Disruption readiness: Focusing on the main game for local councils in Australia and New Zealand

Disruption: Opt in or lose out

Definition: Disruption - Any event that limits or prohibits an organisation's ability to maintain efficient and effective services and generate sustainable value.

Disruption is not new. Since man invented the wheel, all forms of innovation have had their disruptive impact on conventional wisdom and practices. But what makes disruption today different is the scope, scale, and speed of change as well as the systemic impact it is having on communities, industries, and governments.

The scope of disruption is changing everything. All physical things, digital processes, rules, policies and procedures, business and operating models are in transition.

The scale of impact is global. There is no person, local community, state, or nation immune to disruption. There is no hiding place, and the speed in which disruption is unfolding is exponential.

Disruption is systemic. It travels virally throughout value chains in a manner that exposes organisations to upstream and downstream pressure to change. Failure to do so risks disintermediation from the broader industry and governing networks on which they rely to function.

Disruption readiness is about much more than purchasing a range of digital products and services. It is about developing a robust digital platform that guarantees the fundamental capability for organisations to be agile, flexible, and highly functioning in disruptive environments. Such platforms must be able to respond to disruption in all its forms—new digital and physical technologies, business model innovation, economic and social upheaval, energy reorientation, and climate change. Without a complete digital foundation, organisations run the risk of spending time and resources on managing an array of disconnected and dysfunctional applications rather than focusing on the main game—delivering services to generate new value for constituents.

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Also, the decision to address disruption is not in the hands of any one person or organisation as it is an unstoppable force of innovation and technologies with wide adoption by digitally savvy consumers.

In this disruptive environment opting out is not an option, but how organisations opt in, is.

Local Government: Leading communities, leveraging disruption?

There is no doubt that this is a chaotic, confusing and challenging time for all organisations, and local governments. Municipalities are being challenged to take on roles where they may have limited capabilities as a result of widespread, rapid disruption and the changing expectations of constituents.

High-quality online services and communication are basic expectations that constituents have of their governments. In many cases, the historical inclusion of these types of online solutions to city services are met with challenges in adoption and implementation. But such challenges will pale in comparison when considering the potential disruption of a digital future inside 'smart city' development.

As smart cities are defined, the collection and utilisation of data for the effective delivery of services and efficient management of assets and resources are the building blocks of digital transformation.

Digital applications to manage rating and rate collection, parking, rubbish collection, energy transformation, planning schemes and permitting, public health, and recreational facilities are but a few examples of how sustainable smart cities currently underpin service delivery. These types of applications will, like any online service, become expected by constituents.

And, when the full extent of disruption emerges through the likes of artificial intelligence, machine learning, Internet of Things (IoT), or autonomous vehicles, cities must be ready to understand and smartly adopt these technologies.

There are many examples of emerging strategies for the deployment of smart city services in both industrialised and emerging countries. To name a few:

Smart citizens, crowdsourcing and crowdsensing: Empowering business and citizens to identify issues and opportunities—in real time—to assist the council in areas like road repair, recycling, employment, security and 'peer to peer' services.

Traffic management: Regulating flow and direction of traffic based on real-time vehicle volume and emergency situations.

Street and pedestrian lighting management: Sensing and regulating lighting in specific situations such as providing for normal traffic flows, addressing areas with safety and security issues, and for guiding pedestrian and vehicle traffic in emergency situations.

Autonomous council vehicles: For waste collection and passenger transport.

Monitoring property use: Maintaining records of approved property use and recording deviations from that approved use.

The list of applications is endless, and globally their design and deployments are growing exponentially.

With all that is happening, it is understandable for local governments and their respective communities to fall into a state of panic and push-back against such change. However, given the nature of today's ever-constant change, this type of response will not only delay the inevitable but waste time and resources as investments are made in the wrong capabilities or reasons. In turn, such investments can create more problems than they were intended to solve by increasing future migration timelines and adoption costs.

For many organizations and communities, the time to prepare for disruption is already limited and in some cases, must be approached with a sense of urgency. Many have already entered a state referred to as Managed Adaptive Decline (MAD). MAD occurs when an organisation or community adapts, in a very well-managed manner, to changing conditions which erodes their capability to generate value and fosters continued decline.

Embracing the ubiquitous rollout of digital disruption should be seen as an opportunity to establish new solutions to old and new problems. Additionally, local governments have an immense opportunity to be not only disruption ready themselves, but to play a leadership role in support of their communities and local organizations in taking advantage of the opportunities disruption presents.

Treating disruption as an opportunity while managing its various risks is a basic tenant of disruption readiness. Delivering on such an approach requires a shift to identifying and acquiring the capabilities to address disruption and leverage it.

Agility and security at the platform level: Comfort to focus on the main game

The adage of getting the basics right and then, from that base, building strength also applies with disruption. In this case, the basics are a secure and agile digital platform.

When rapid changes occur, organisations must be able to rely on a robust digital platform that provides the flexible capability to focus on their 'main game'—solving the issues and creating the opportunities for citizens and business.

Without this underlying, reliable capability, critical services run the risk of breaking down at a time when they are most needed—when customers and citizens are themselves being disrupted.

Such platforms are more than a cobbled-together patchwork of disparate products. They are a whole digital system of interdependent applications, sharing data and forming the foundation of a holistic approach to digital certainty. Digitally-ready platforms ensure a strong base on which to integrate best of breed services—as and when they are needed.

Without this whole system platform view, the full benefit of smart city systems may not be realized.

The main game: Generating new value in disruptive environments

No organization is recognized or remembered for the services they have, but rather the services they deliver in times of need. The key for organizations in disruptive environments is to identify the most intelligent services that can be sustainably deployed to meet constituent expectations.

To succeed within disruptive environments, organizations will have to make rapid investment decisions that will drive new service delivery in areas of little or no prior knowledge.

Investment decisions in cloud computing, big data, artificial intelligence, automation, distributed ledger technology, and the Internet of Things will feed smart city development, providing efficiencies within organizations and aiding customer journeys.

Governments must deliver these new digital technologies and associated customer experiences without service interruption or breakdowns in current foundational platforms and services.

Preparation is the key, and as stated previously, for many organisations and communities the time to prepare for disruption is already limited. The starting point is to generate a strategy that covers the four primary elements required to provide direction through disruption:

- **Align** on the disruptors that are, will or may impact your organisation. Remember the definition: Any event that limits or prohibits an organisation's ability to maintain efficient and effective services and generate sustainable value.

- **Assess** the opportunities, and risks inherent through such disruptors—for the organization and constituents.

- **Identify** a whole system of integrated services to meet the opportunities and address the risks. Remember, any individual digital application is interdependent on others and if they are unable to coexist, the full benefit of smart city systems will not be achieved.

- **Create** an open, secure and agile platform to sustainably deliver a whole system of integrated services; making sure to select products according to need that meet platform requirements.

Developing strategies to deliver on the main game is not a once off process. These four elements need to be assessed on a regular basis as disruption unfolds and produces more opportunity and risk to the organisation and customers.

Generating new value in disruptive environments through the deployment of improved services is the main game, and can be achieved when an organisation is confident that the digital platform upon which they rely is open, agile, and secure.

Without this fundamental base, an organisation is risking disruption to itself and its constituents.

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