



# The Hyperconnected Digital Fabric

## A Vital Component of Value Creation in the Digital-First Era

### Value Creation in the Digital-First Era

As organizations transform into digital businesses, value creation through connected value chains is paramount to competitive advantage. The importance of seamlessly interconnecting internal organizational resources — users, line-of-business applications, data repositories, and smart devices — is now fairly well understood. However, the focus on value creation has expanded beyond corporate borders.

A digital ecosystem is an actively managed and governed set of connected business components (i.e., customers, employees, partners, and assets) delivering new shared value based on digital technologies. Leading organizations enabled

by digital technologies can jointly create and capture value with their ecosystem constituents by:

#### ■ Sharing data and insights.

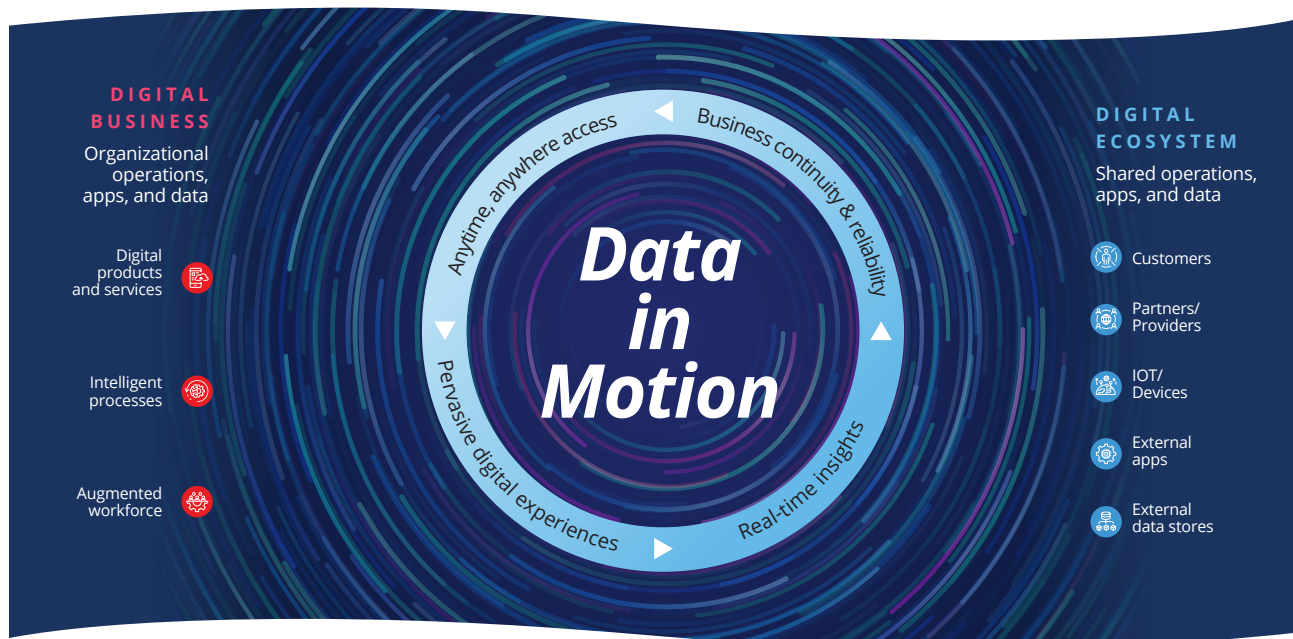
No single organization has a complete view of its customers, value chains, and the market. Data sharing enables better visibility across the supply chain; more timely market intelligence (e.g., a major investment bank shares data with hedge funds and asset managers for trading); higher risk detection in ensuring security and reduction of fraud; enabling new, mission-critical innovations; and achieving consistent environmental sustainability.

#### ■ Shared applications.

Sharing applications and co-developing them enable more

**72%**  
of APJ CEOs prioritize the industry digital ecosystem as their top focus in digital business models.<sup>1</sup>

comprehensive analytics and timely decision support for industry ecosystem initiatives. Shared applications improve operational efficiency while



Source: IDC Digital Business Research 2022

<sup>1</sup> Source: IDC WW CEO Sentiment Survey 2022

driving better customer experience as employees, partners, and ecosystem processes are orchestrated by the same underlying digital platform and the data that courses through the digital ecosystem.

- **Sharing operations and expertise.** The sharing economy has shown that by using digital technology to share assets and resources, organizations can scale their capability and capacity for new products and services to meet the market, customer, and consumer needs and address the existing skills gaps.

### Navigating Hyperconnectivity is Essential to Value Creation

Today, the digital enterprise is increasingly operating within a landscape of hyperconnectivity. Within the corporate boundaries, this entails the interconnection of increasing distributed workforces, digital and non-digital interactions across regional, remote, edge locations, and AI/machine learning-driven business logic. Conversely, for digital ecosystems to share data, applications, and operations between the participating entities requires facilitating federated data and services.

A leading Chinese white goods manufacturer enhances the customer experience by offering IoT-based real-time home appliance monitoring to report abnormalities to service providers to achieve timely and accurate

support services. Through a digital ecosystem comprising domestic and overseas points of sales, parts suppliers, and logistics partners, the hyperconnected manufacturer uses near real-time demand/supply visibility to orchestrate activities ranging from inventory forecasting and shopfloor automation to delivery planning, resulting in an agile supply chain. Similarly, by connecting its value chain, the manufacturer's intelligent factory improved the delivery cycle by 56% and inventory turnover by 125%.

### Introducing the Hyperconnected Digital Fabric

Data in motion enables hyper-connected digital businesses. Data in motion allows people, things, processes, and applications to derive joint value creation from:

- Anytime, anywhere access to applications and services in a way that is scalable and secure.
- Pervasive digital experiences for customers, employees, and partners.
- Real-time insights are aggregated, analyzed, and distributed across multiple sources and destinations (IoT, edge, cloud, on-premise).
- Business continuity and reliability for mission-critical processes and transactions (load balancing, failovers).

With more enterprises citing a focus on digital ecosystems,

By 2027,  
organizations with  
highly developed  
industry value chains  
on an ecosystem  
control plane will  
innovate  
**25%**  
faster than other  
businesses.<sup>2</sup>

adopting a technology strategy that effectively leverages network infrastructure, platforms, tools, and interfaces to create, connect and consume data and IT services is critical.

In building digital ecosystems, being hyperconnected and developing a digital fabric are essential to an organization's success. The growing importance of plugging into a digitally-connected ecosystem outside the enterprise's four walls creates new industry value chain opportunities ranging from new customer experiences to supply chain resilience. As we march toward transparency and social responsibility visibility, reliance on an ecosystem of like-minded participants will also give way to future sustainability/ESG outcomes.

<sup>2</sup> Source: IDC FutureScape: Worldwide Digital Business Strategies 2023 Predictions – Asia/Pacific (excluding Japan) Implications (published in Jan 2023)

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