Digital Transformation

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TYSCON

Heard of them?

SocietyOne

UBER

airbnb

NETFLIX

Alibaba.com
阿里巴巴

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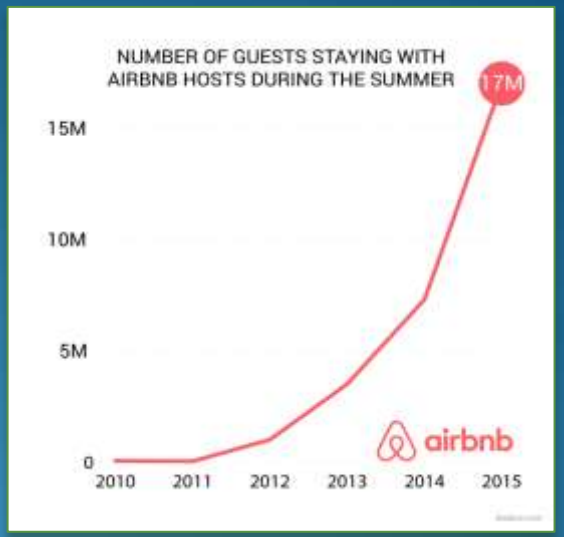
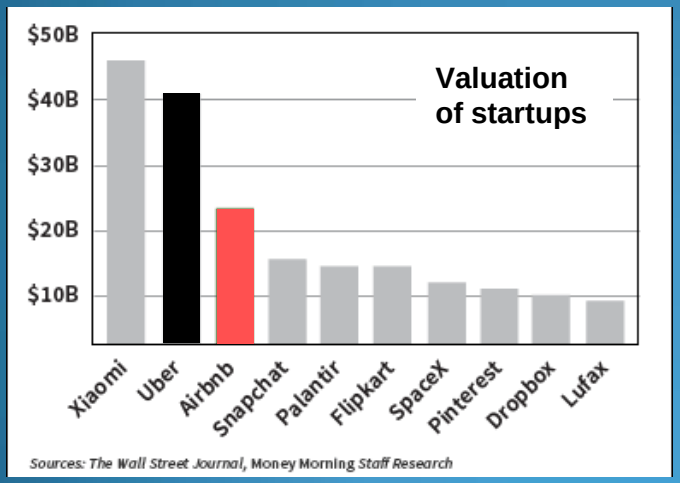
Some data…





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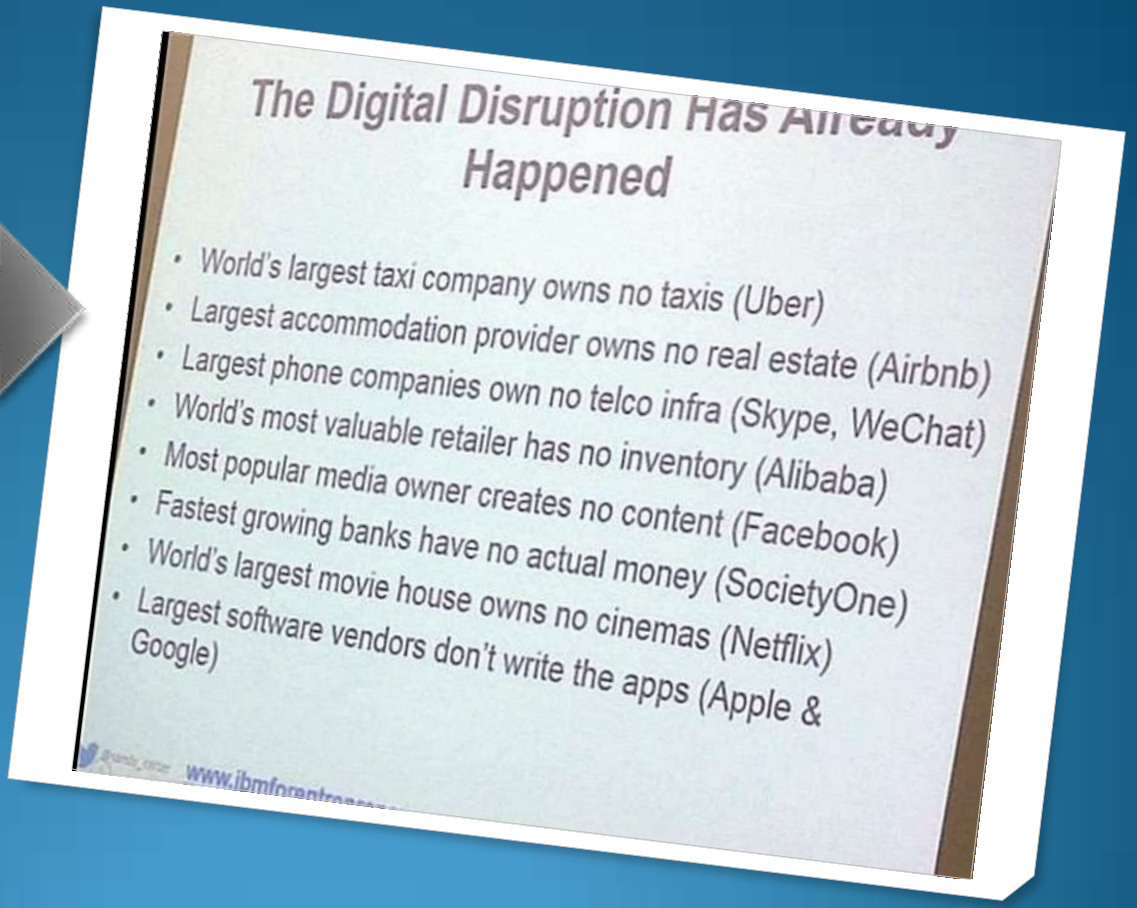
Digital Disruption?

- Transportation
- Accommodation
- Telecommunication
- Retail
- Media
- Movie
- Software
- …



Source: IBM 2015

Who's Next?

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What do they have in common?

They…

- would **not exist without the internet**
- **link demand and offer** via the web
- put the **customer in the center**
- use digital to gain **deep market insights**
- use innovative, but **simple business models**

at… almost **ZERO transaction cost** !

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Some preys of **digital Darwinism**…

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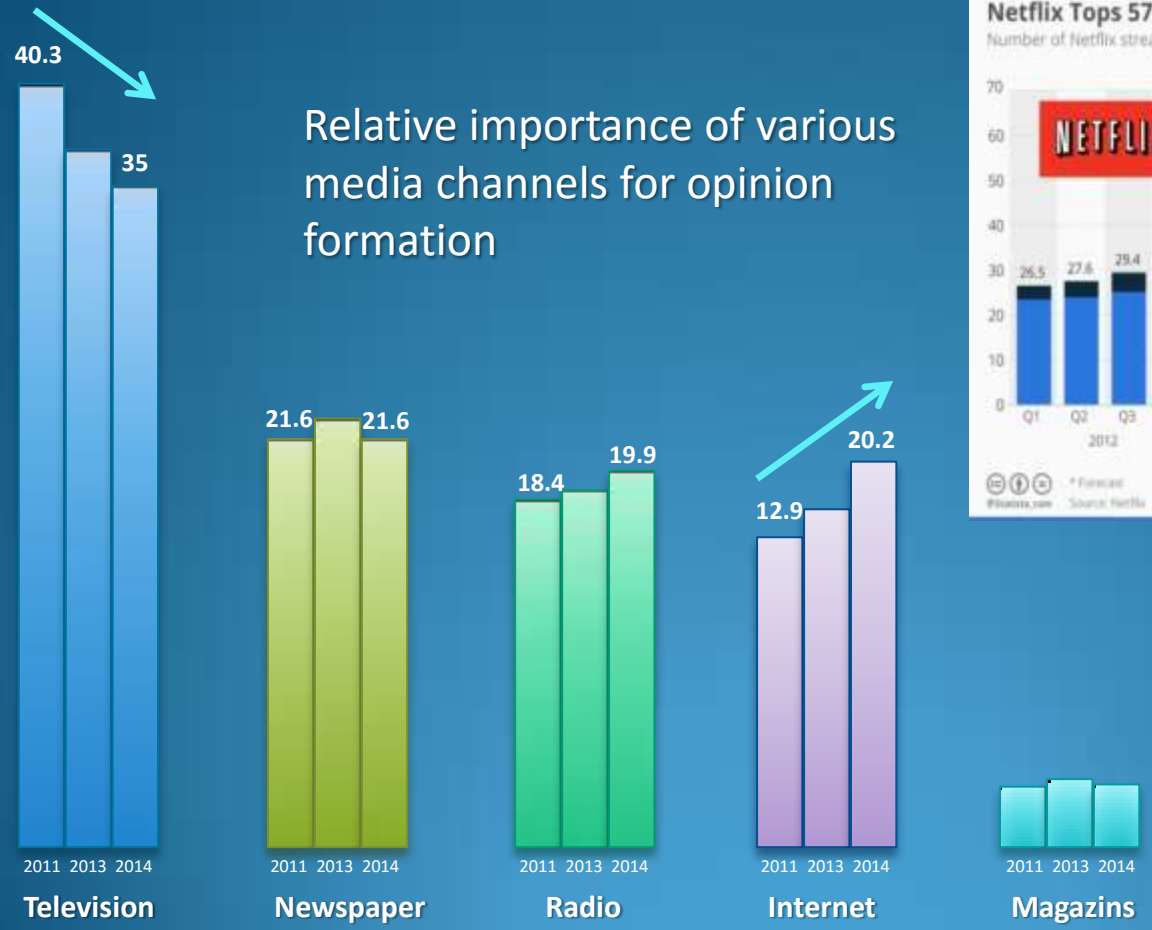
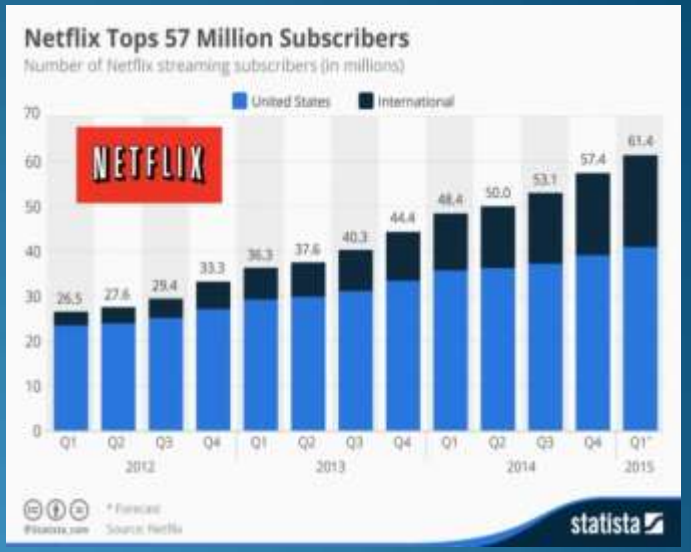
TV: the next loser?

Relative importance of various media channels for opinion formation



Source: TNS infratest 2015



Source: NetFlix

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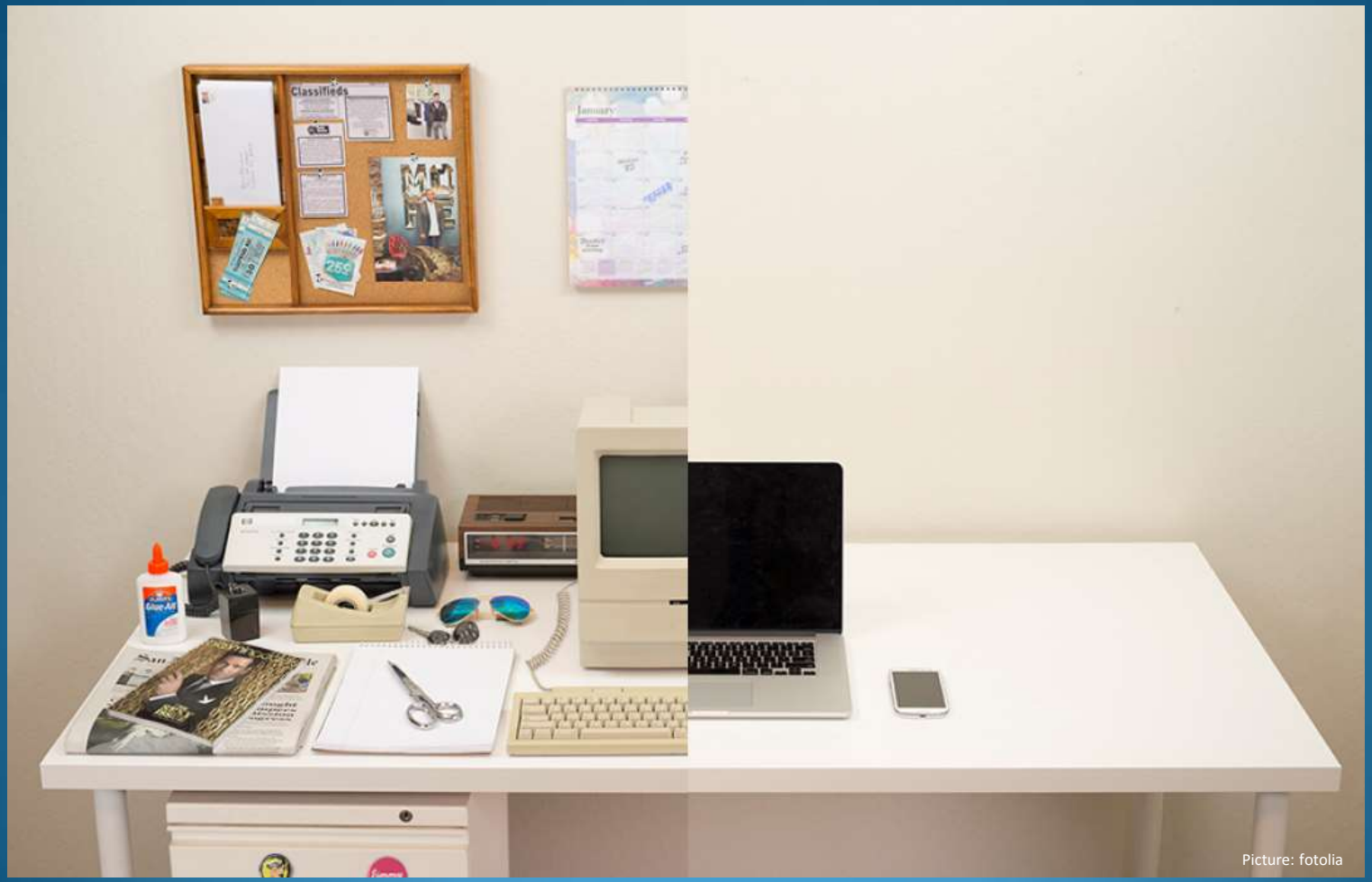
Dematerialization…



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Smart, social & powerful **customers**…

Picture: amazon.de

"How much would you rely on your ***peer's ratings***?"

Brand advocates taking over ***customer service*** for free…

Picture: telekomhilft.telekom.de

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The (inter)net effect…

- **Global availability**
- **Unlimited access** to knowledge and information
- High level of **transparency**
- Constantly **growing computing power**
- **Dematerialization** of hardware
- **Networks** among people, among devices and…

  … between people *and* devices

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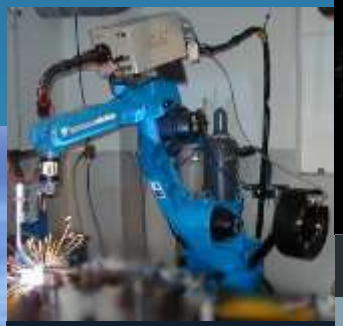
Technology

is the driving force…

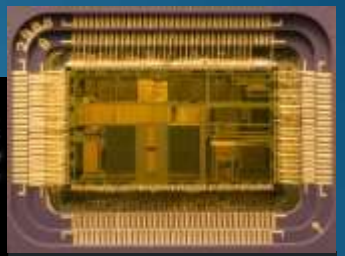
Steam – 1850

Electricity – 1900



Robotics – 1950

Networking – 1990



Cloud // mobile data // bandwidth

Industrialization

Digitization

Images from wikipedia.de

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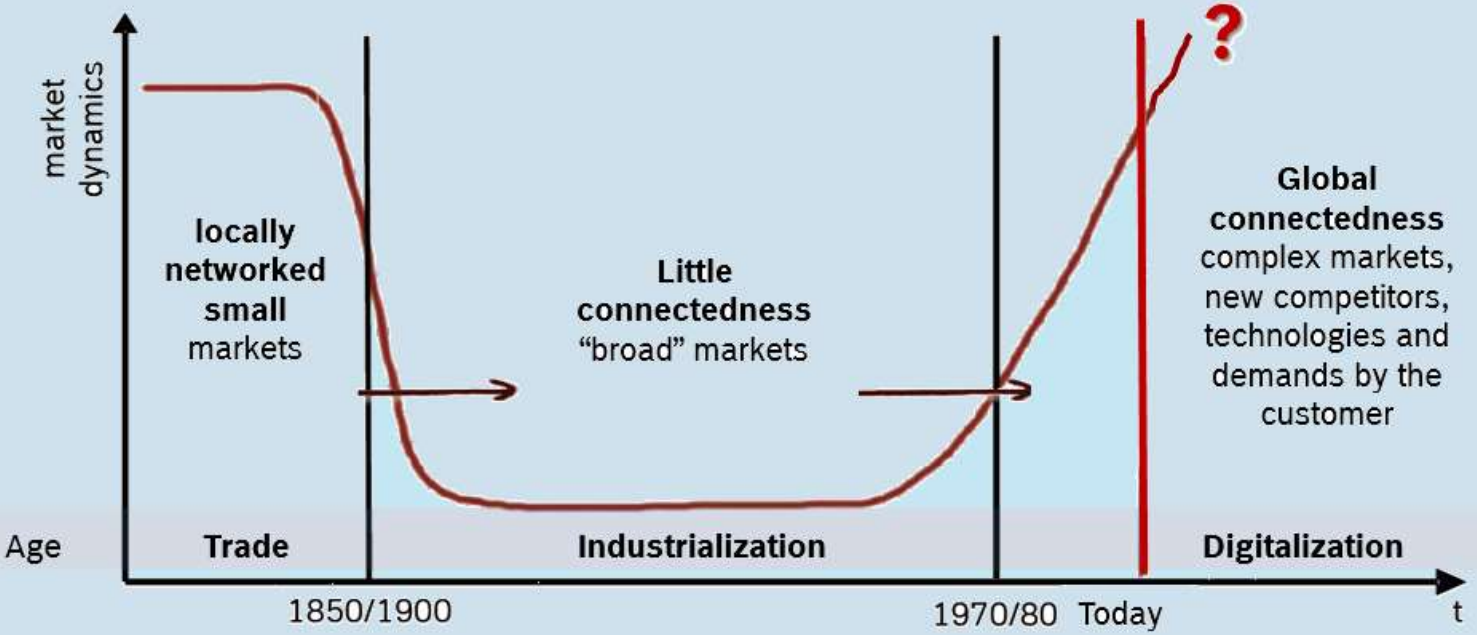
Dynamic markets…



Source: BetaCodex – Organize for complexity

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Digitalization is here already…

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Digitalization is a *huge* topic…

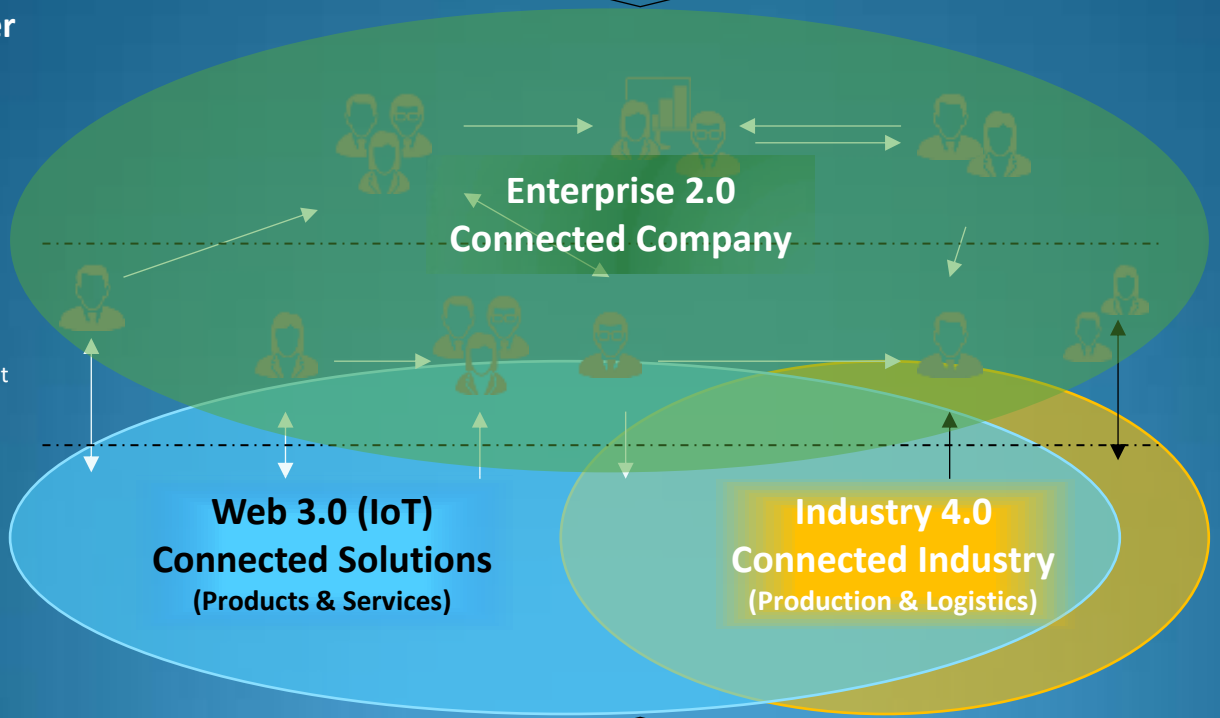
Social business: Involvement, Collaboration, Processes, Organization, Culture

Business Partner
(internal & external)

Strategy Development
Business Processes
Idea Management
Resource Pooling
Collaboration

Communication
Project Management
Community Management
Open Innovation
Eco-Systems

New Business Models
Online Services
Engineering Processes
Production Processes
Logistics Processes
Big Data Management



Customer

Sales & Marketing
Customer Service
Social Media Monitoring
Social CRM
Recruitment
Project Management

Open Innovation
Customer Platforms
Customer Involvement
Eco-Systems

Systems
Logistics & Packaging
After Sales
Online Services
Big Data Management

Connected Technologies: Infrastructure, Tools, Applications, Systems, Big Data

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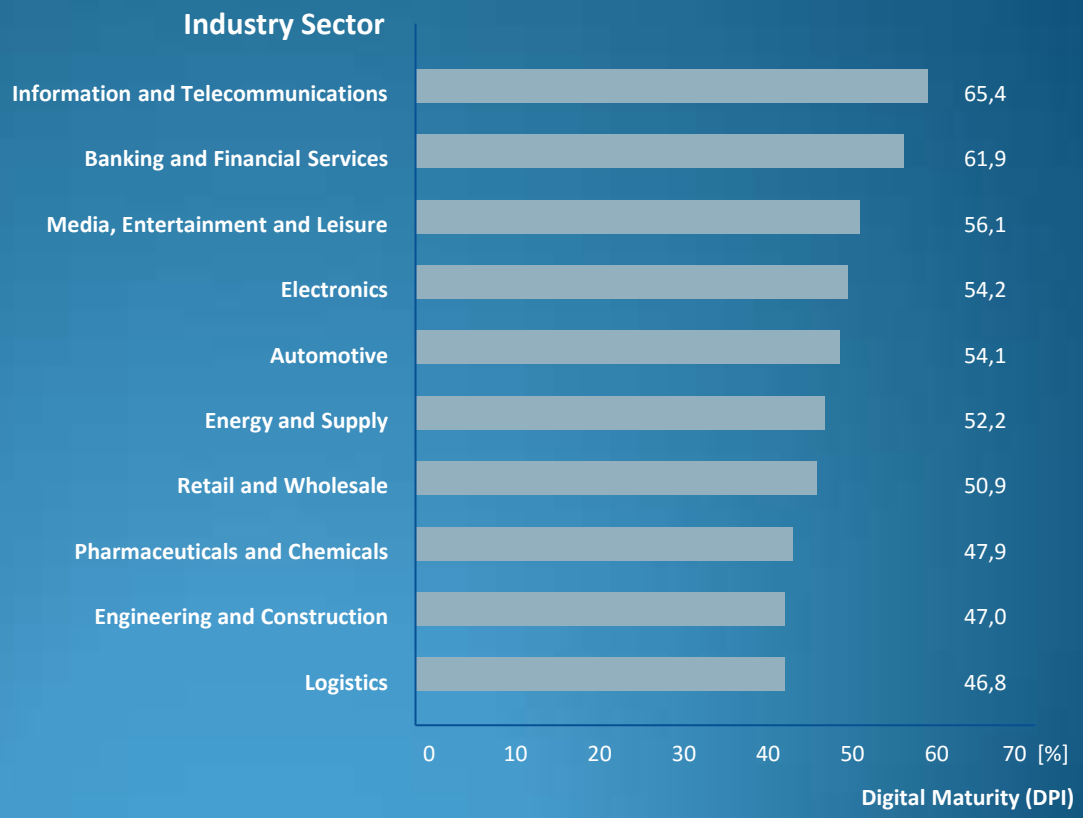
Every industry sector is affected…

… sooner or later

Executives predict:

By 2020, **47% of revenue** will be influenced by digital

Source: Forrester Research 2015



Source: d.velop Branchenvergleich – Digital Process Index (DPI) 2015

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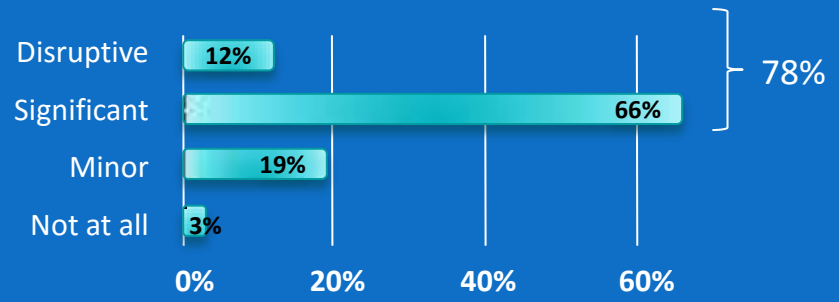
How does digitization affect *your* business?

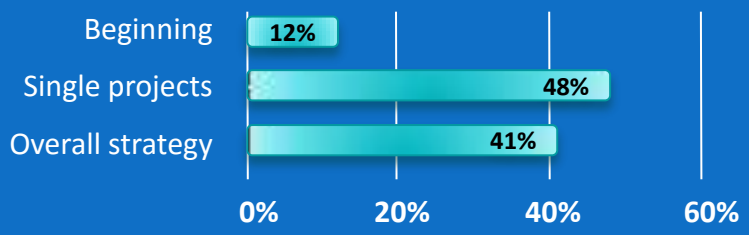
How is your industry branch affected?



→ 78% expect a fundamental impact

Sources: "Welt am Sonntag" 11.1.15, Accenture

What is your digitization approach?



→ Only 41% have a digital strategy

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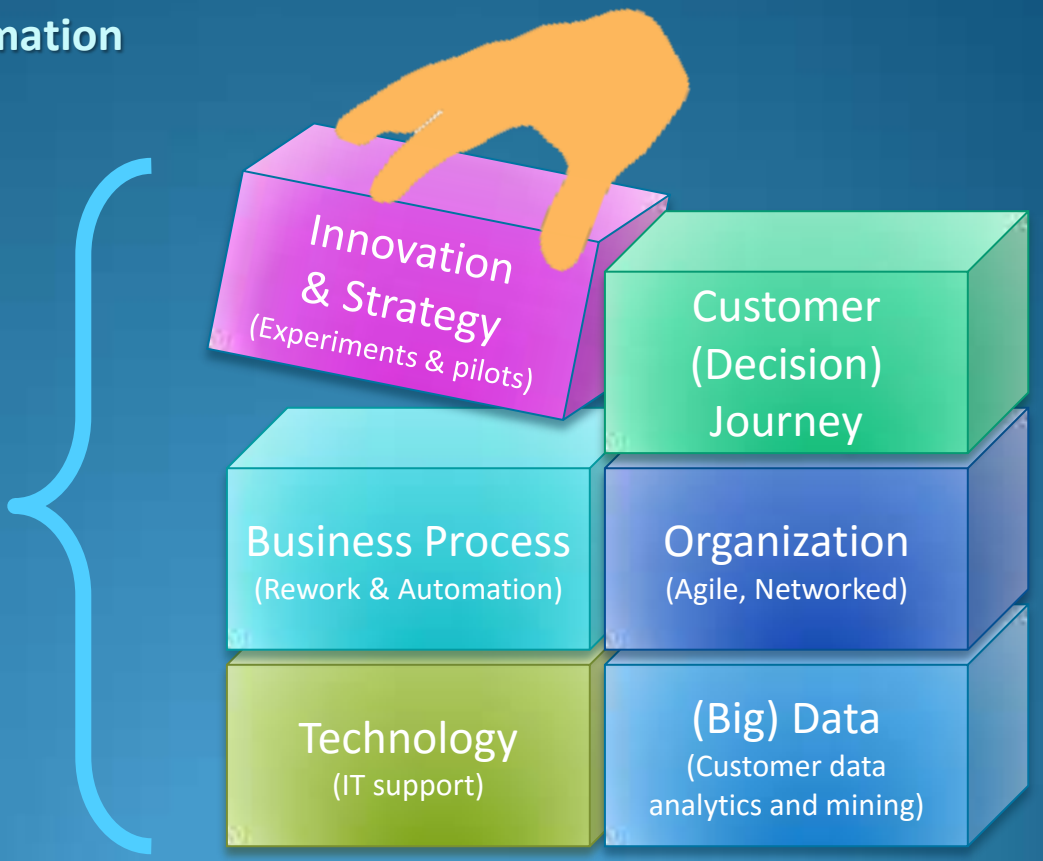
Building blocks

of the **Digital Transformation**

You may start anywhere, but…



Based on: Six building blocks for creating a high-performing digital enterprise, McKinsey Digital Sep 2015

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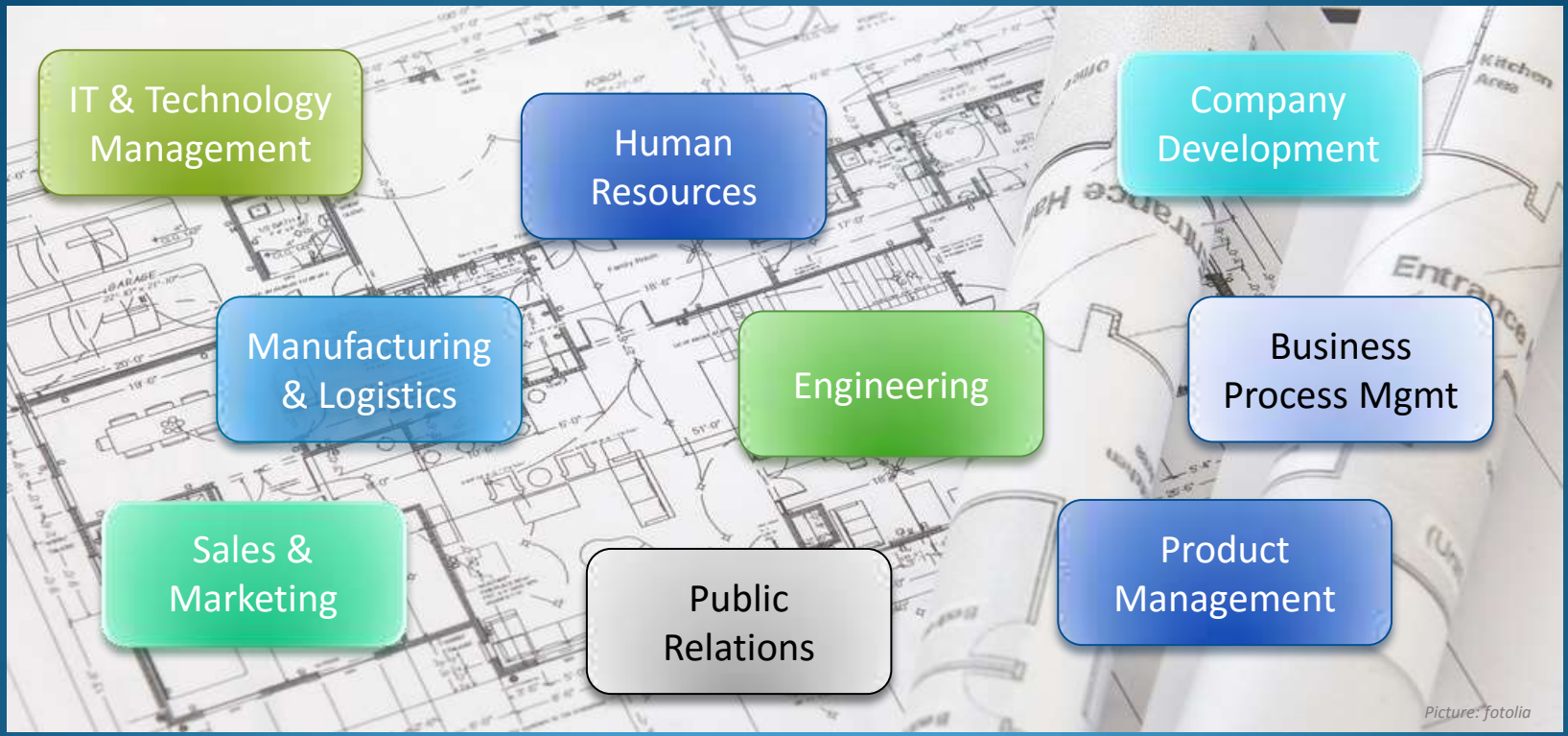
Digital affects the **entire organization**…



… eventually you will need to **rebuild the house** instead of just replacing the windows!

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The digital customer

How to create *added value* for the (digital) customer?

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Customers seeking *experiences*…

(instead of just *products*)

Center image: fotolia

Eco-systems

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Added value…

Pictures: fotolia

+ Brand image
+ Pleasant ambiance
+ Multiple selections
+ Bonus program
+ Community
+ Free Wi-Fi
+ …

= Experience !

1.00 EUR

3.50 EUR

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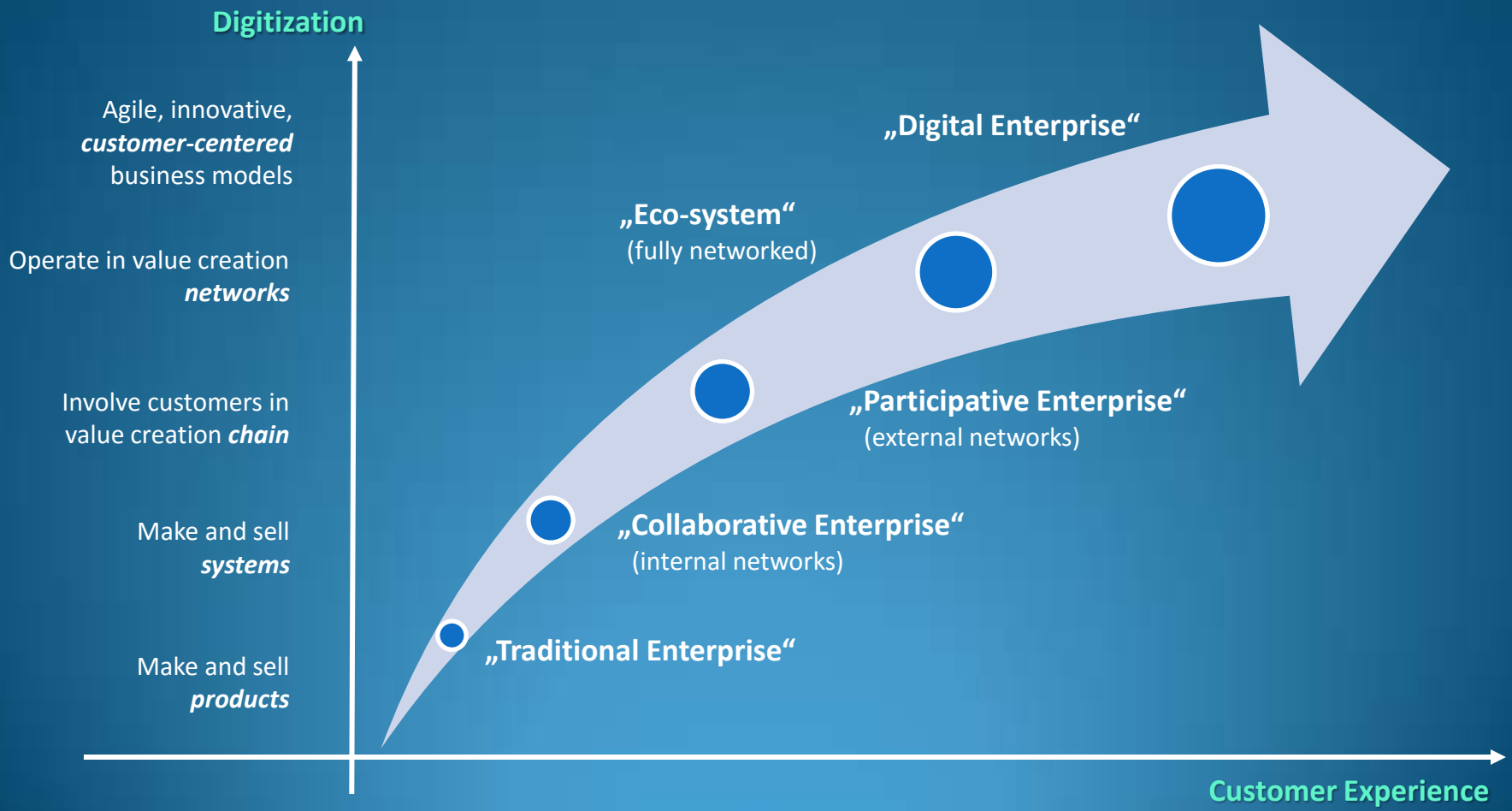
Digitization vs. customer experience (simplified)



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Technology

Enhanced customer value brought by *connected devices* (IoT)

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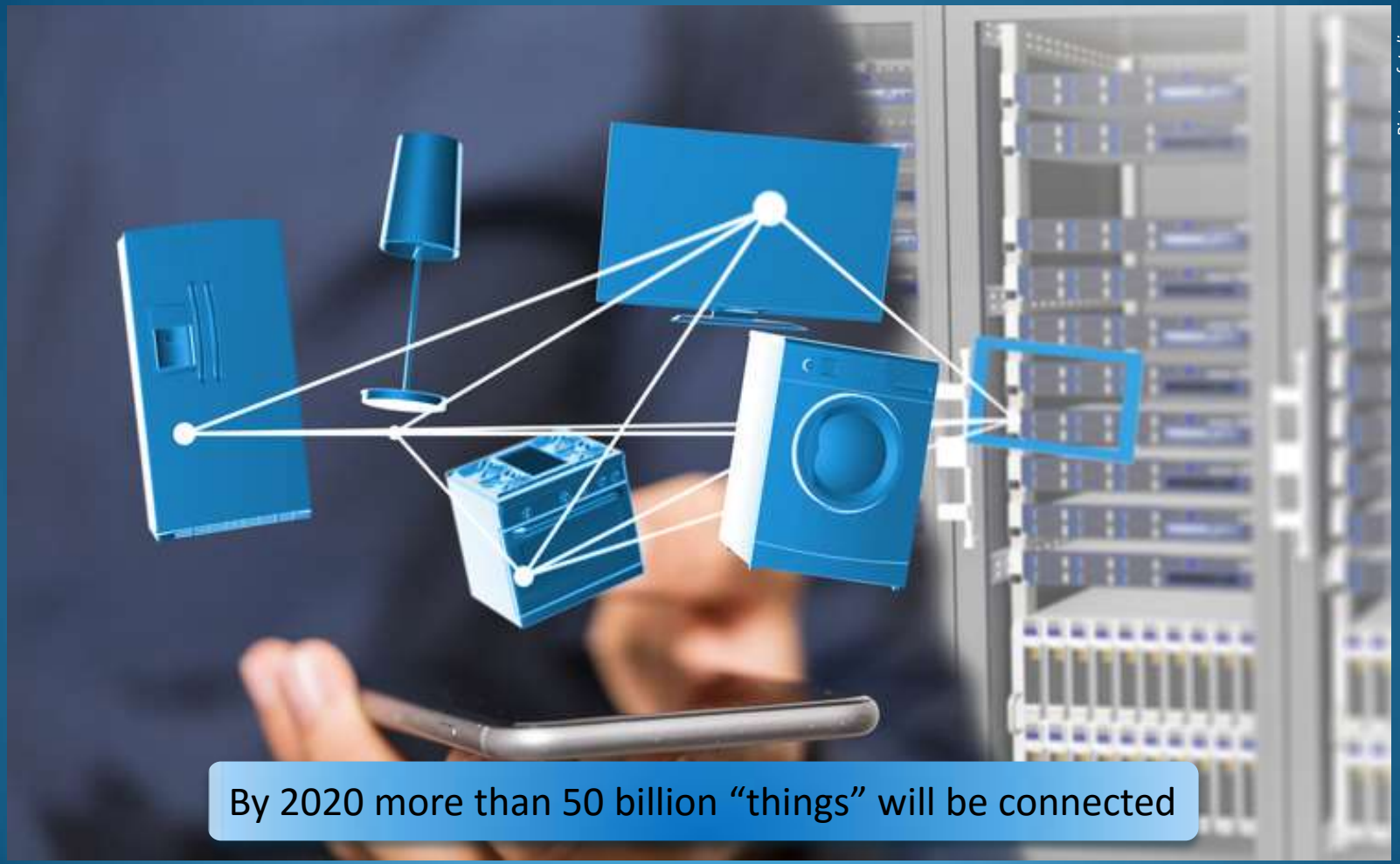
Internet of Things (IoT)



Picture: fotolia

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Smart Cities…

Source: http://www.urban-hub.com/wp-content/uploads/2014/11/stage_large_smart_city-1920x864.jpg

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Tower Bridge tweeting…

Example

Tower Bridge
@twrbrdg_itself

Bot that lets you know when Tower Bridge is opening or closing. Not in any way official. photo from tinyurl.com/32blmc

London
tinyurl.com/32ksrn
Beigetreten Februar 2008

Tweet an Tower Bridge

TWEETS	FOLGE ICH	FOLLOWER	GEFÄLLT MIR
7.325	12	6.255	5

Tweets | Tweets & Antworten

Tower Bridge @twrbrdg_itself · 10. Apr. 2014
I am closing after the MV Dixie Queen has passed down riverstream.

Tower Bridge @twrbrdg_itself · 10. Apr. 2014
I am opening for the MV Dixie Queen, which is passing down riverstream.

Tower Bridge @twrbrdg_itself · 10. Apr. 2014
I am closing after the MV Dixie Queen has passed up riverstream.

Source: twitter.com

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Monitoring critical parameters…

Truck components – preventive maintenance

Image: Cisco, from IT World Canada

Examples

Food production – ambient conditions

Image: Libelium World, WaspNote

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Automation

Industry 4.0: IoT in production & logistics

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Transport & **logistics** applications…

Picture: fotolia

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Organization

How to become connected *and* agile?

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Picture: fotolia

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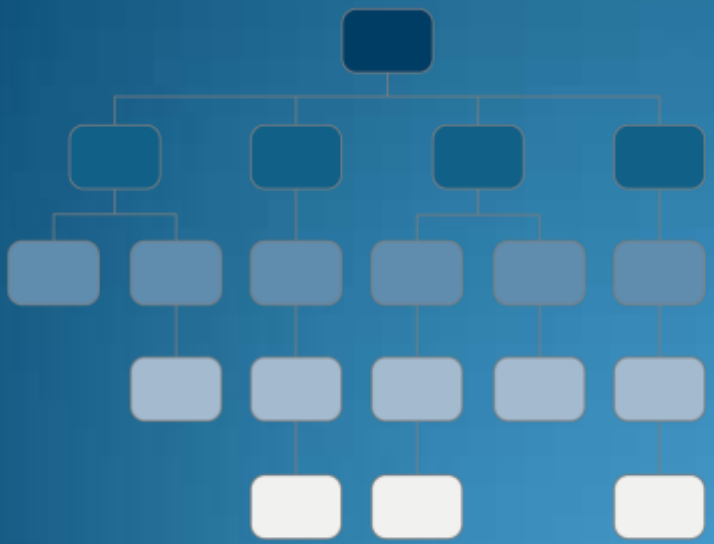
Connected and **agile** organization

(the best of two worlds?)



Traditional hierarchical organization

Connected & networked organization

Graphics: Robert Bosch GmbH

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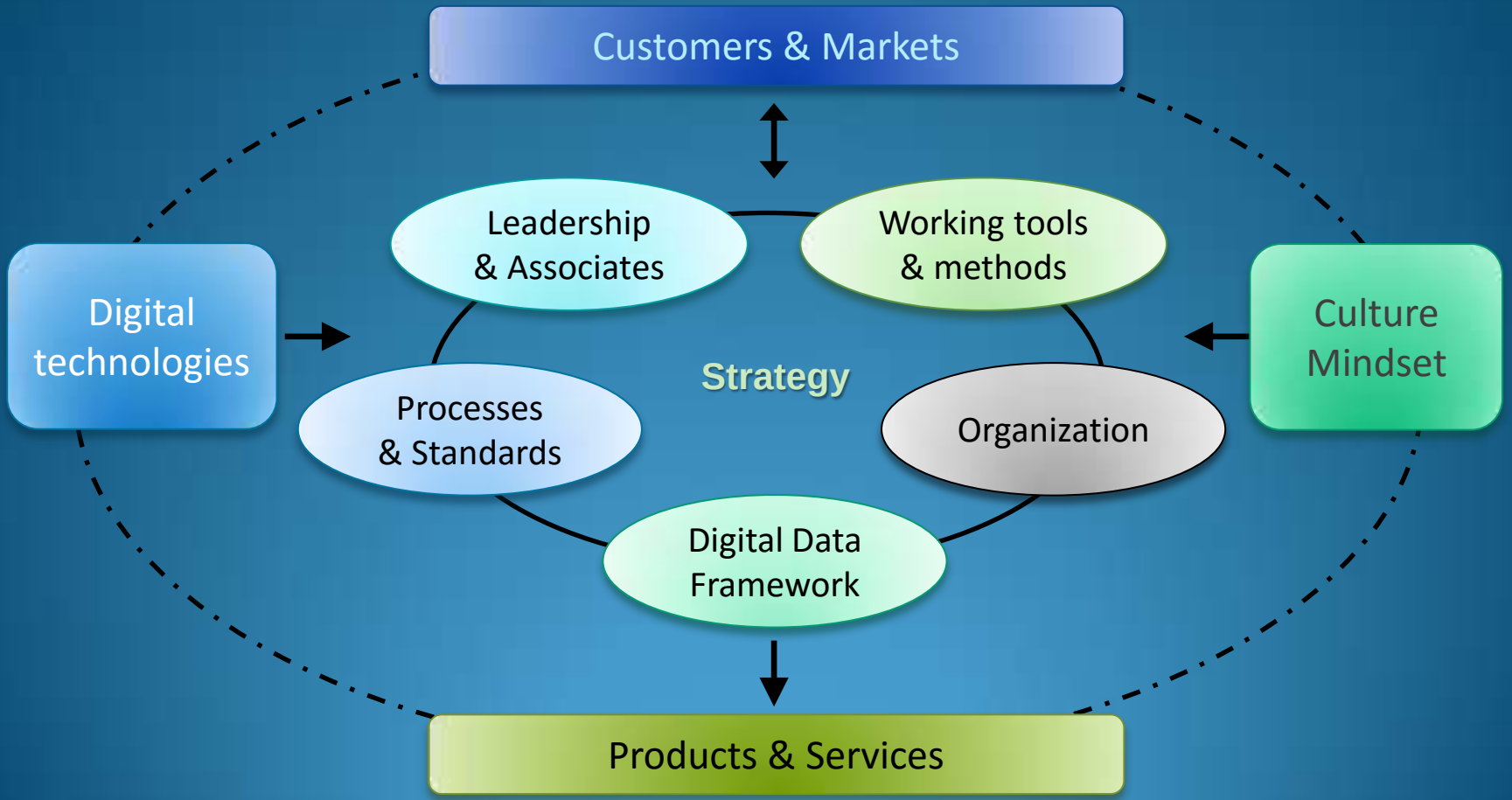
Digital enabler mesh



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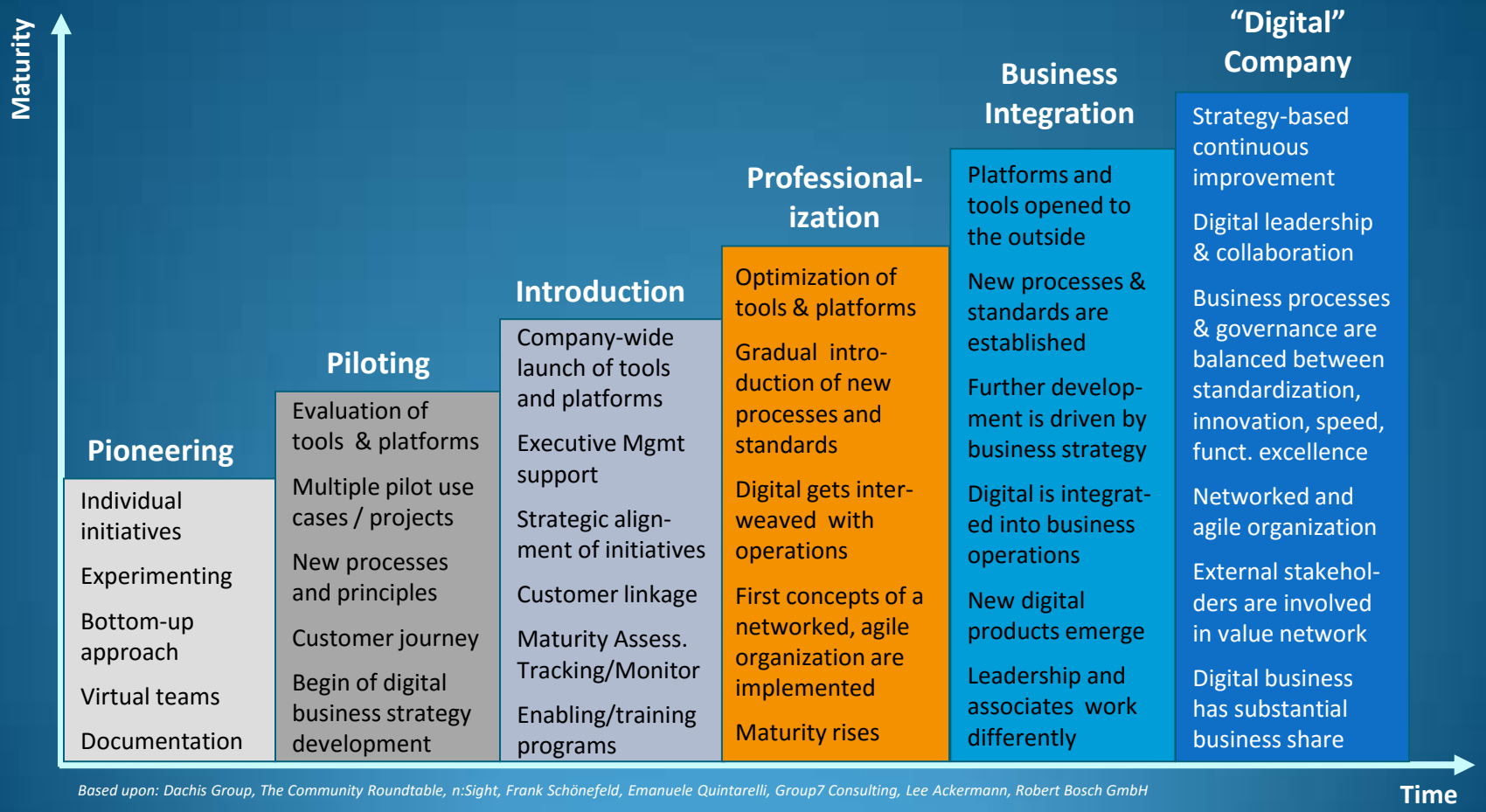
Digitalization – a **roadmap**



Based upon: Dachis Group, The Community Roundtable, n:Sight, Frank Schönefeld, Emanuele Quintarelli, Group7 Consulting, Lee Ackermann, Robert Bosch GmbH

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Questions?

Image: fotolia

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