

Witted

Guide

# ASSESSING YOUR ORGANIZATION'S DIGITAL MATURITY



Macintosh Classic II





# THE SAVVY INVEST IN CONSULTANTS, THE REST GET STUCK IN VENDOR LOCK-INS

Digital maturity is closely tied to business operations at every level. Since software continues to dominate catalyzing all businesses to digitalize, your business' continuity and competitiveness can be secure only when you own the capability to build your own software solutions. The digitally mature hire consultants, while the weaker ones get stuck in vendor lock-ins.

This guide helps you figure out on which digital maturity level your organization is currently at and teach you how to shake off the shackles of vendor lock-ins and lead your own software development.



**Witted**

Assessing your organization's digital maturity



# DIGITAL MATURITY: PAST, PRESENT AND FUTURE

Five to ten years ago, buying total project deliveries from third party suppliers was the norm. Traditional software consultancies still sell end-to-end solutions to customers with low digital maturity, which means the customer does not have or need internal software capability. In other words, this means the software vendor evaluates what the client needs and builds a solution for it. But this means that the customer's entire digital business is in the vendor's hands; essentially the vendor is in the driver's seat with the customer merely riding shotgun - and worse, in this scenario the customer can't "drive" the business without the vendor.

Nowadays, most businesses have chosen to increase their digital maturity. Think about it: as a business leader wouldn't you want to keep core competence and ownership in your own hands as much as possible? You can easily understand the value of managing and driving software development internally. That's why vendors like Witted are here - we provide the missing resources and competence while ensuring that you, the customer, know how to take the wheel and drive successful business no matter how your digital needs may be met down the line.



# FIVE LEVELS OF DIGITAL MATURITY

How you use external consultants can tell a lot about the digital maturity of your company. Here's a five-step model to help define your preexisting digital maturity level.

## → Level one: We know nothing

A level one, organization doesn't have internal capabilities needed to develop its IT systems and modernize its business. Usually, the digital transformation of a business begins with the implementation of e-commerce or a customer relationship manager, such as a webshop or separate CRM system, for example. The lack of experience is evident in both purchasing and implementation, and digitalization projects are difficult for both the business and its digitalization partner(s).



## → Level two: We know how to buy systems

At level two, the organization might have an internal Product or ICT Manager responsible for managing IT systems that support the business. However, at this stage the organization only has the capability to purchase ready-made systems as a total project delivery while organizing the implementation of the system with vendor assistance. In other words, this business will need to adapt to whatever processes are offered by the purchased systems (and not the other way around) and then they'll also be trapped, locked-in with those specific vendors indefinitely.

At this stage, it may take six to 24 months to develop and put the system into use, after which you'll only receive mandatory updates for the system. Meanwhile, during its development and deployment, the market will have changed so much that systems are already becoming obsolete.

## → Level three: We know how to buy software projects

When an organization understands what a competitive advantage it is to develop systems that support its business, optimize its processes and improve its customer experience, it's at level three. However, a level three organization itself does not have the capabilities for project management, so it needs to rely on consulting companies that, in addition to development work, can also help the client with project management, implementing agile development methods, and service design. This means bringing in new methods and ways of working which can cause significant resistance to changes in the organization.



## → Level four: We know how to lead software projects

An organization that's achieved the ability to lead software projects enables its business to have greater ownership over its development of software solutions and IT systems. This is a level four business, and its projects will need to continue indefinitely: they need to be developed within resources so they can meet both user and business needs.

The level four organization still has to resort to external software consultants because of competitiveness factors in the IT job market. For example, a level four organization may have internally created barriers such as insufficient pay levels for IT professionals, or a work culture that is not compatible with the needs of software developers. Or maybe, the organization's employer brand is a bit weak, which results in IT professionals not seeing the organization as an attractive employer.





## → Level five: We know how to implement projects

A level five organization is capable of planning and developing IT systems that support the business in addition to leading them. Their entire business is digitalized. Still, for level five organizations it's not worth doing everything themselves, so this organization continues using external software consultants for projects that require niche knowhow, or to launch new businesses or services.

Even so, being at the highest level does not mean that systems can't be bought ready-made. At level five, employees are often encouraged to buy and deploy SaaS services that increase work efficiency.



# LEVELING UP DIGITAL MATURITY

By following the five-step model you can see that when organizations develop their own digital capabilities – with the help of external consultants – to a point where they can take internal responsibility for project management, they no longer need to purchase total project deliveries. This in turn frees the customer organizations from vendor lock-in. It also enables a more business-friendly methodology for developing software solutions and IT systems and ultimately digitalization in every facet of the business.

If you want to level up your organization's digital maturity from level one and beyond, here are the steps to take:

1. Hire a product or ICT Manager
2. Develop instead of buying services, systems or products
3. Lead development projects by yourself
4. Hire in-house developers



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