Leveraging on technology to create value in business decisions and strategic actions

Robust digital strategy that it meets everyone's needs

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Venue: Pullman Dubai Creek City Centre

ICPAK
Credibility. Professionalism. Accountability.

Choose to change.

Out of global crisis comes a new world of opportunities.
In the process of tackling global challenges,
organizations have transformed.

**How do we capitalize on this momentum
and optimize for the new global reality?**

BUSINESS FUTURES 2021

Signals of Change

The essential radar that leaders need
to see and seize the future

88%

of C-suite respondents to 2021 HBR survey said that: Said disruptive impact of constantly shifting customer demands has increased & disruptive impact of new entrants as increased.

Developing superior forward-looking capabilities creates opportunities for organizations to stay one step ahead:
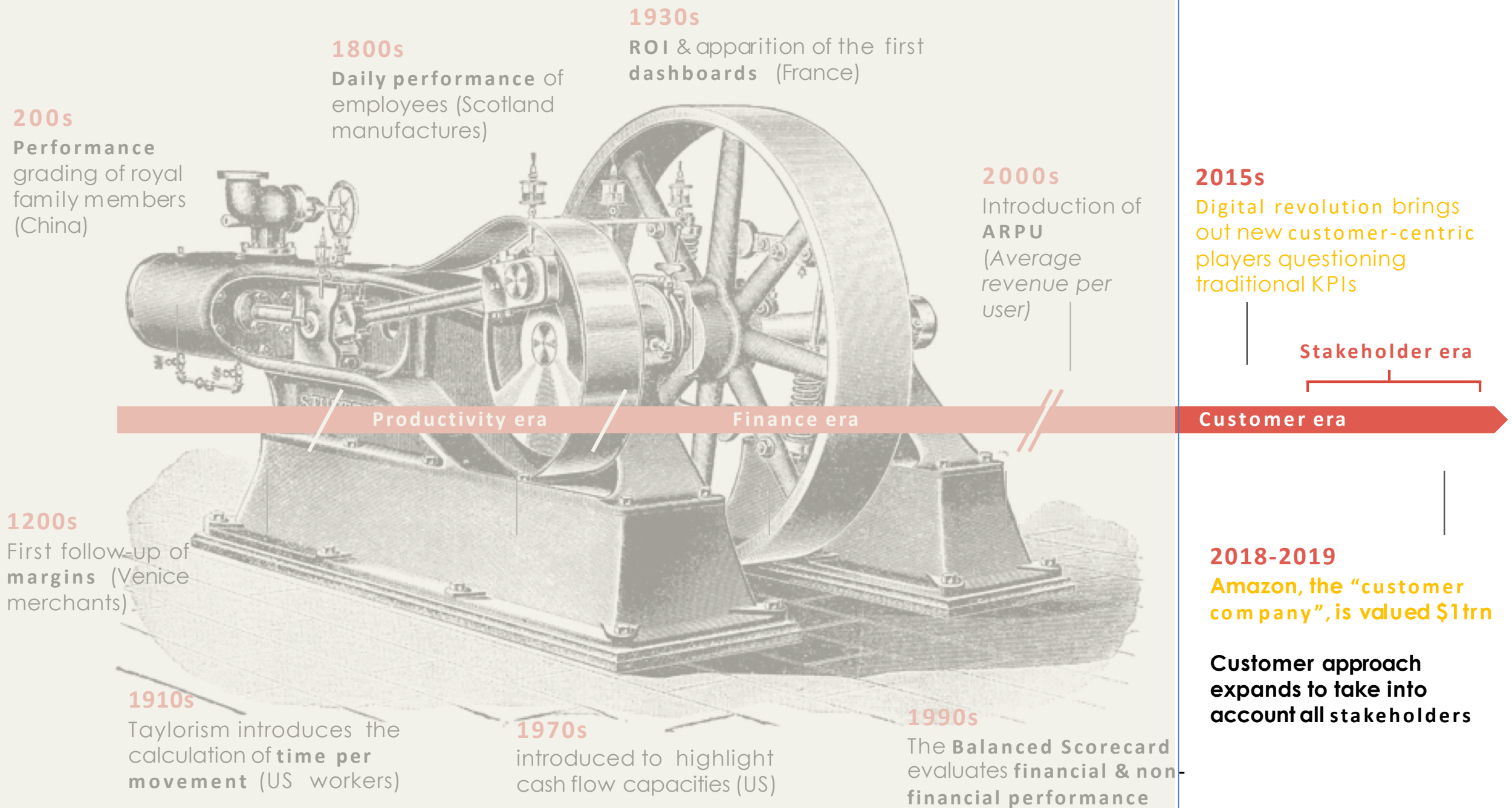
Capturing opportunities that would otherwise be unseen

Preparing for risk that would otherwise be unexpected

After digital revolution comes the customer value era

200s
Performance grading of royal family members (China)

1200s
First follow-up of **margins** (Venice merchants)

1800s
Daily performance of employees (Scotland manufactures)

1910s
Taylorism introduces the calculation of **time per movement** (US workers)

1930s
ROI & apparition of the first **dashboards** (France)

1970s
introduced to highlight cash flow capacities (US)

2000s
Introduction of **ARPU** (*Average revenue per user*)

1990s
The **Balanced Scorecard** evaluates **financial & non-financial performance**

2015s
Digital revolution brings out new customer-centric players questioning traditional KPIs

2018-2019
Amazon, the "customer company", is valued $1trn

Customer approach expands to take into account all stakeholders

Productivity era

Finance era

Customer era

Stakeholder era

Crafting a vision that works for your company

Using Big data and AI for:

800 million active monthly users

70 million photos uploaded to it every day

Uses big data and AI for :

Explore page & search Function

Targeted advertising

Enhancing the user experience

Filter Spam

Fight cyberbullying &delete offensive comments

Your digital vision must …

Focus on customer

How will we create value for customers in the future?

Inspire employees

How should skills of the future look like?

Paint a picture of future success

What will our business look like in the future?
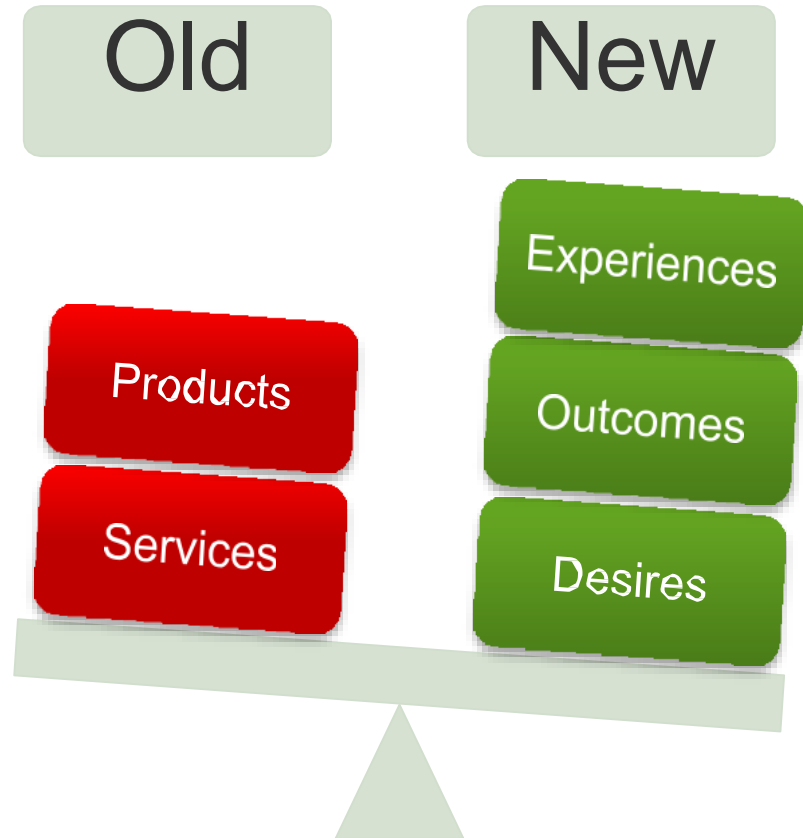
Optimize operation

Supply Unbounded

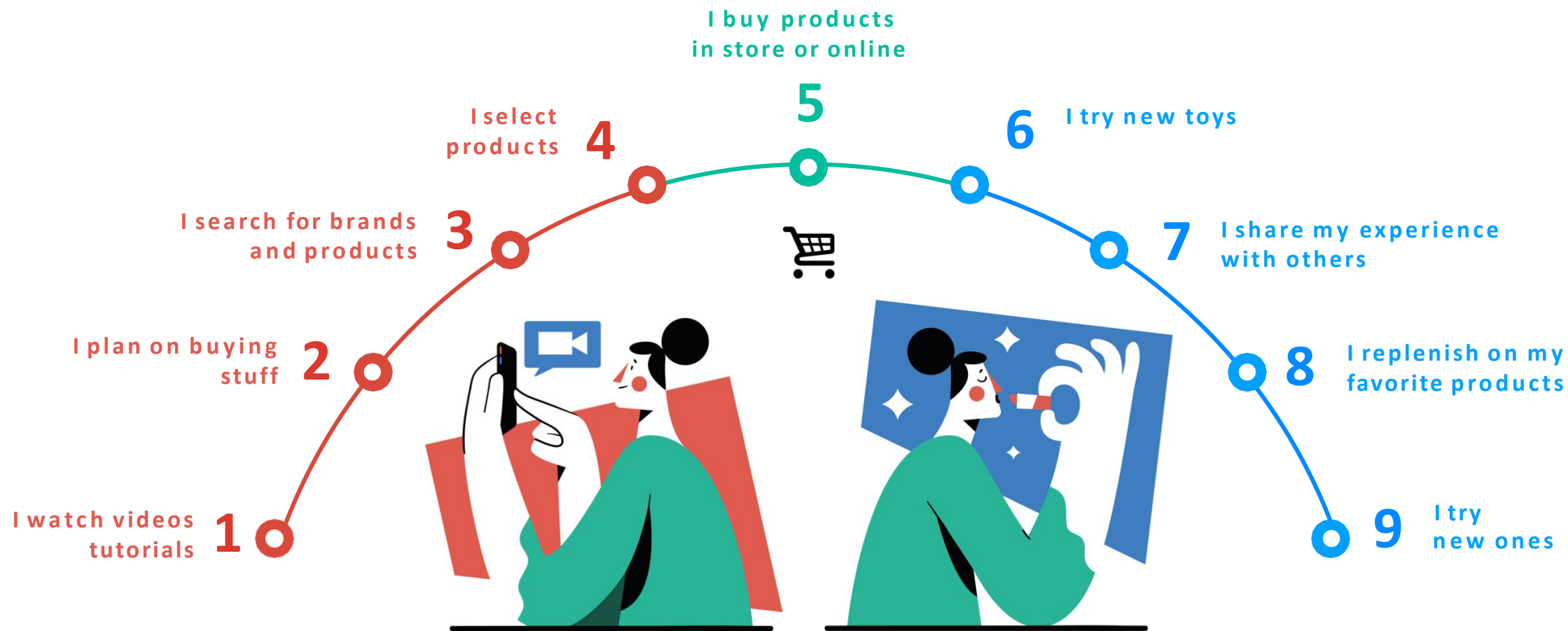Break physical limits of fulfillment

Agile delivery

Redefine go to market , speed of change

Present opportunities— and incentives—to embrace change and find new ways to grow.

Companies must rethink how they create value for customers

Old

New

Products

Services

Experiences

Outcomes

Desires

Adapt to the new experience standards on each customer touchpoint

I buy products in store or online
5

I select products **4**

I try new toys **6**

I search for brands and products **3**

I share my experience with others **7**

I plan on buying stuff **2**

I replenish on my favorite products **8**

I watch videos tutorials **1**

I try new ones **9**

Before the purchase

During the purchase

After the purchase

New ways to catch the attention of potential customers

New ways to connect with your customers

New ways to engage your customers and create lasting relationships with them
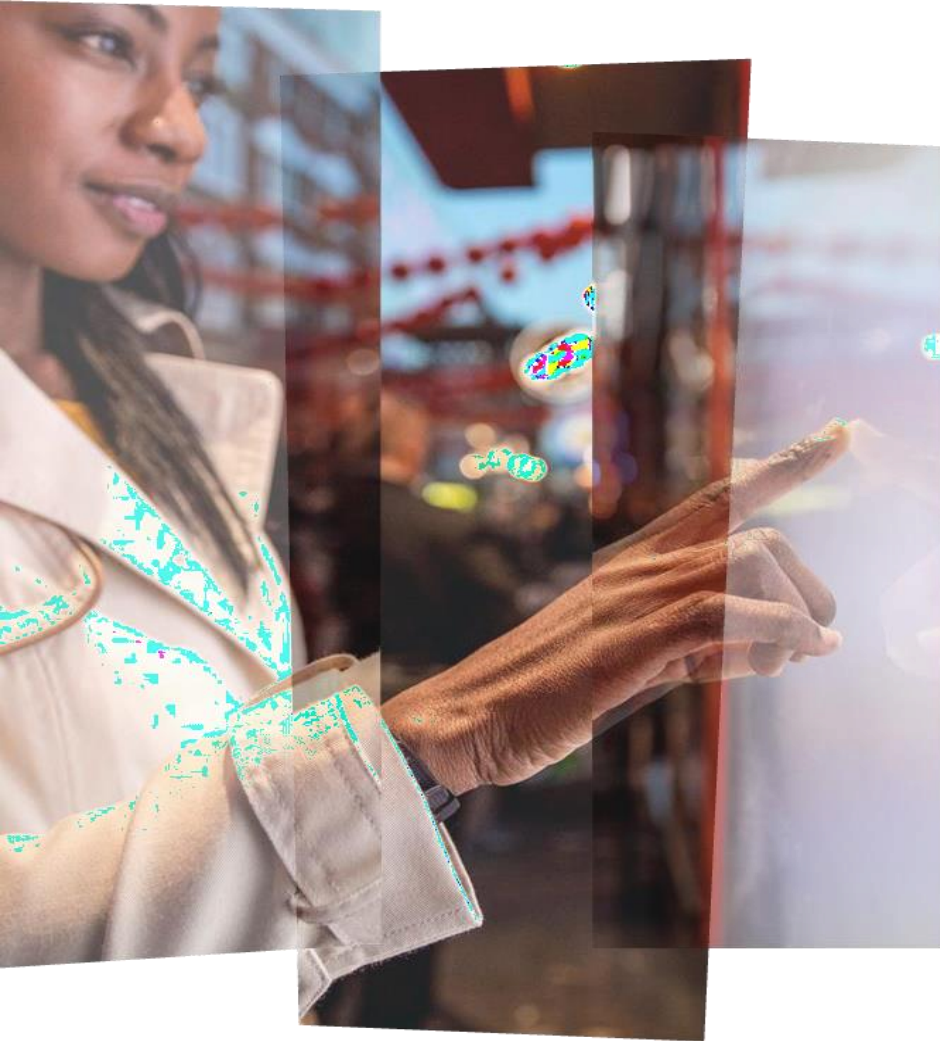
Smartphone users

82%

consult their phones on purchases they're about to make in a store

1 in 3

have purchased from a company or brand other than the one they intended to

because of information provided in the moment they needed it

"How mobile has redefined the consumer decision journey for shoppers", July 2020, ThinkWithGoogle.com

Outside inn

Enterprises are becoming collaborative partners in experience creation, not just providers of it.

McDonald's is rolling out digital ordering kiosks in its US drive-thrus, which feature personalized menus and recommendations for customers. But rather than prescribe the menu based on centralized data, employees are given the freedom to change menu displays, so they can promote simpler items during local peak hours, easing the burden on themselves and restaurant operations.

Nike, from shoe ware to software

In 2006, to expand their shoe ecosystem and become part of their customer's journey, Nike entered the digital gadget realm by introducing a small sole-insertable chip.

In 2012, Nike created the Fuelband that users wore on their wrists and worked in parallel with Apple's iPhone.

Nike recognized that Apple hardware was more sophisticated and the adoption rates of mobile phones were higher than fitness wearables, so **2014** was the end of the Fuelband. Leaving the hardware to Apple and developing its own software, Nike's mobile app platform, Nike+, came out as the winner.

Today, having built an in-house digital team, Nike has launched a myriad of Nike+ mobile application platforms that collects users' real- time data while integrating themselves into users' fitness lives.

… competitive advantage by changing the model

No more product centric, think customer centric

Looking at the new economy with different "glasses".

Vs

Traditional Economy	New Economy
Industrial economy, centered on **products**	Usage economy, centered on **customers**

Revenue = **Unit price x** **number of products**

Revenue = **Revenue per customer x** **number of customers**

From markets...
Marketing mix (4P)
Competition on one offer
Market share

...to customers' needs
User experience (4C)-Communality ,Collaboration, Continuity ,complementarity
Competition on one particular need
Usage share / Share of wallet

From a chain...
Added value
Value chain
Assets owner
Number of suppliers

...to an ecosystem of partners
Circular value
Closed loop of value
Network orchestrator
Length of network & diversity of connections

From core business...
5-year plan
Growth & margin
Business portfolio

...to mission statement
30-year vision, 6-month action plan
Customer Lifetime Value
Experience platform

Collaborative Economy

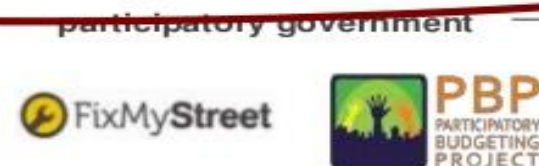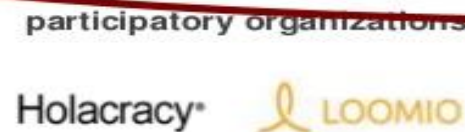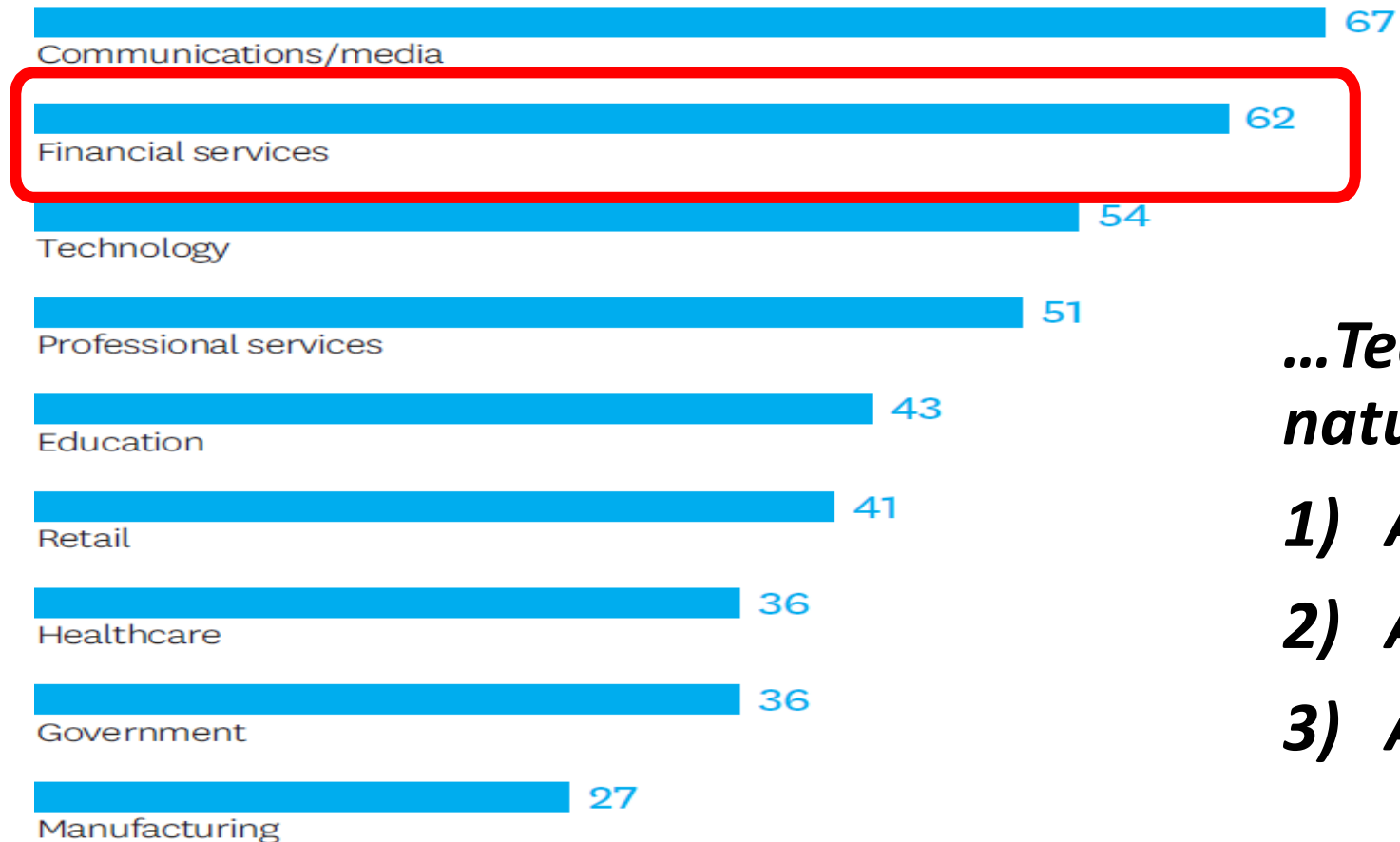|				
CONSUMPTION	redistribution leboncoin.fr l'Accorderie · yerdle	product-service airbnb · peerby Lokéo · Bla Bla Car	on-demand services UBER · TaskRabbit Instacart · tok tok tok	local food systems THE FOOD ASSEMBLY amap · LA LOUVE
LEARNING	p2p learning hellomentor · TalenTroc · P2PU		open courses & moocs KHANACADEMY · coursera	
PRODUCTION	digital peer production Wikipedia · creative commons OpenStreetMap	distributed fabrication (makers) open source hardware · FABLAB · Make:	co-design / co-innovation firstbuild · open LOCAL MOTORS	
FINANCE	p2p funding KICKSTARTER hello merci	p2p payments TransferWise M-PESA	p2p insurance friendsurance insPeer	compl. currencies Bitcoin · BRISTOL POUND
GOVERNANCE	participatory organizations Holacracy · LOOMIO	participatory government FixMyStreet · PBP PARTICIPATORY BUDGETING PROJECT	blockchain / DAO ethereum · SWARM	

Disruption considered "very likely" for some industries

Percentage indicating how likely it is that their industry will be disrupted by digital trends

Industry	Percentage
Communications/media	67
Financial services	62
Technology	54
Professional services	51
Education	43
Retail	41
Healthcare	36
Government	36
Manufacturing	27

...Technology changing nature of Banking :

1) *Ability to store value*
2) *Ability to move money*
3) *Ability to Access Credit*

The economics of Digital

! Companies need to change where and how they play—by creating their own network or by partnering with companies within and beyond industry borders.

Assess your starting point

As disruption enables the creation of better, cheaper, and more sustainable products and services, leading companies will become innovative companies—and to tackle the world's fundamental challenges.

82%

of C-suite executives surveyed said that investing outside their traditional industry boundaries will be critical to their own organization's success.

We must become digital businesses

Digital businesses
continuously exploit digital technologies
to create new sources of value for customers and
increase operational agility in service of customers

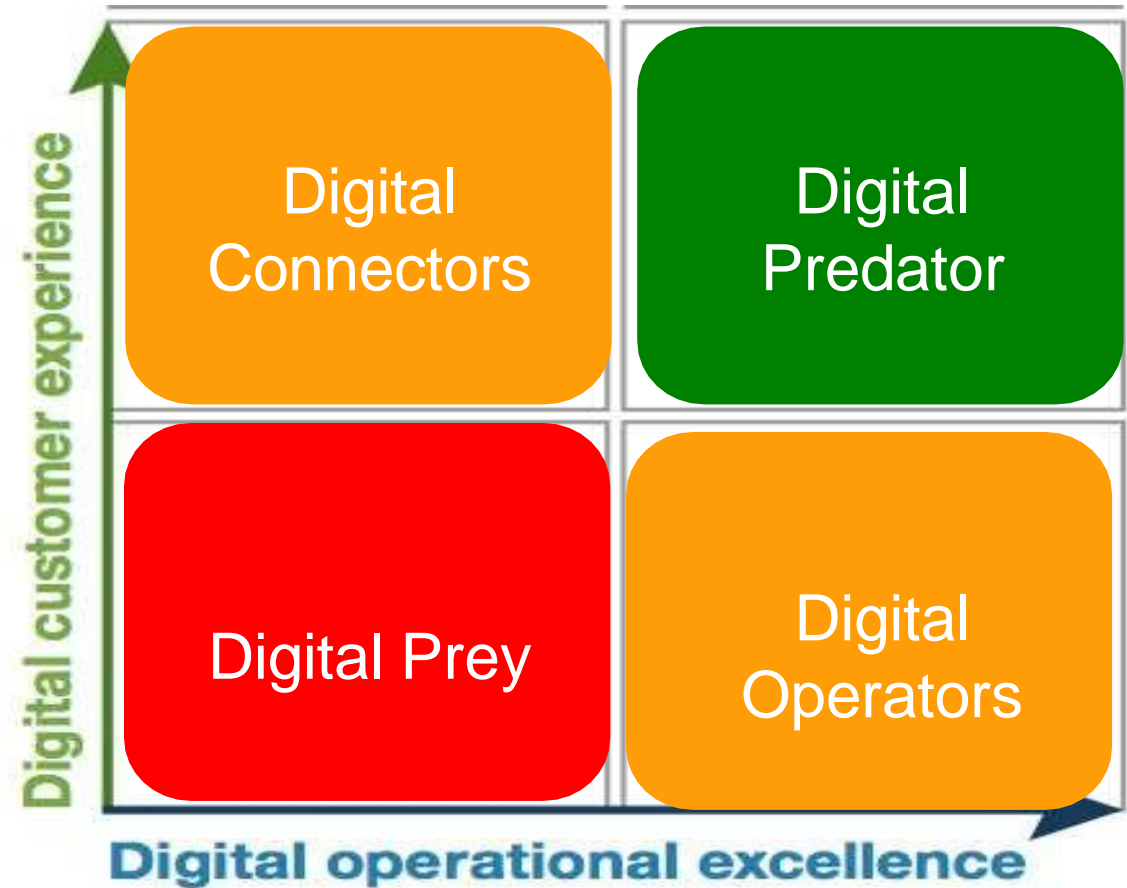# The convergence of description will bring about major opportunities, including:

Embracing the systematic change that's transforming how entire sectors of the economy work
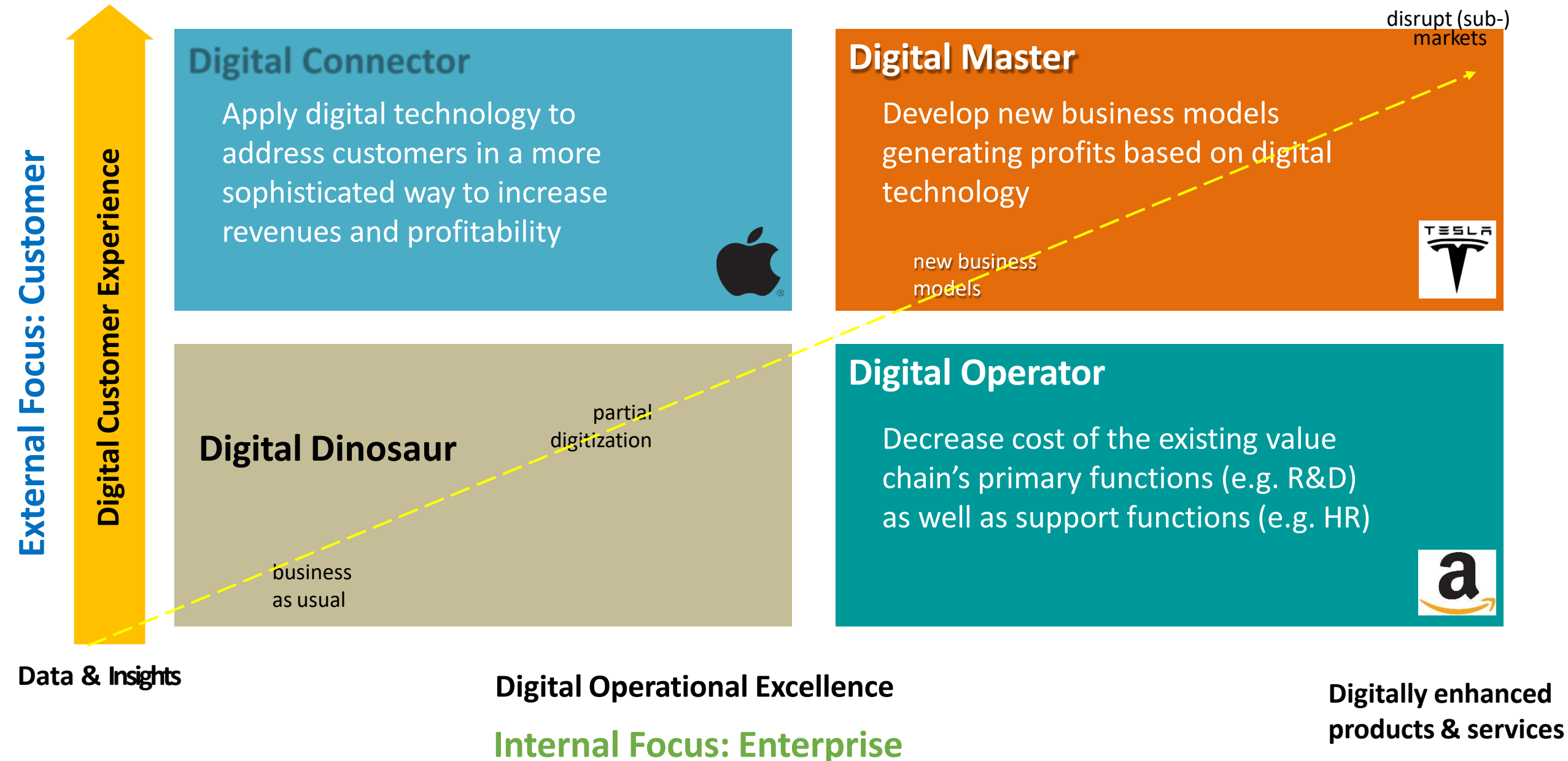

Benefiting disruption to help create products and services that will be better, cheaper and more sustainable

"If the rate of change on the outside exceeds the rate of change on the inside, the end is near.
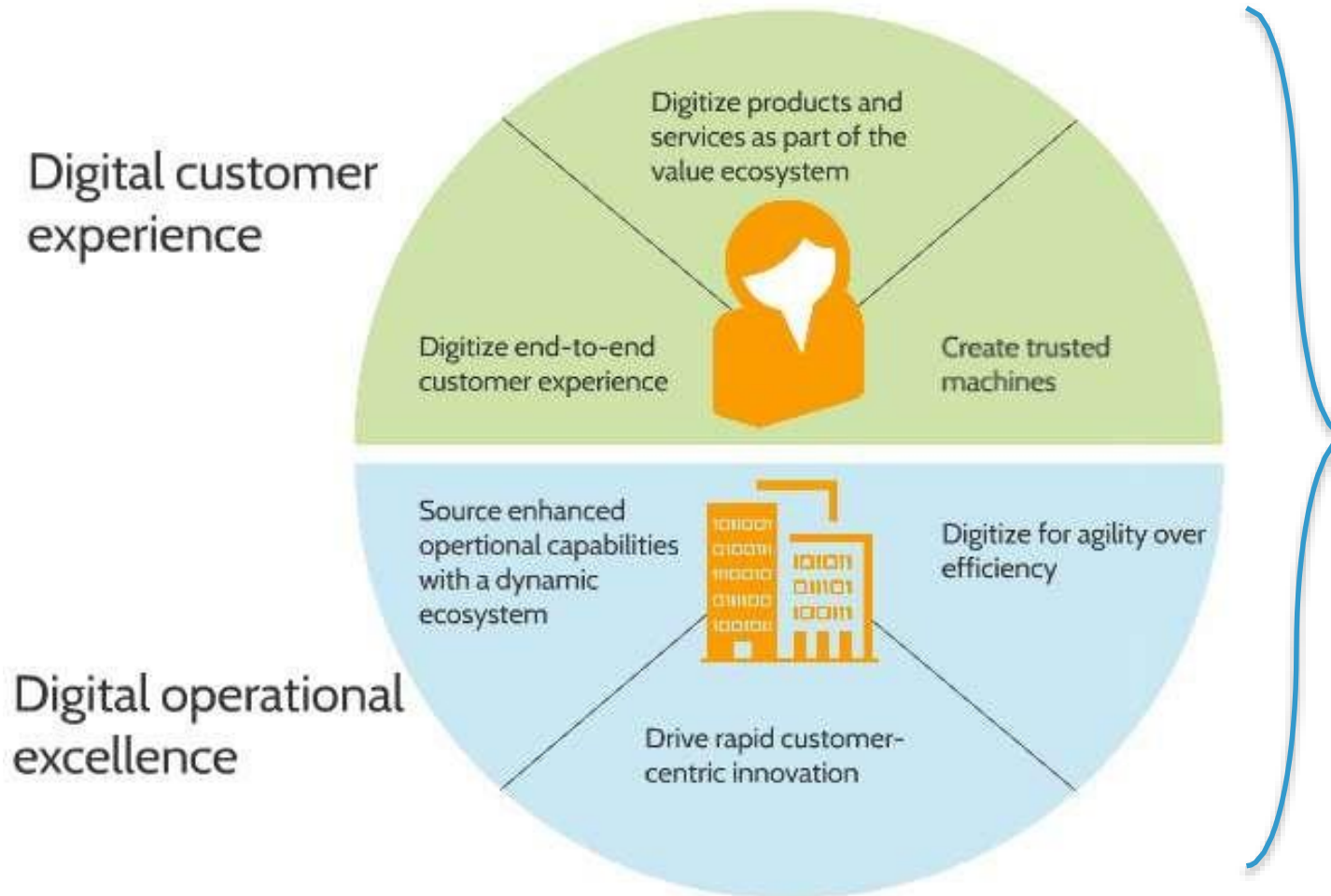
Jack Welch

Digital customer experience

| Digital Connectors | Digital Predator |
| Digital Prey | Digital Operators |

Digital operational excellence

Digital Strategy | Customer experience & Operational excellence

External Focus: Customer

Digital Customer Experience

Digital Connector

Apply digital technology to address customers in a more sophisticated way to increase revenues and profitability

Digital Master

Develop new business models generating profits based on digital technology

disrupt (sub-) markets

new business models

Digital Dinosaur

partial digitization

business as usual

Digital Operator

Decrease cost of the existing value chain's primary functions (e.g. R&D) as well as support functions (e.g. HR)

Data & Insights

Digital Operational Excellence

Internal Focus: Enterprise

Digitally enhanced products & services

TRANSFORMATION STRATEGY PROCESS

1

Context & Capability Insights

2

Vision & Goals

3

Strategy & Experience Modeling

4

Road Map & Execution Planning

Execution & Optimization

- Gather insights
- Size up capabilities
- Analyze gaps and opportunities

- Frame challenges and objectives
- Develop digital vision and high level goals

- Identify key initiatives
- Define technical and operational requirements

- Develop business case for investment
- Prioritize initiatives based on effort and impact

Digital customer experience

- Digitize products and services as part of the value ecosystem
- Digitize end-to-end customer experience
- Create trusted machines

Digital operational excellence

- Source enhanced opertional capabilities with a dynamic ecosystem
- Digitize for agility over efficiency
- Drive rapid customer-centric innovation

Business Technology (BT):

The systems, technologies, and processes to win, serve, and retain customers.

Adopt digital strategy to business strategy

Leaders are responding to change and challenge by pushing decision-making authority to people at the "edges," relying on highly networked teams to act with speed and agility.

82%

of C-suite respondents surveyed said that operating more like a broad federation of enterprises will be important to their organization's success.

77%

of consumers are willing to pay extra for a product they could customize using immersive technologies.

Inside-Out vs. Outside-In

New Platform
(customer-centric)

Existing Systems
(product-centric)

Outside-In
Customer enablement

Inside-Out
Web/mobile enablement

A Backbase concept
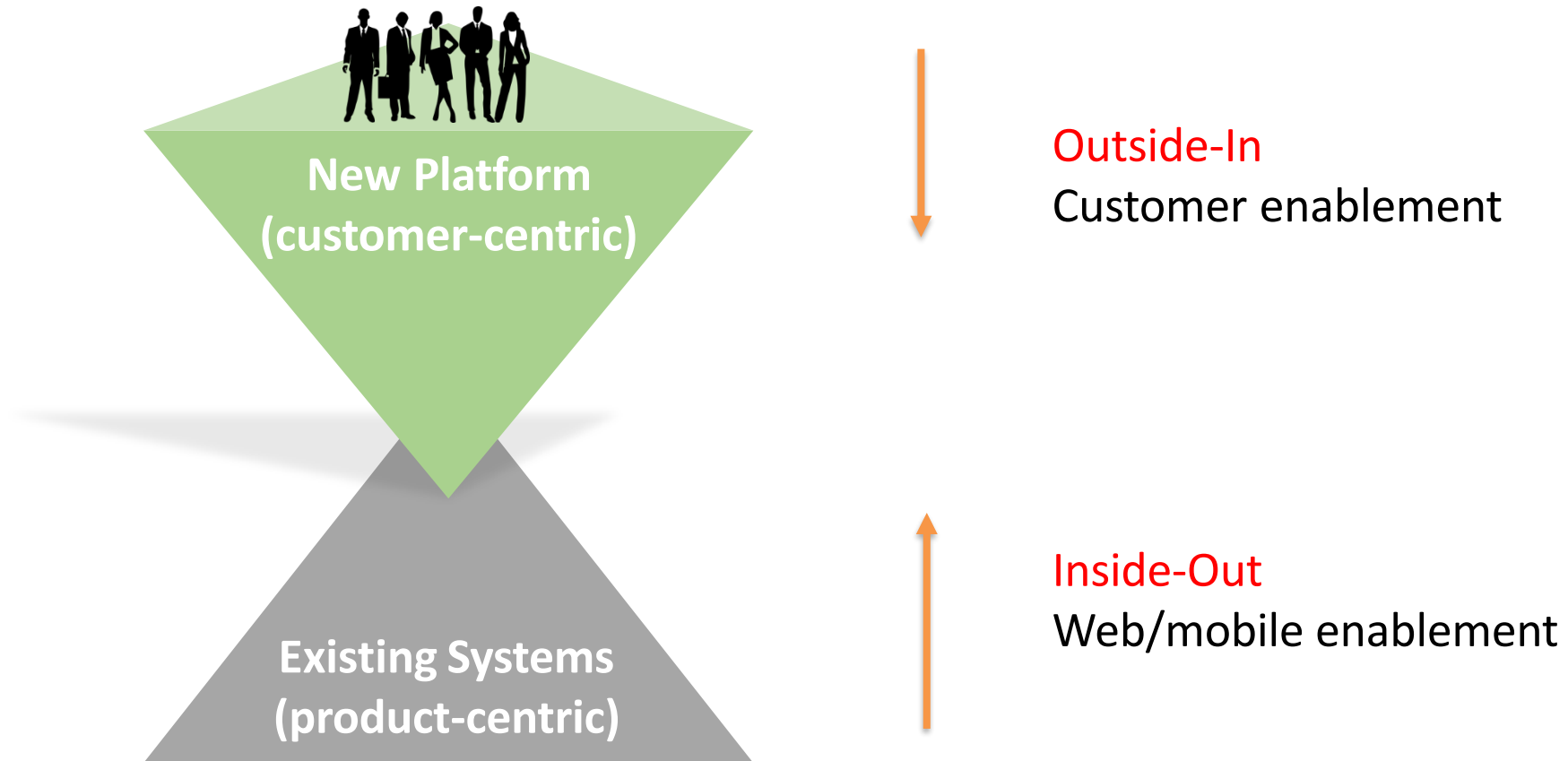
Adopt digital strategy to business strategy
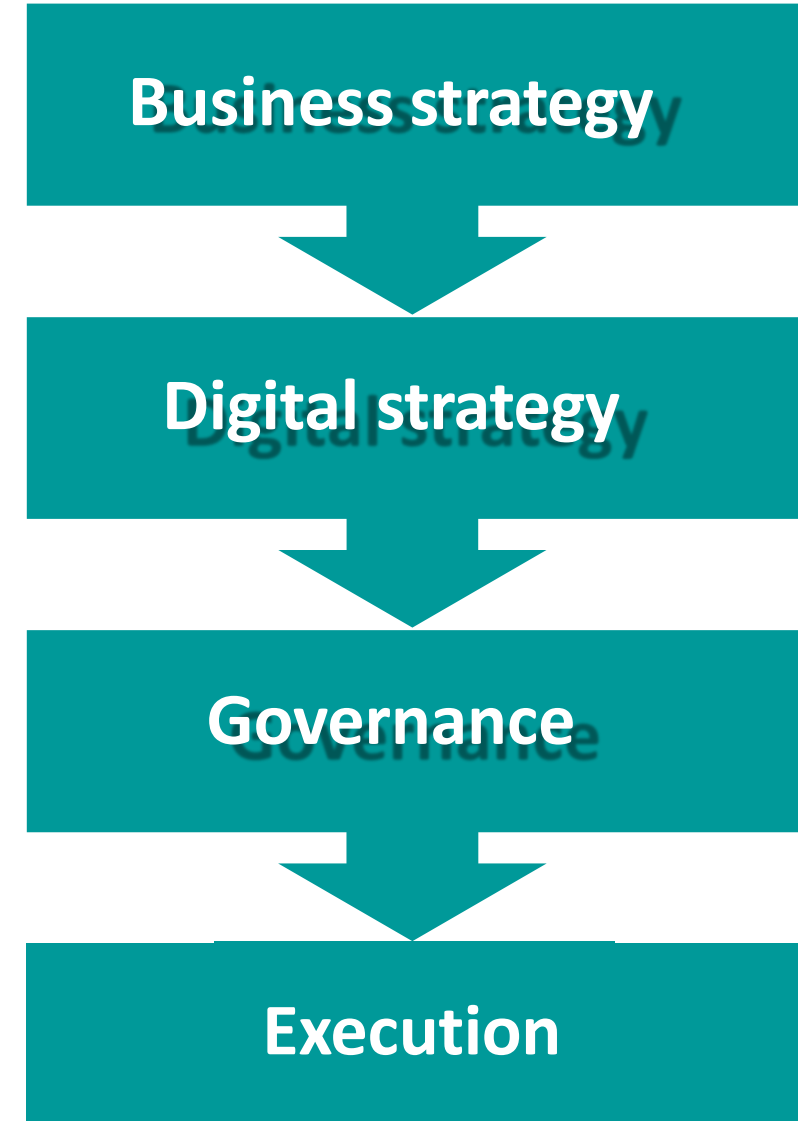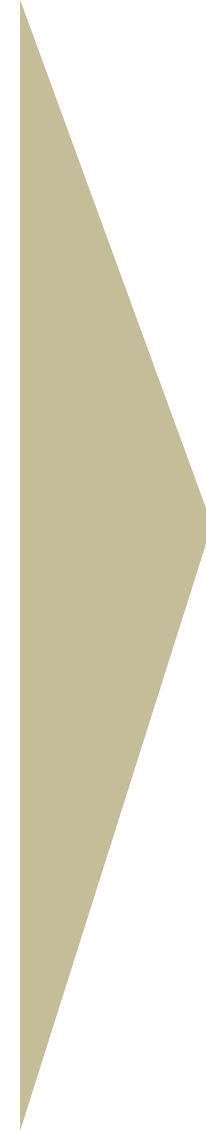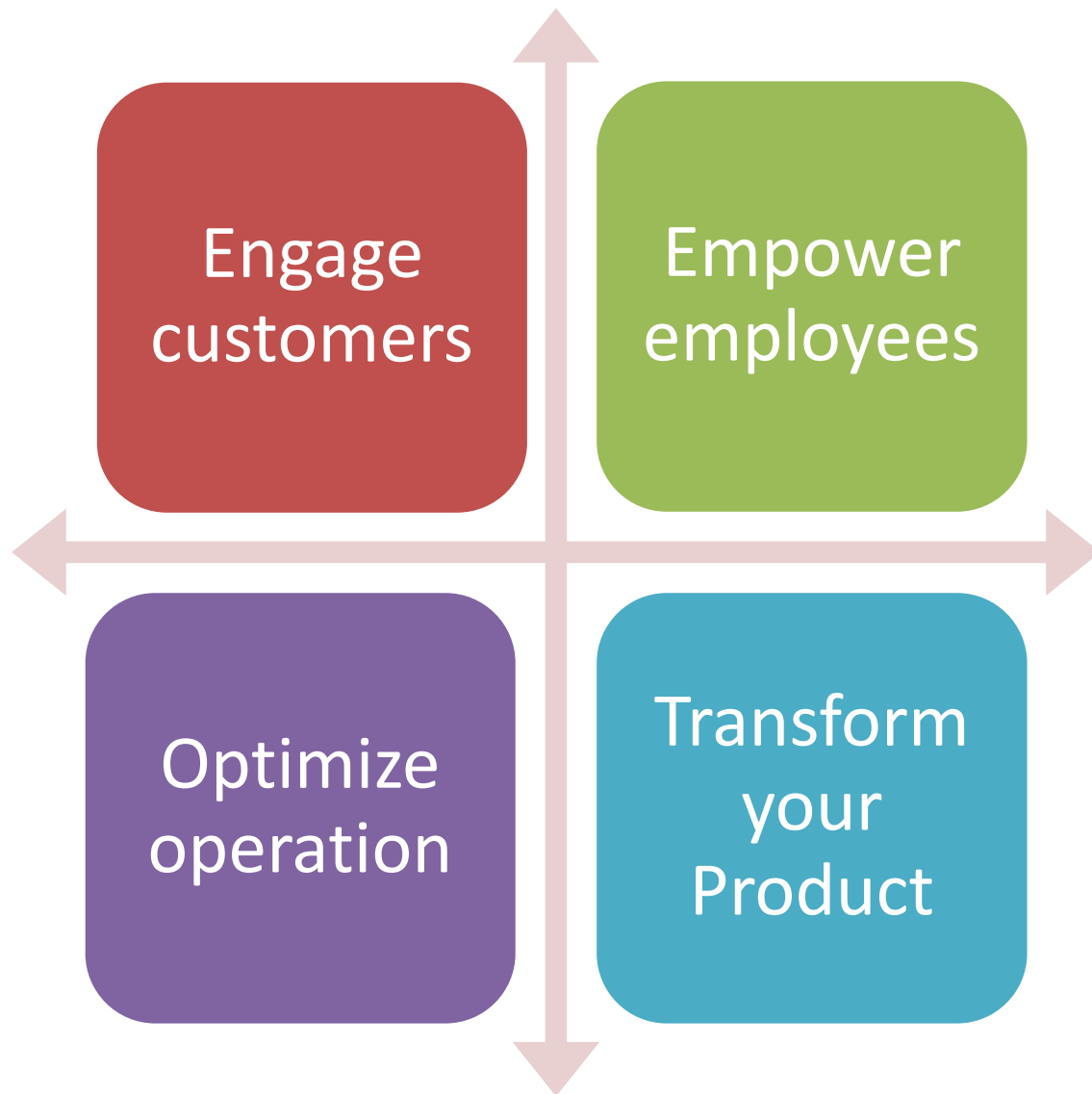
Digital Transformation Components

Business strategy

Digital strategy → **Customer experience strategy**

Operational excellence strategy

Governance

Execution

Sotiris Syrmakezis

Connect these viewpoints

Inside-out

Outside-in

Sotiris Syrmakezis
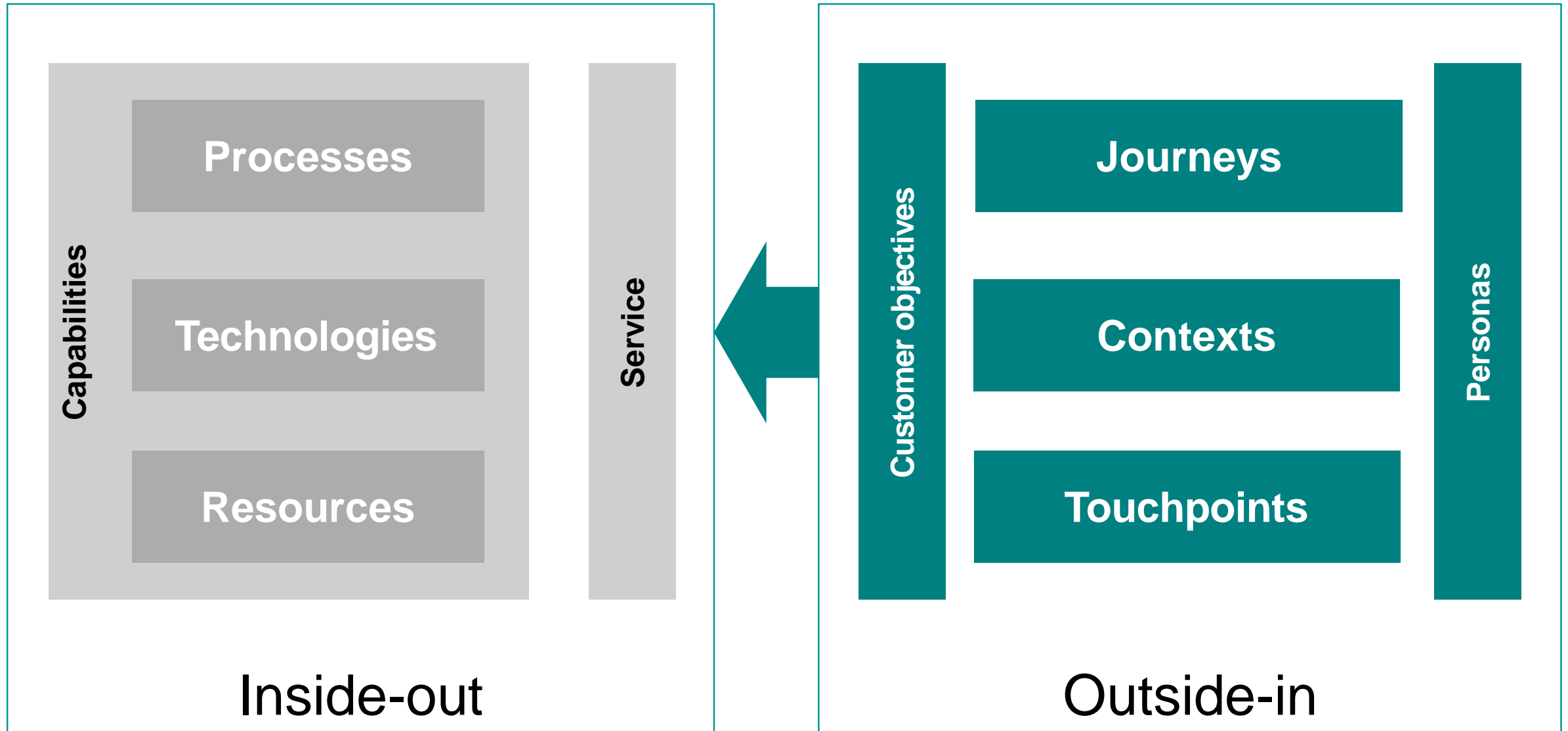
Digital Strategy | Digital Customer Experience

Digitize end-to-end customer experience

…to deliver a best-in-class digital customer experience…

…because the disciplines of customer experience influence everything we do.

Digitize products & services as part of the value ecosystem

…by designing products & services as digital-first experiences…

…by extending the value we bring to customers inside their ecosystem of digitally connected products and services.

Convert data to information

…leverage digital data sources and analytics to optimize customer experience in real- time…

…so that our customers rely on us, they trust our systems to recommend their next action or they allow us to take the action for them.

Digital front-end processes Multi-channel service

Digital Marketing and Social Media Integrated physical & digital experience

Digital Strategy | Digital Operating Excellence

Source enhanced operational capabilities

Optimize operations using digital connections to dynamically source services in support of customer value

Empower employees with digital tools. Aid them build their own **collaboration networks**, internally and with partners

Drive rapid customer-centric innovation

Leverage digital technology to **engage customers and partners** in innovation and product design

Use **agile and iterative techniques** to bring digital products and services to customers
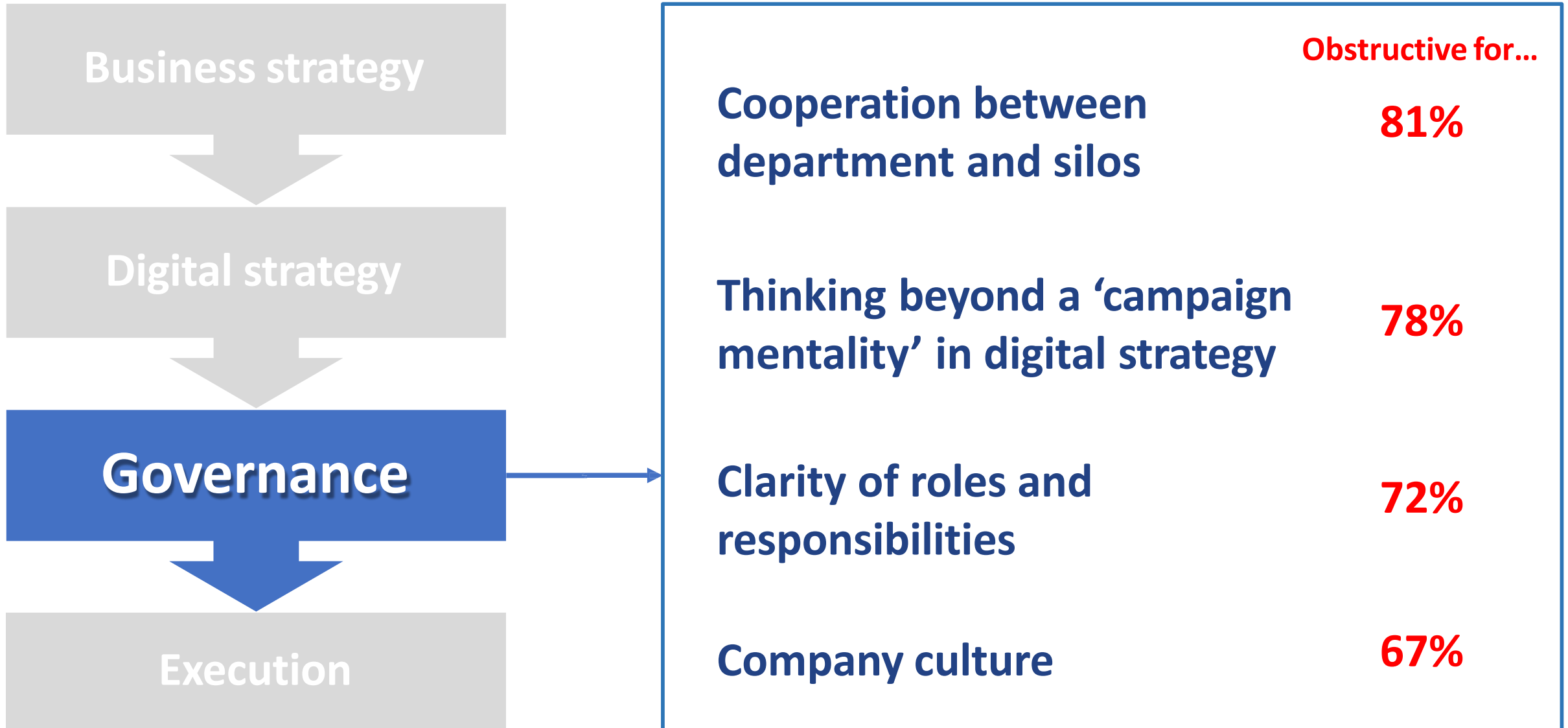
Emphasize agility

Prioritize investments that create **agility in our operations** to cope with rapid changes in market conditions

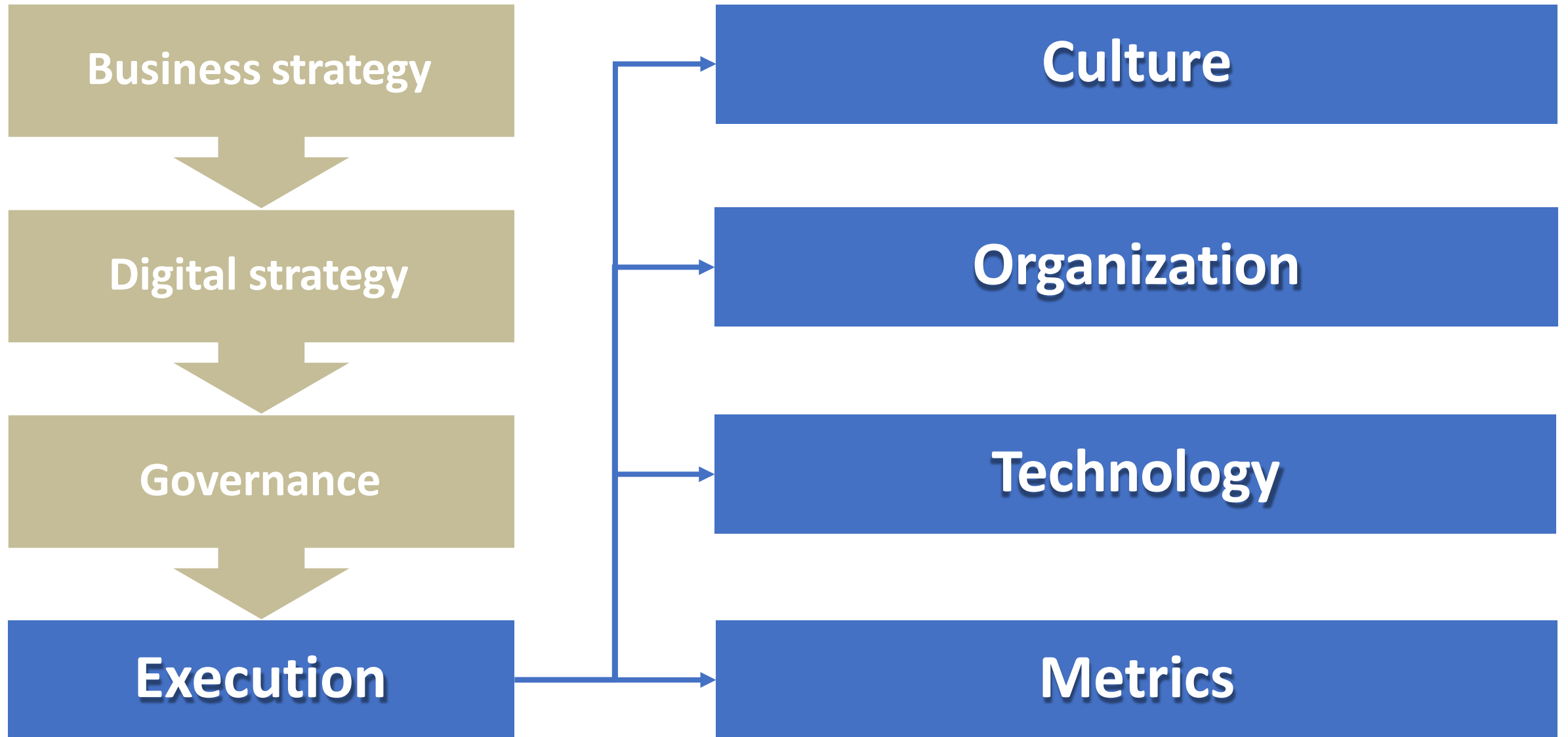Measure and reward employees based on **customer-centric metrics** over functional metrics

Automation of back-end processes End-to-end digitization

Automated analytics and intelligence

Governance

Business strategy

Digital strategy

Governance

Execution

Obstructive for...

Cooperation between department and silos — **81%**

Thinking beyond a 'campaign mentality' in digital strategy — **78%**

Clarity of roles and responsibilities — **72%**

Company culture — **67%**

Execution

Business strategy

↓

Digital strategy

↓

Governance

↓

Execution

→

Culture

Organization

Technology

Metrics

Digital Strategy | Execution | the components

Culture
Foster a culture of digital innovation

- Education & training plan
- Innovation strategy
- Communication: roadshows, int. conferences, 3rd-party support
- 3rd-party input: Universities, consultants etc.
- Salary & people cost

Organization
Alignment to support digital strategy, governance, execution

- Reorganization & restructuring: current & future-state
- Recruitment / new skills
- Customer journey mapping / BPM
- Salary & people cost
- Agency & outsourcer cost

Technology
Use and adopt emerging technologies

- Architecture vs. journey maps: highlight critical tech transform.
- Touchpoint development
- Technology purchasing & licensing / cloud
- Data model & integration / APIs
- Outsourcing

Metrics
Use customer & business data to measure success

- Customer-centric KPIs
- Data architecture to define services and APIs
- Analytics: web, social, location, footfall etc.
- New measurements: NPS, CxPI etc.
- New payment/reward schemes to reflect x-touchpoint targets

Phases in Digital Transformation Journey

DIGITAL OPPORTUNISM			DIGITAL CENTRALISM			DIGITAL ACTIVISM		
Business unit 1	Business unit 2	Business unit 3	Digital center of excellence			Digital center of excellence		
Digital	Digital	Digital	Business unit 1	Business unit 2	Business unit 3	Business unit 1	Business unit 2	Business unit 3
			Digital	Digital	Digital			

DIGITAL OPPORTUNISM

Pros:
- Champions digital adoption within the business, building a groundswell of support
- Allows for quick wins

Cons:
- Limits innovation outside the core business
- Creates business-unit-centric thinking and a fragmented customer experience

DIGITAL CENTRALISM

Pros:
- Builds digital tools, digital processes, and digital talent at scale
- Provides clear ownership and specialized expertise
- Delivers an integrated and standardized end-to-end customer experience

Cons:
- Requires a strong mandate to create change
- Requires strong digital leaders
- Requires tight integration between the center and business units for digital execution

DIGITAL ACTIVISM

Pros:
- Manages digital policy from the center to maintain quality and create scale
- Entrusts digital execution fully to business units
- Ensures a cohesive digital strategy at the enterprise level
- Positions the CEO as the de facto digital leader

Cons:
- Requires significant resources in each business unit that deeply understand digital

Boston Consulting Group, The power of people in digital banking transformation, November 2020

The ever-present organizational structure question

Model	Strategy	Governance	Execution	Description
Decentralized	Embedded in business units	Embedded in business units	Embedded in business units	All strategy decisions made in distributed, local teams independent of one another
Centralized	Centralized	Centralized	Centralized	HQ makes all strategy & tactical decisions, giving local teams little to no leeway to adjust execution
Federated	Centralized	Combined	Embedded in business units	HQ makes most strategy decisions & allows local teams to adjust decisions and execute within specs

Sotiris Syrmakezis

Forrester Research, Evolve Your Organization Structure To Promote Digital Maturity

49%

of C-suite respondents surveyed said that their organizations are currently meeting customer expectations for order fulfillment.

Organizations vs individuals

As virtual environments enhance our physical worlds and redefine our sense of place, innovative organizations create new ways for people to work, consume, and socialize.

Potential benefits of real virtualities include:

Creating new value for organizations and individuals

Improving employee and customer interactions

COMPANIES THINK

ABOUT THE **PRODUCTS** THEY OFFER

PEOPLE THINK

ABOUT HOW THEY'RE **TREATED**

COMPANIES THINK

ABOUT HOW THEY CAN PROFIT

PEOPLE THINK

ABOUT HOW THEY CAN BENEFIT

COMPANIES THINK

ECONOMIC VALUE

PEOPLE THINK

PERSONAL VALUE

Start thinking like a disruptor

Focus
on unmet customer needs

Experiment
with new business models

Choose
speed over perfection

Think
like an ecosystem player

Face
the non-believers

Be ruthless
about your liabilities

Innovate
the adjacent possible

Maximize
the use of existing technology

Place
a few selective big bets

Shape your business future.

Decisions made over the next 12 to 18 months could determine the difference between thriving and struggling to survive in the next five years.

Now is the time to capitalize on change and seize the future.