Digital Transformation

How To Navigate Your Business in a Digital World

Genesys CX2017 Brussels, June 8 2017
Dr. Dirk Vater, Bain & Company
DIGITALIZATION IS CHANGING THE WORLD...

“Wow, Italy is so beautiful!”

...AND THE INFORMATION AGE HAS JUST BEGUN

Source: Bain & Company
WAIT-AND-SEE APPROACH IS NOT AN OPTION

~4× MORE DEVICES
(NUMBER OF CONNECTED DEVICES IN BN)

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>13</td>
<td>18</td>
<td>50</td>
</tr>
</tbody>
</table>

~40-FOLD INCREASE
(GENERATED DATA IN ZETTABYTES)

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1</td>
<td>9</td>
<td>40</td>
</tr>
</tbody>
</table>

EXPONENTIAL GROWTH
(COMPUTING STEPS PER SECOND PER $1k)

<table>
<thead>
<tr>
<th>Year</th>
<th>1900</th>
<th>1940</th>
<th>1980</th>
<th>2020</th>
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<tbody>
<tr>
<td>Value</td>
<td>0</td>
<td>10</td>
<td>20</td>
<td>30B</td>
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Source: Cisco; IDC Digital Universe Study; IDATE & UMTS Forum, Ray Kurzweil; Steve Jurvetson; Bain Analysis
CHANGING RULES OF THE GAME –
How The Digital Tide Will Impact Companies
10 KEY DIGITAL TRENDS TO TAKE INTO ACCOUNT

- Digital Engineering
- Internet of Things (IoT)
- Cyber Security and Design for Veracity
- Data Science and Advanced Analytics
- Digital Engagement and Enablement
- Machine Learning and Artificial Intelligence
- Visualization and Augmented Reality
- Collaborative Consumption
- Additive Manufacturing (3D Printing)
- Autonomous Robotics

Source: Bain & Company
DIGITAL TIDE IS HIGH: ASSESS WHERE YOU ARE MOST IMPACTED

Impact on the company’s entire value chain

CUSTOMER ENGAGEMENT

PRODUCTS AND SERVICES

OPERATIONS PERFORMANCE

Source: Bain & Company
EMBARKING ON DIGITAL TRANSITION –
How Companies Can Navigate in a Digital World
DIGITAL TRANSITION: YOU HAVE TO DEFINE THE WHAT AND THE HOW

Customer Engagement

Products & Services

Operations Performance

IT & Technology

Data Analytics

People & Organization

Source: Bain & Company
CUSTOMER ENGAGEMENT:
NEW CHALLENGES AHEAD AT THE CUSTOMER FRONT

- EXPONENTIAL INCREASE IN CHANNELS AND MEDIA
- UNPRECEDENTED VOLUME OF DATA
- BLURRING BORDERS BETWEEN MARKETING AND E-COMMERCE
- ENDLESS POSSIBILITIES TO TEST AND LEARN
- SINGLE, DATA-DRIVEN VIEW OF THE CUSTOMER
- NEW WAYS TO BE CREATIVE

Source: Bain & Company
PRODUCTS & SERVICES:
VALUE PROPOSITIONS GET RESHAPED THROUGH DIGITAL

HARDWARE/ PRODUCTS

- Embedding digital to create new features
- Three dimensions: Physical, Smart, and Connectivity

SERVICES

- Creating new digital services, or digital enhancements to existing services
- Changing business models (XYZ as a Service)

SOFTWARE/ PLATFORM

- Expanding into related areas to create software/ digital platforms
- Create value from data generated from current products/ services

Source: Bain & Company
OPERATIONS PERFORMANCE: THE ENTIRE VALUE CHAIN IS BEING IMPACTED

Source: Bain & Company
PEOPLE & ORGANIZATION: KEY FOR SUCCESSFUL DIGITAL TRANSFORMATION

Organize to accelerate
- Organizational emulation
- Openness to the digital ecosystem

Adapt to a faster pace of change
- Agile methods
- Bottom-up communication
- New tools and workspaces

Embark the entire organization

Mobilization & Change Management
- Sense of urgency
- Management alignment
- Engagement & sponsorship

Cultural Shift & New Ways of Working
- Adapted HR
- New skills and talents
- Training

Align capabilities with digital ambition

Source: Bain & Company
DESPITE UNCERTAINTY, HANDFUL OF DIGITAL ‘KNOWNS’

Digital innovation is occurring at an unprecedented pace (and accelerating)

Digital has the potential to drive tangible, financial results

Operations will experience transformational change as a result of Digitalization

Significant risks and opportunities remain for everyone

One critical certainty is that INACTION IS NOT AN OPTION
For further information and connection:
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