

Organizations with established digital business platforms will have 50% higher digital market share with greater abilities to track ROI and execute digital revenue initiatives.

Deliver Better Bottom-Line Results with an Open Digital Business Platform

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Introduction

The digital business era has dawned and is rapidly unfolding. In 2023, enterprises earned an average of 47% of their revenue from digital models, a number expected to grow to 69% by 2028. CEOs are under pressure to deliver financial results from their digital business models. The good news is that a growing number of enterprises are using an open platform approach that integrates traditional and new digital technology architectures instead of keeping them separate, with 19% using an integrated enterprisewide technology architecture — an approach that IDC calls a digital business platform — that is ideal for the current era.

IDC defines the digital business platform as a multilayered, enterprisewide technology architecture that seamlessly integrates systems and applications from multiple vendors. This allows organizations to leverage the entire IT estate, identifying new insights and opportunities to enable use cases that ensure business competitiveness and innovation.

IDC sees the digital business platform as the engine for today's modern enterprise, linking a company's organization and operating model to the company's IT foundation to accelerate innovation and build resilience. Companies equipped with a digital business platform will use a combination of off-the-shelf and custom-built software. This platform will be supported by a software-defined technology foundation, enabling easy orchestration and governance. It will also be modular, allowing for quick adaptation to new demands, and trusted to deliver security, sovereignty, and compliance.

IDC predicts that in 2028, organizations with established digital business platforms will have 50% higher digital market share with greater abilities to track ROI and execute digital revenue initiatives. Considering the projected growth of revenue from digital models, these capabilities translate to a significant competitive advantage.

AT A GLANCE

KEY STATS

- » Globally, 19% of enterprises have adopted a digital business platform approach as of 2023.
- » IDC predicts that in 2028, organizations with established digital business platforms will have 50% higher digital market shares with greater abilities to track ROI and execute digital revenue initiatives.

CIOs across industries must embrace an infrastructure strategy that uses a digital business platform to address the following challenges:

- » **Alignment of IT investments to business outcomes:** IDC's latest *Worldwide Future of Digital Infrastructure Sentiment Survey* found that 78% of enterprises view digital infrastructure as important or mission critical to achieving their business goals. Most organizations are not ready to meet the challenge today, and executives are concerned.
- » **Resilience and security threats:** Only 20% of technology leaders believe that their digital infrastructure is effectively maintaining service levels, security, and costs related to unexpected events.
- » **Skills shortages:** IDC's 2023 *Digital Executive Sentiment Survey* found that 66% of enterprises were hampered by skills shortages limiting their digital initiatives.
- » **Complexity and technical debt:** Many enterprises are also concerned about the technical debt in their environments, as it increases costs and complexity and risk while decreasing agility. Overspending for on-premises infrastructure to support legacy technical debt is a top reason for the rising digital infrastructure costs that many organizations are facing. Enterprises don't have visibility into the data and application interdependencies to remediate technical debt.

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Organizations must transition to a digital infrastructure operating model that uses an open digital business platform to continually optimize the environment. They should consider shifting from a traditional capital expenditure funding model for IT to an operating expense model that aligns spending to resource consumption. The architecture should be flexible enough to seamlessly interoperate with resources in traditional systems, dedicated cloud-native platforms, and the public cloud through application programming interface (API) portability and open standards. IT operations will need to be effectively and efficiently managed through software-defined automation technologies, machine learning (ML), observability, automated workflows, and governance policies to ensure that the digital infrastructure can adapt to dynamic changes in the digital business platform.

An open digital business platform that provides clear visibility into resource consumption and management across the entire technology estate is critical for enterprises to overcome technical debt and shift to new operating models. More advanced organizations have implemented unified, full-stack observability and automation solutions for real-time visibility into their environments and predictive, automated operations. They have implemented a unified management control plane to manage on-premises, edge, and public cloud resources. Enterprises with these capabilities can convert their technical debt into technical value by modernizing their IT estates and using intelligent, AI-based automation to provide insights to manage and optimize both new and old IT investments.

With its automation capabilities, an open digital platform can address skills shortages and improve productivity with existing resources. For example, an open digital platform that includes DevOps capabilities can help developers accomplish more in less time and help address the skills shortage.

Benefits of Engaging a Services Partner for a Digital Business Platform

Service providers are moving to the center of their customer's ecosystems and acting as the integrator of solutions and services. IDC's latest *Future of Digital Infrastructure Survey* found that 66% of enterprises want their strategic partners to take on operational responsibilities to free up their own staff to focus on other business priorities.

Partnering with a service provider to support a digital business platform offers benefits that come from the provider's own investments, expertise, and operational data. By learning from their experiences, the provider can offer specialized expertise, proven solutions, and informed recommendations to customers.

A service provider with integration, observability, orchestration, and AIOps capabilities offers enterprises greater speed and control in identifying and fixing problems in technical environments through predictive modeling and automated remediation clearly aligned to the business goals. For example, AIOps requires vast amounts of operational data to train and update the AI and ML models. It can build better AI and ML models by training them on operational data from many customers and learning from prior observations.

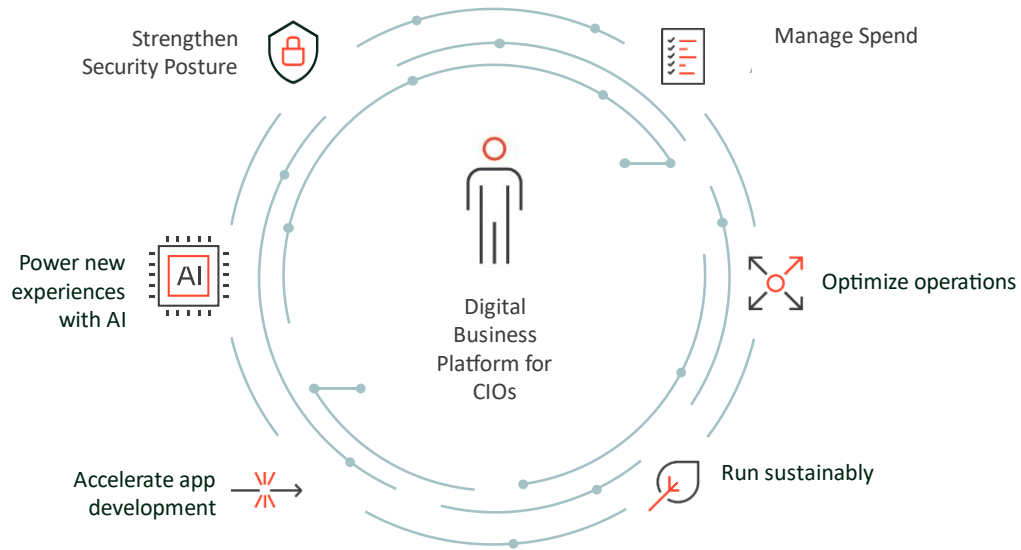
Engaging with a service provider can bring added benefits to a digital business platform such as security and sustainability, which are key investments for organizations. Strong security and sustainability are crucial for maintaining consumer trust and regulatory compliance. Organizations are learning that managing cloud costs and investments is a complex challenge as they turn to cloud solutions to drive innovation and efficiency. In fact, IDC predicts that two-thirds of CIOs will not meet their 2025 digital revenue goals due to misaligned investments hindering business performance. Using FinOps on a digital business platform can help manage the complexity and optimize IT spending.

Considering Kyndryl Bridge

Kyndryl aims to reinvent the way companies run and continuously transform their increasingly complex technology environments. Central to how the company does this is Kyndryl Bridge, which helps organizations accelerate growth, orchestrate teams, optimize spending, reduce risks, and work in new, modern ways. Kyndryl Bridge is an AI-powered, open integration platform that continuously learns and evolves. It offers a digital experience that integrates, observes, and orchestrates technologies and processes. Through actionable insights, it empowers organizations to continuously innovate and achieve higher levels of operational maturity to address current and future requirements, all while providing a policy framework to ensure security and compliance.

Kyndryl Bridge offers full-stack visibility, allowing organizations to discover workload and data dependencies in their application portfolios. These insights help them identify opportunities to improve efficiency, reduce technical debt, and modernize critical applications. Partnering with a service provider allows enterprises to integrate technologies and services from multiple vendors, observe operations, generate actionable insights, and orchestrate teams, technologies, and processes across the entire IT estate.

Kyndryl Bridge manages workloads across heterogeneous IT estates that include full-stack hybrid and multcloud workloads. The company has invested more than \$500 million into Kyndryl Bridge to transform how it delivers services (see Figure 1). According to Kyndryl, it has onboarded more than 1,200 customers onto the platform. Clients can subscribe to over 190 services on Kyndryl Bridge to modernize hybrid IT, enable data readiness and generative AI at scale, and ensure compliance with cyber-regulations.

FIGURE 1: *Kyndryl Bridge Overview*

Source: Kyndryl, 2024

Kyndryl Bridge integrates data from across multiple modern operations practices (i.e., AIOps, FinOps, SecOps, DevOps, and SustainabilityOps) to provide a comprehensive view of the customer's technology environment. It allows users to holistically observe demand, activity, and data across the organization and applies automation and AI to provide actionable insights to help them make better decisions faster. This orchestration is key to addressing inefficiencies, optimizing resources, and improving experiences for employees and customers. In this way, users have full control over the management of services supporting resources and processes for their entire technology estate.

Kyndryl Bridge uses AI and operational IT data collected from managing customer environments to optimize autonomous operations across the full infrastructure and application stack. This includes an enterprise's core datacenters, edge locations across traditional IT systems, dedicated cloud solutions, and public cloud services from dozens of technology vendors in Kyndryl's partner ecosystem. The company states that Kyndryl Bridge performs more than 100 million automated tasks per month, drawing on insights and patterns for success that have been generated over decades of managing customers' core infrastructure and operating environments.

With its observability capabilities, Kyndryl Bridge is able to discover and understand a customer's IT operations, including the applications and data being used or not used. It provides the ability to gain better control of the end-to-end environment to reduce technical debt, expose areas of security and regulatory risk, optimize resources, and maximize

investments. According to the company, Kyndryl Bridge AIOps currently generates more than 3 million actionable insights per month, allowing customers to make faster and more informed decisions across their IT operations.

The company claims that Kyndryl Bridge can increase overall application and workload availability by more than 20% and has used FinOps to reduce costs and outages by more than 30%. Kyndryl Bridge can start providing insights within 72 hours of receiving customer data, according to Kyndryl. It can also help organizations address sustainability objectives by measuring performance against carbon commitments as part of environmental, social, and governance policies.

Challenges

Shifting to a new digital operating model requires a cultural change for most enterprises with traditional IT organizational structures. The continuous modernization of the technology stack to support digital operations requires new teams and roles such as DevOps and site reliability engineering to collaborate across IT functions and maximize the benefits from AI and automation. IDC advises enterprises to create a digital infrastructure center of excellence (COE) to facilitate collaborative governance and strategic coordination across cloud engineering, DevOps, and data science teams. The COE should also coordinate engagement with service providers and other technology partners.

Kyndryl Bridge is only available as part of Kyndryl's services. Enterprises that choose to build their digital business platform can take advantage of Kyndryl Bridge by engaging with Kyndryl Consult for assessments and modernization projects.

Conclusion

Few enterprises excel at managing all aspects of digital infrastructure and applications due to their complexity, a shortage of skills, and the lack of visibility into technology estates. IDC believes more organizations will look to partner with a service provider with a digital business platform for expertise and operational data to create actionable insights to gain greater value as they look to build an integrated, enterprise-wide technology architecture to support their digital businesses and gain competitive advantage.

About the Analyst



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Jason Bremner is research vice president for IDC's Worldwide Services program, providing research insights and thought leadership on the key issues and trends affecting the services markets globally. In this role, Mr. Bremner is responsible for ensuring consistency, completeness, and accuracy across forecasts and shares by working with more than 120 IDC analysts across project-oriented services, managed services, and support services.

MESSAGE FROM THE SPONSOR

Kyndryl, the world's largest IT infrastructure services provider, reinvents the way organizations run and continuously transform their increasingly complex technology environments to accelerate growth, optimize costs and reduce risks.

At the core is Kyndryl Bridge, an AI-powered, open-integration platform that enables a new way of working to run and transform digital businesses.

By helping IT leaders integrate, observe, and optimize technologies and processes, Kyndryl Bridge delivers actionable insights enabling organizations to continuously innovate to higher levels of operational maturity and meet current and future digital business needs.

Learn more at kyndryl.com/us/en/services/platform.



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