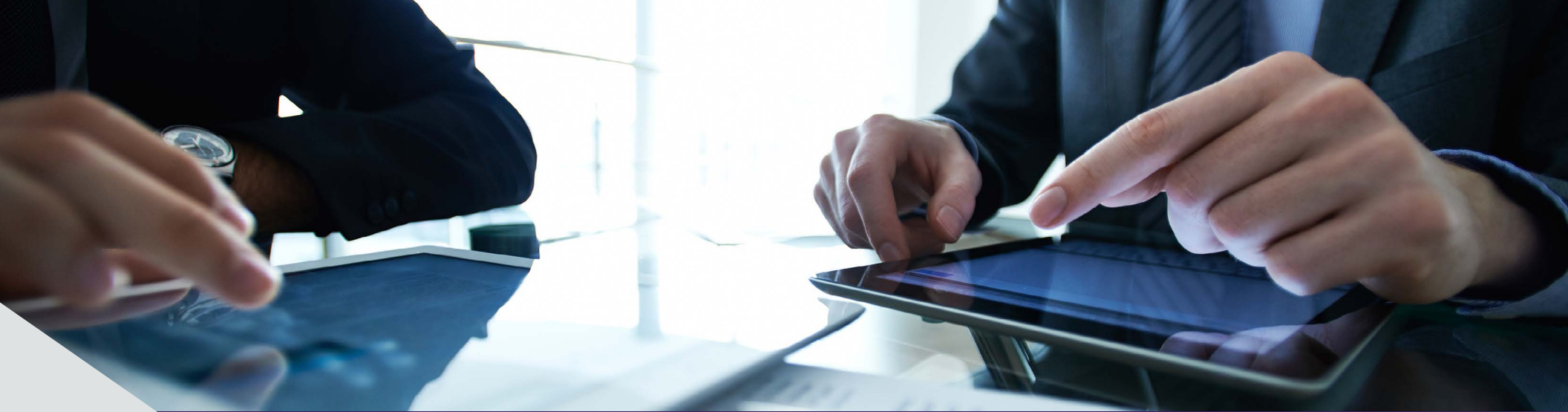
Revisit your customers and their buying patterns and behavior over the last several years:

- Do you know why they make certain buying decisions?
- To what extent has your website traffic changed over the last three years?
- Are you fielding more customer requests to connect via multiple channels, such as social, mobile and chat?

Competitors

Finally, take stock of your competitors:

- Have they focused on innovating their products and services by connecting to new devices?
- Are they gaining access to new and surprising markets?
- Has your largest competitor shifted their marketing focus to new engagement models, such as content, inbound and social?



2

Cultivate the Role of Chief Digital Officer

The chief digital officer (CDO) is a role that's quickly gaining acceptance. In fact, an Accenture survey found that 80% of organizations have hired a CDO. While charged with helping the enterprise develop and execute a cohesive digital strategy, a CDO may operate under a variety of titles, including:

- Digital Strategist
- Digital Marketing Officer
- Digital General Manager
- Digital Customer Experience

Depending on where this person sits inside your organization, they can take on a variety of duties, including advising senior leadership, optimizing your marketing strategy and serving as a digital business general manager.

Another key characteristic of the CDO position is that it's temporary by its very nature. As all companies eventually make the switch to being primarily digital, the individual acting as CDO will likely take up other responsibilities inside the organization.

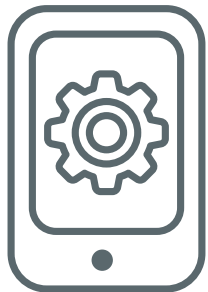
“A chief digital officer (CDO) is responsible, at a high level, for driving growth by transforming analog business into digital business.”²

² Caccavale, Michael, “The Dangerous Trap of the Chief Digital Officer: Two Job Concepts, One Title,” Marketing Daily, February 27, 2015.



3

Develop the Right Digital Skills



Your chief digital officer can play a crucial role in nurturing these skills internally.

To evolve more quickly to a digital business, you need to ensure that you have the right skills and innovative approaches in several key areas—for example:

- Marketing
- Operations
- Product Development

Your chief digital officer can play a crucial role in nurturing these skills internally.

Or you may choose to address any gaps in skills by adding headcount in particular departments. Your organization may also choose to acquire a third-party business with an established track record in digital and the right know-how to speed your progress toward the open enterprise.

4 Prioritize Your Digital Business Objectives

Transforming into a digital organization means taking advantage of innovative trends; however, it's critical to be strategic in selecting which technologies you choose to grow your business.

Start by developing a list of business objectives pertinent to your business or industry.

For example, your goals may be to:

- Retain existing customers and reduce churn
- Differentiate service delivery
- Develop new markets and create new revenue streams
- Improve operational efficiency and agility

Your New Digital Business and APIs



Start by developing a list of business objectives pertinent to your business or industry.

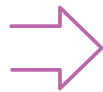
Essential Digital Initiatives

Fully realizing the value of your new digital business will depend on how well you can execute a core group of initiatives:

- Accelerate Mobile App Development.
- Offer a Consistent Omni-Channel Experience.
- Expand and innovate service delivery through the Internet of Things.
- Monetize data and access new markets.
- Unlock data siloes and optimize supply chain.

How can you best accomplish these initiatives?

The answer lies with the power of APIs.

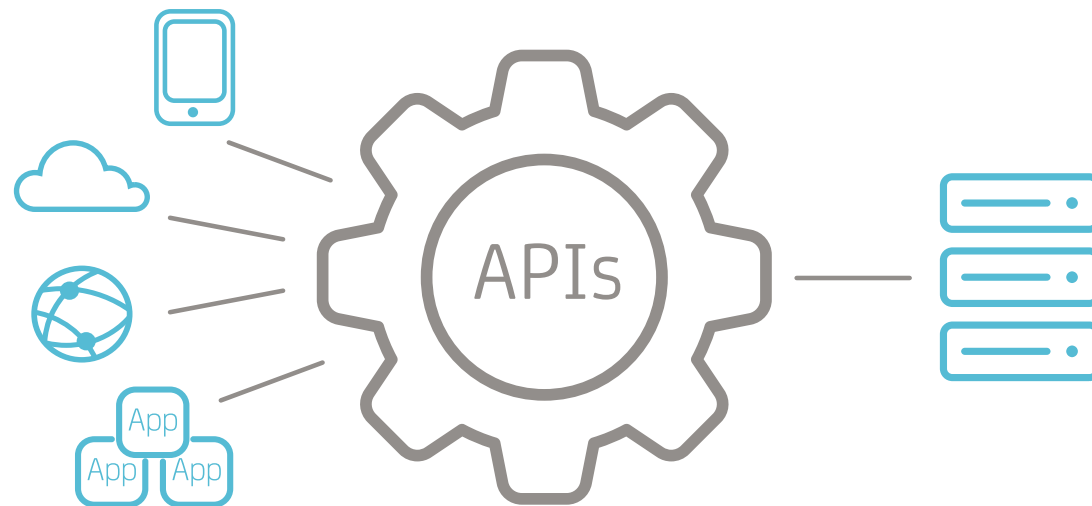


See how CA API Management enables digital transformation.





APIs are fundamental to many digital trends, including the cloud, mobile, social and the Internet of Things.



APIs connect mobile apps, cloud platforms, partners and IoT devices to enterprise data.

Transforming Digital Business with APIs

With the capabilities to put the right APIs in place, you can master these digital initiatives.

- **Accelerate Mobile App Development.**

APIs provide developers with service interfaces to accelerate app development across mobile apps, cloud platforms and partner applications.

- **Offer a Consistent Omni-Channel Experience.**

APIs provide the ability to connect systems and share data to deliver a consistent customer experience across channels.

- **Expand and innovate service delivery through the Internet of Things.**

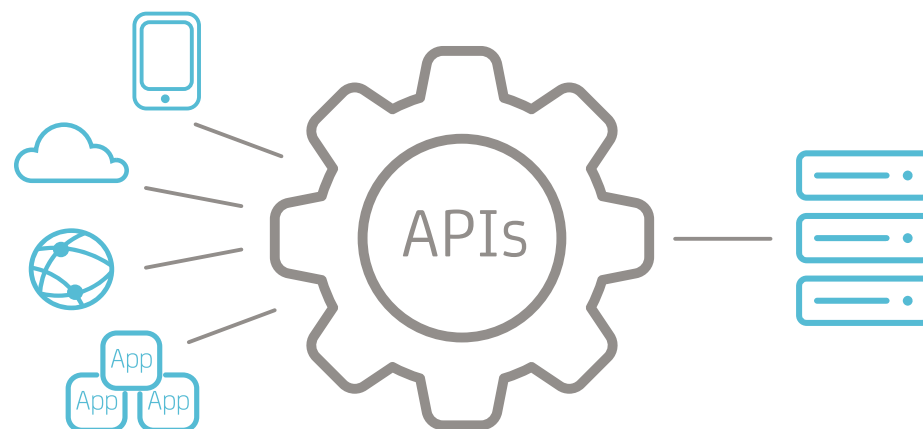
APIs provide connectivity beyond mobile to the Internet of Things to improve engagement.

- **Open up data and access new markets.**

By intelligently using APIs, your business can more easily access new markets. Data is the lifeblood of the digital business world, and APIs allow you to monetize your information with new products and services.

- **Unlock data silos and optimize value chain.**

APIs make your organization more agile. By unlocking data silos between internal systems and partners, business processes are optimized across the entire value chain.



“APIs provide the key to unlock new growth opportunities at an unprecedented scale in our digitally connected economy. The capability to manage APIs will soon become a primary driver of competitive advantage.”

– Mohan Subramaniam, Associate professor of strategy at Boston College’s Carroll School of Management

[Read more about the strategic value of APIs.](#)

Monetizing Your APIs

APIs can also be the source of new revenue, offering a variety of API business models, depending on the value of your data and business strategy:



▪ Free

It may be advantageous to offer an API at no charge to build an ecosystem of adjacent businesses. **Sonos** is a good example. They offer complimentary access to their API in order to bring more value to their devices.



▪ Direct

Demand for valuable data and services through an API may require a usage-based or flat fee. Some companies, such as **Weather Underground**, offer a tiered pricing structure and sell their API directly to the developer.



▪ Indirect

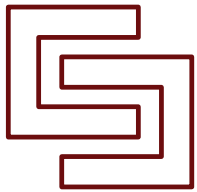
Just like traditional business models, APIs provide an opportunity to tap into markets indirectly. Affiliate partners get paid for driving engagement and purchasing products. Think of the **Amazon Associates** program as a good example.



Creating internal APIs that support new and existing products will also be an important API strategy. For example, **Alaska Airlines** created a standard customer-facing app to help users book tickets and check in to upcoming flights. They also developed an internal-facing application to help workers track and manage cargo shipments. [Read more.](#)

How API Management Will Enable Digital Success

The right API management solution can provide you with the capabilities to transform your business:



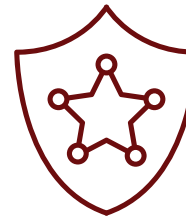
Integrate everything

- Expose legacy systems and applications as APIs, allowing them to be consumed in new ways.
- Integrate your digital projects into one platform for easier management.
- Develop a flexible, future-proof platform to integrate with new technologies and standards.



Enable developers

- Provide developers with APIs to build apps that deliver a great user experience
- Manage developers through marketing, onboarding, collaboration and testing
- Manage access to sensitive enterprise data
- Analyze which apps and APIs are performing the best against your business goals.



Secure the open enterprise

- Guard against the inherent risk of exposing APIs.
- Protect your brand with end-to-end military-grade security.
- Execute your digital projects on a CSO-approved platform.
- Address compliance standards for your digital projects.
- Control which specific data your partners and developers can access.



Monetize your APIs

- Plan business models in a flexible way and generate revenue for the use of APIs.
- Analyze and report on API activity.
- Integrate with billing systems to facilitate a single view into APIs and billing.

Learn more about the advantages of CA API Management by visiting ca.com/API.

CA Technologies (NASDAQ: CA) creates software that fuels transformation for companies and enables them to seize the opportunities of the application economy. Software is at the heart of every business, in every industry. From planning to development to management and security, CA is working with companies worldwide to change the way we live, transact and communicate—across mobile, private and public cloud, distributed and mainframe environments. Learn more at ca.com.

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