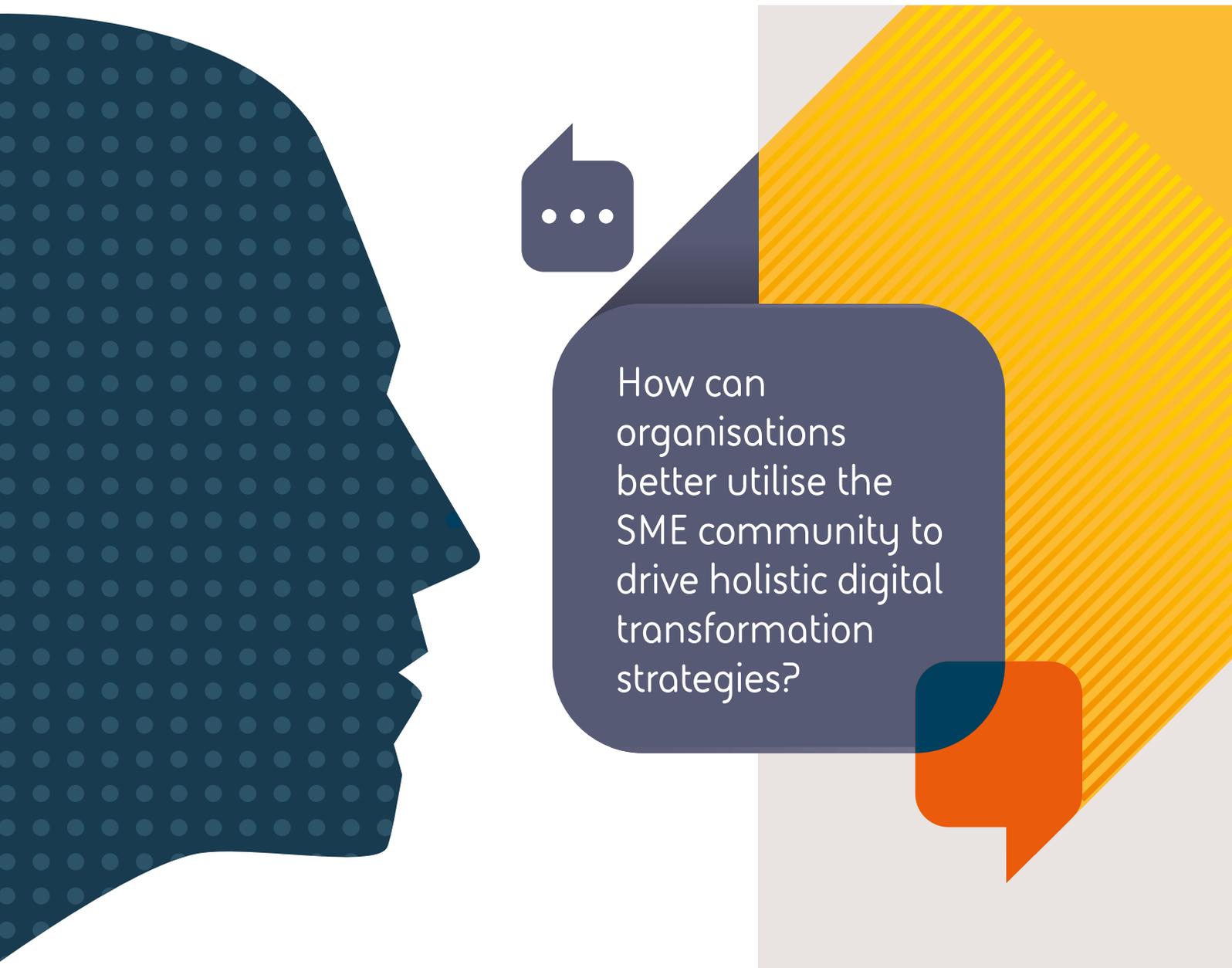


Driving Digital Transformation Through SME Partnerships



Digital
Intelligence

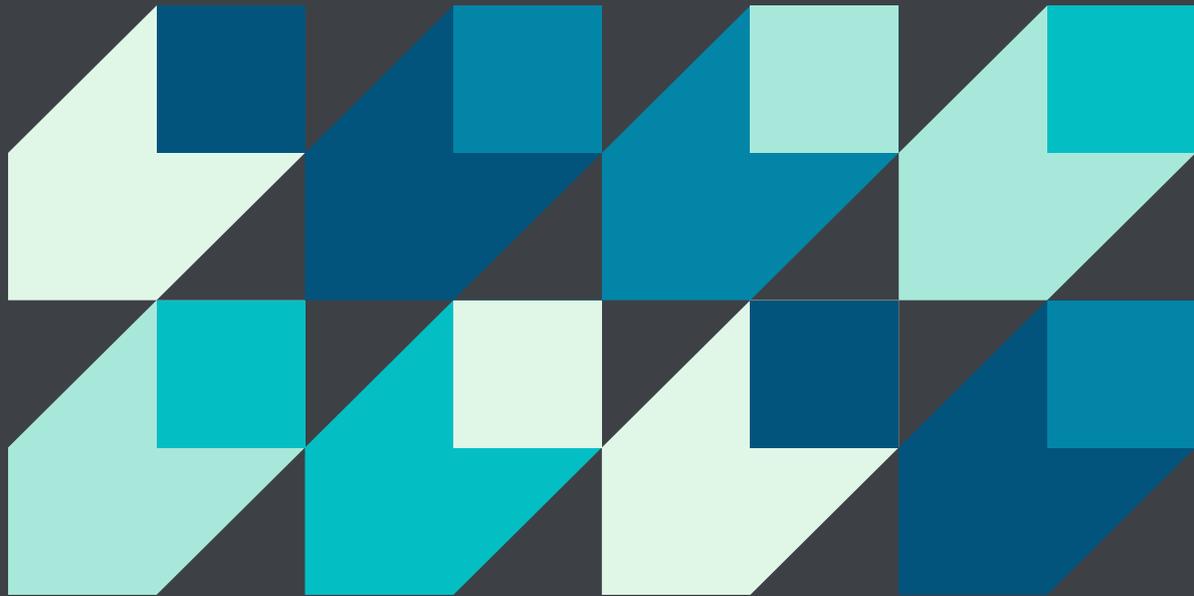
BAE SYSTEMS



How can organisations better utilise the SME community to drive holistic digital transformation strategies?

We assembled some of our own pioneering and innovative partners to share their expertise and experience, as evidence of **what small and medium sized enterprises** can bring to the digital transformation party.





Our partners

Stuart Laidlaw
VP Special Projects



Immersive Labs envisions a world where every organisation is confident in its workforce from a knowledge, skills and judgement perspective. Focusing on the context of cyber security, BAE Systems has utilised the company's crisis simulator in particular, developing bespoke scenarios to test and analyse participants, which then inform remediation strategies.

Danie Myers
Leader of ITSM Functions and Support Teams

**Cloud
Fundamental**

As an AWS consultancy specialist with advanced AWS and public sector partner status, Cloud Fundamental's claim to fame includes being the first ever company to get official sensitive workload accreditation to operate in the public cloud. The company's biggest strength is being a sounding board for partners like BAE Systems to ask the right questions about their own migrations, governance, cloud best practice, and much more.

Hannah Blackford
Director

TRIMETIS

Trimetis is a human factors and applied psychology research and consultancy company staying true to its SME roots via an independent founder-Director model. The aim is to improve the work and decisions of people in complex work environments from perspectives of applied cognitive psychology and sensemaking, research and evidence gathering, end-to-end concept development, and experimentation. Mitigation against cognitive exploitation (MACE) was one of many projects worked on as a BAE Systems partner.



Digital transformation is arguably the most loaded and misunderstood buzzword across government and industry at present. Organisations of all shapes and sizes have been pressured into tackling the term – nobody is exempt from its reach.

But how many really know what it truly means?
And as such, how many are enacting the correct strategies to keep up, let alone get ahead?



In truth, digital transformation as an all-encompassing term has so many moving parts that tackling it alone is unviable. Most organisations are aware of this, and realise the important role of the wider value chain, but to what extent are larger organisations utilising the SME segment? A segment renowned for agility, out-of-the-box thinking, innovation in niche spaces, and fresh perspectives.

Our three elite partners were joined by **Mivy James, Digital Transformation Director, BAE Systems Digital Intelligence**, to:

-  Dissect the true meaning of digital transformation
-  Assess the value of an SME partner ecosystem to drive this transformation
-  Suggest how organisations can better attract and leverage this valuable segment of business



What is Digital Transformation?

Mivy James helped to set the scene for this topic by clearing up some misnomers around the term, and by pointing out what she feels 'digital transformation' really involves



The first, and perhaps biggest error that people make when tackling the buzzword is thinking that 'digital transformation' has suddenly jumped out at them in this digital age. In reality, the term has only gathered increased momentum and relevance in the digital age, but it's a concept that was just as applicable 30 years ago.

The reason for this confusion points to a second big misunderstanding around the phrase – that is, the conflation of 'digital transformation' with whatever the most pressing technological step change is at that point in time. Right now, it's synonymous with notions of the cloud, or machine learning and artificial intelligence. Very soon it will be edge computing, and maybe even quantum.

Regardless of the example, organisations – perhaps understandably – begin to see these burgeoning tools as one of the same as digital transformation. When, in reality, the latter should be a much more all-encompassing, cultural representation of how your organisation is resilient and ready in the face of rapid change.

And, of course, that pace of change is faster than ever right now. The key message to remember as a way to spark a mindset shift, is that digital transformation is never complete. There are technical tools that will come and go along the way, but digital transformation is more of an indictment on the organisation, and how prepared it is to embrace and champion the evolving solutions passing through.

This alludes to another feared and oft-heard phrase: business agility. Again, it's often associated with specific methodologies or new software developments, but it compounds the notion that to keep up with – and hopefully stay ahead of – change, relies on how your organisation thinks and operates; not just what it invests in.



The session brings to the table some core characteristics of an organisation that would indicate readiness and agility when it comes to digital transformation. These include:

- A willingness to embrace both continuous improvement and revolution
- Seeing innovation as an organisation-wide cultural shift, rather than a siloed effort
- A healthy obsession with improving the customer experience
- Being data-driven – something that SMEs have embraced better than most
- Being value stream-driven – seeing transformation from a perspective of value, not just as a box ticked
- Redefining the employee experience, especially post-pandemic where hybrid working's value is better understood
- Being security savvy
- Fostering a linear, empowered workforce structure to facilitate this culture of organisation-wide progress



What is the value of the SME ecosystem as part of the digital transformation narrative?

BAE Systems Digital Intelligence knows first hand how critical partners from the SME segment can be to realising digital transformation goals.

In this section of the event, attendees discussed why, while highlighting the significance of a robust selection process.

When deliberating 'value' it's important to contextualise. Yes, 'digital transformation' isn't a new term, but the speed of change in recent years has been a little more unprecedented. Of course, the COVID-19 pandemic did nothing to help this... shifts, migrations and investments into tech that probably should have already been happening suddenly became vital almost overnight. And that's before you also take into account cultural shifts, such as the need to work from home or to better secure disparate digital networks.

What this all requires is a level of business agility that most organisations simply weren't prepared for. Not only does this include larger organisations or government arms, but these larger units arguably found it more challenging than most to pivot in an instance.

What this period has perhaps highlighted, as a silver lining, is the importance of those partners who can do some of that nimble work as part of your supply network...as part of your ecosystem. **SMEs can be that injection of enthusiasm, of innovation, of out-of-the-box thinking;** that not only ensures agility in the face of the unforeseen, but also keeps transformations sailing along in smoother waters too.

After all, merely keeping up with the pace of change is a little bit passive. It's those that stay ahead that stand out. And to achieve that level of market performance you need two things – the size and bandwidth to foresee market trends and invest where necessary, and then the agility to respond accordingly.

This is why the word '**ecosystem**' is so important. By meshing together a large organisation's clout with a network of smaller players' attributes, this combined unit can tick all required boxes. Previous, almost adversarial notions of customer and supplier won't do, but a fluid ecosystem of reciprocal strengths, that also tie in the demands and needs of an evolving consumer and end user base, is the way to cover all bases regardless of the speed of change.



Pick carefully!

One cautionary note offered up by Mivy, however, refers to the SME selection process while developing your ecosystem. For any organisation, it is unaffordable from a time and cost perspective to assess every single SME of interest. That's why the construction of a bespoke framework that helps to filter and validate prospective candidates is so helpful.

BAE Systems Digital Intelligence practical workshops help to assess numerous SMEs at a time relative to specific problems, prototypes and scenarios. Here, the most appropriate expertise and freshest ideas rise to the fore among peers.

What more can be done to attract and retain SME expertise in the digital age?

Who needs who more? There is perhaps a misconception that it's SMEs who rely more on larger partner relationships. But in an era of such rapid change, it's time for more of an equal, collaborative relationship to be formed.

Building on that notion of creating a framework for improved SME selection, there is also an onus on larger organisations to **better understand the SME experience as a whole**. Again, moving away from former adversarial relationships of one larger unit simply requiring effort and input from a smaller unit; needs to transform into something more mutual, and more collaborative.

From an SME perspective, we have to recognise that it is sometimes costly and maybe even baffling to do business with larger entities – it's a paradox where these big hitters may have so much more at their disposal, yet their mindsets or instincts push back against innovation. Meanwhile, those SMEs are wondering what they could do with that same level of resource, and all of their agility.

In reality, of course, it is size and scale that often detracts from agility, and that's why this idea of 'ecosystem' is so vital. On our part as the bigger player, there is a responsibility to ask ourselves how we can make it easier for SMEs to work with us, to then extract **optimum value from their skill sets and proposition**. Asking them to simply mould into our way of working is likely to restrict what they're being asked to bring to the table in the first place.

A further point brought to the session by one of our attending SMEs looks at **trust**. Once a relationship has been established, you're not just bringing onboard a technology or a solution, but also the human resource and expertise that helped manifest that solution. Too often – across the whole of industry, not just among larger organisations – the focus is placed entirely on the tech and not the analysis of resultant data, or on the expertise guiding that tech in the first place. By restricting personal input from SMEs, you're cutting off a vital strand of the overall proposition.

As one attendee affirmed, it would be like giving someone a satnav and telling them where to go, rather than a map where they can pinpoint the best way forward with their full knowledge of the wider picture.

The session finished with calls to action around how best to create an environment that attracts SMEs, who can inject that healthy dose of innovation and expertise into your new, all-encompassing, approach to digital transformation:

- Put yourself in SME shoes – understand their scale and way of operating
- Don't ask them to mould to your culture, but make the most of theirs
- Have empathy with their own restraints, and their own, additional ecosystems
- Make sure to engage with their experts, not just their solutions
- Learn from their best attributes, especially when it comes to business agility
- Remember that digital transformation is a journey that SMEs are going on too. Collaboration relies on communication, so navigate challenges as a united ecosystem.



We are Digital Intelligence

BAE Systems Digital Intelligence is home to 4,800 digital, cyber and intelligence experts. We work collaboratively across 16 countries to collect, connect and understand complex data, so that governments, nation states, armed forces and commercial businesses can unlock digital advantage in the most demanding environments. Launched in 2022, Digital Intelligence is part of BAE Systems, and has a rich heritage in helping to defend nations and businesses around the world from advanced threats.

BAE Systems Digital Intelligence
Surrey Research Park
Guildford
Surrey GU2 7RQ
United Kingdom
T: +44 (0) 1483 816000

BAE Systems Digital Intelligence
Malta Office Park
ul. Abpa A. Baraniaka 88
Poznan
61-131
Poland
T: +44 (0) 330 158 3627

BAE Systems Digital Intelligence
Level 2
14 Childers St
Canberra
ACT 2601
Australia
T: +61 (0) 2 9053 9330

BAE Systems Digital Intelligence
Level 28, Menara Binjai
2 Jalan Binjai
Kuala Lumpur
50450
Malaysia
T: +60 327 309 390

**BAE Systems, Surrey
Research Park, Guildford,
Surrey, GU2 7RQ, UK**

E: learn@baesystems.com

W: baesystems.com/digital

 [linkedin.com/company/baesystemsdigital](https://www.linkedin.com/company/baesystemsdigital)

 twitter.com/BAES_digital

Copyright © BAE Systems plc 2022. All rights reserved.

BAE SYSTEMS, the BAE SYSTEMS Logo and the product names referenced herein are trademarks of BAE Systems plc.

BAE Systems Digital Intelligence Limited registered in England & Wales (No.1337451) with its registered office at Surrey Research Park, Guildford, England, GU2 7RQ.

No part of this document may be copied, reproduced, adapted or redistributed in any form or by any means without the express prior written consent of BAE Systems Digital Intelligence.

BAE SYSTEMS