DigitalConsult

Berlin
World Publishing Expo
2017

Mumbai
Digital Media India
2018

London
Big Data for Media Conference
2017

Aarhus
Business Academy's Executive Forum
2017

Aarhus
Aarhus University's Business Intelligense Program
2017

Singapore
Digital Media Asia
2017

HARVARD BUSINESS SCHOOL
Executive Education
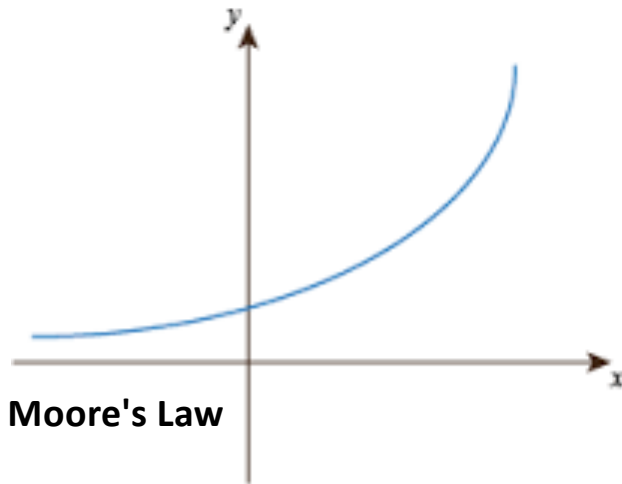
AARHUS UNIVERSITY

JP/POLITIKENS HUS
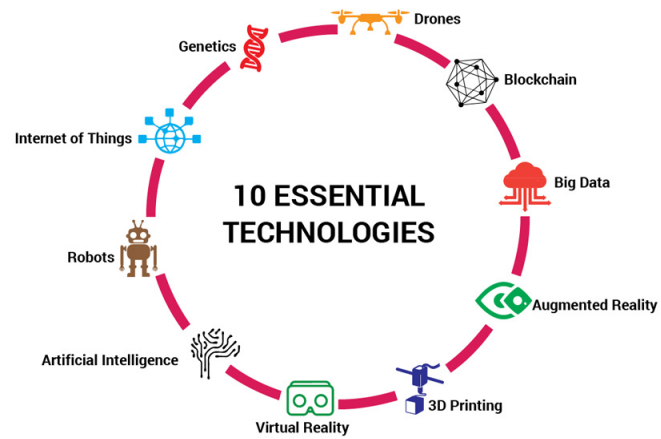
UNIVERSITÄT HEIDELBERG
ZUKUNFT SEIT 1386

@SteffenDamborg

Digital Transformation is:

Data-driven digital insights	Integrated customer experience	Digital marketing	Digitally enabled operations	Next-gen technology	+	Digital enablers
Comprehensive data ecosystem, including third-party APIs	Customer-centric experience design (UX/UI)	Targeted digital media	Digitized sales and service interactions	Scalable application architecture		Digital talent management
Robust analytics and data infrastructure	Omnichannel experience delivery	Content marketing	Streamlined and automated fulfillment processes	Cybersecurity		Organization and governance
360-degree single customer view	Customer-journey experience	Digital customer life-cycle management	Operational-excellence enablers	Agile delivery to market		Innovative test-and-learn culture
Targeted product and service decision making	Merchandising and e-Category management[1]	Marketing operations		Flexible IT infrastructure		

Moore's Law

10 ESSENTIAL TECHNOLOGIES

Drones
Blockchain
Big Data
Augmented Reality
3D Printing
Virtual Reality
Artificial Intelligence
Robots
Internet of Things
Genetics

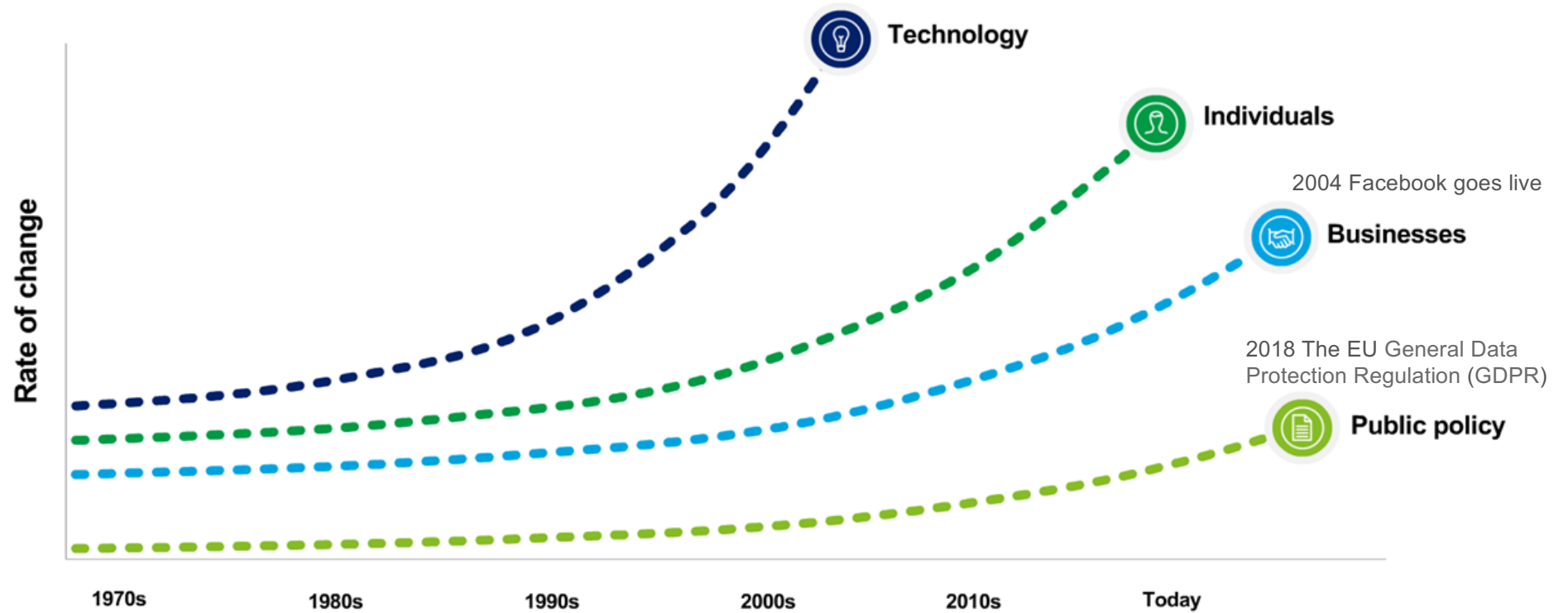2005

2013

Pope announcements

Exponential Technologies

"The pace of change will nevwer be as slow as it is today"
Graeme Wood, The New Yorker

What is really happening

The AI Buzz

Elon Musk
*"I think we should be very careful about artificial intelligence. If I were to guess like what our **biggest existential threat** is, it's probably that."*

Mark Zuckerberg
*"[..] I think people who are naysayers and try to drum up these doomsday scenarios... I just don't understand it. **It's really negative** and in some ways I think it is pretty irresponsible."*

Bill Gates
*"**I agree with Elon Musk** and some others on this and don't understand why some people are not concerned."*

Grady Booch
*"**To worry now about the rise of a superintelligence is in many ways a dangerous distraction** because the rise of computing itselfbrings to us a number of human and societal issues to which we must now attend."*

Stephen Hawking
*"The development of full artificial intelligence could **spell the end of the human race.**"*

New Buzz Words:
AI, VR, AR, Big Data, Cloud Computing, Machine Learning, IoT, Predictive Algorithms, Blockchain…

Alexa, We're Still Trying to Figure Out What to Do With You

Amazon's Alexa digital assistant is mostly used through the company's line of Echo smart speakers.

The most common English company name in China

Google Translate errors & mistranslations…

汀步路，
小心滑倒！
Slip and fall down carefully!

PLEASE REMOVE
THE ROOM
ПРОСЬБА
УБРАТЬ НОМЕР
БРЯНСК

PLEASE DO NOT
WORRY
ПРОСЬБА
НЕ БЕСПОКОИТЬ
БРЯНСК

Hype Cycle for Emerging Technologies, 2018
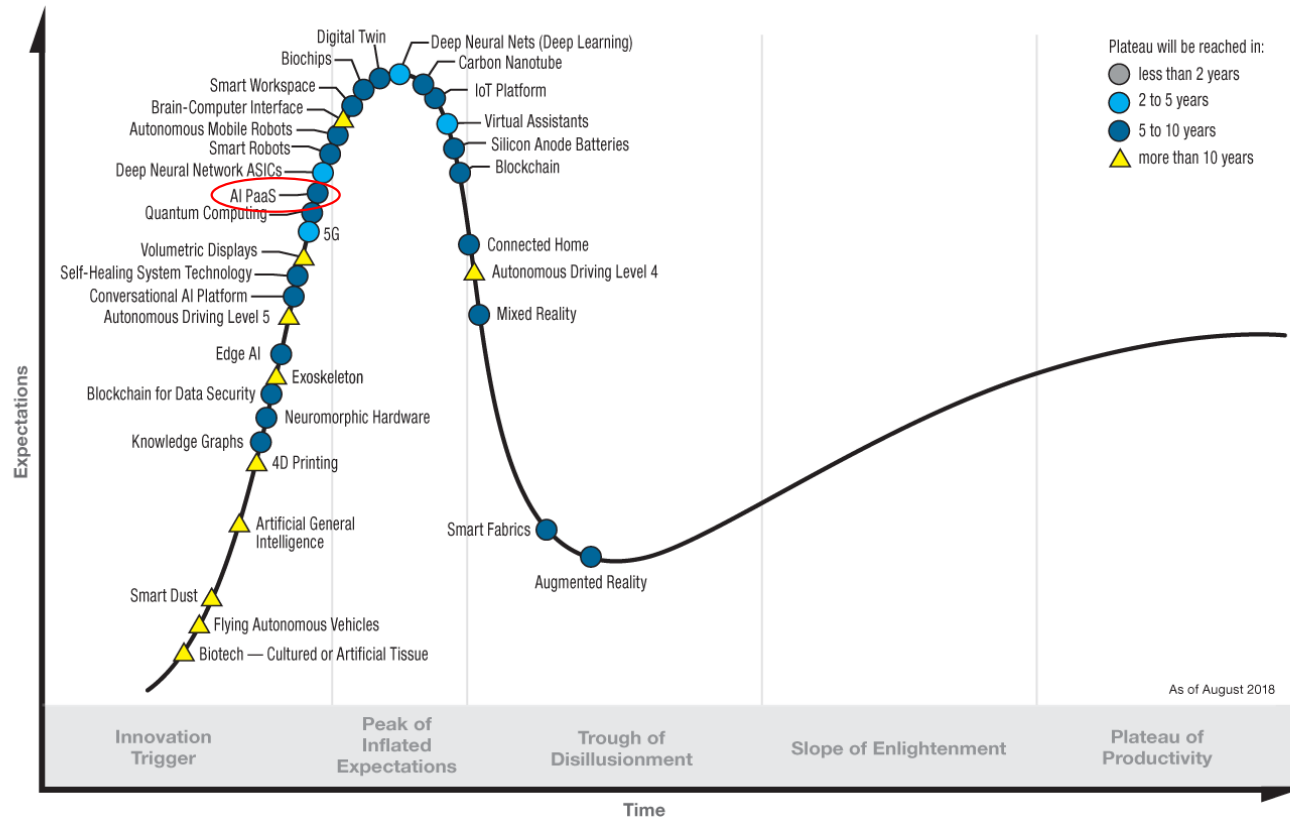
AI Platform as a Service

Plateau of Productivity will be reached in 5 to 10 years.

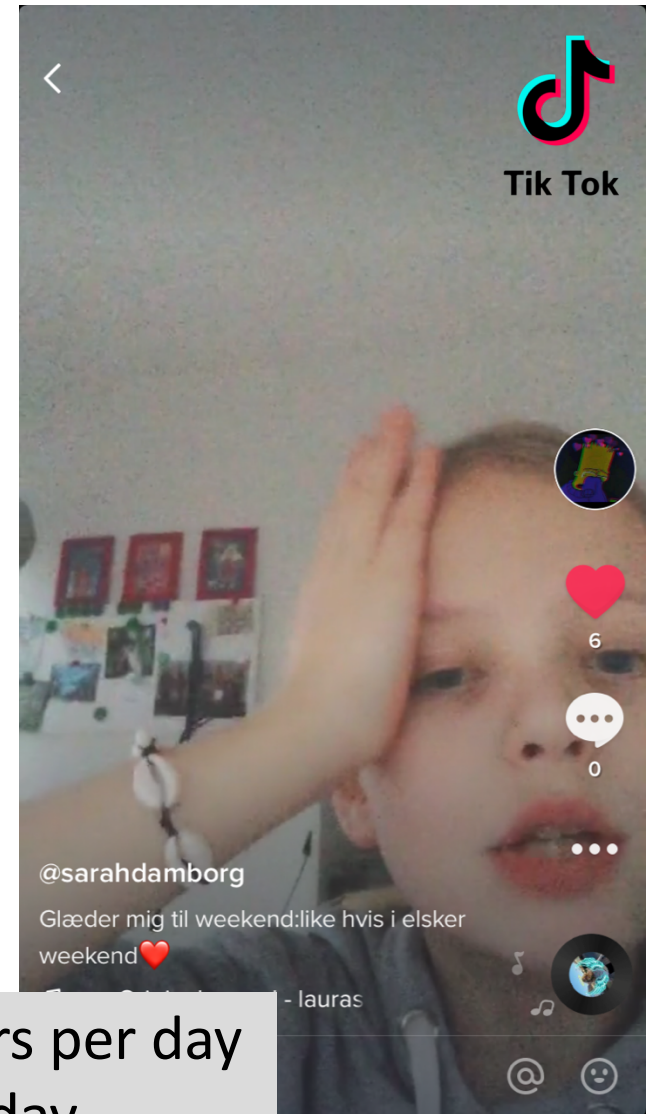Machine Learning PaaS Plateau of Productivity is reached today.

Disruptive Innovation

"In business, a disruptive innovation is an innovation that creates a new market and value network and eventually disrupts an existing market and value network, displacing established market-leading firms, products, and alliances.."

Harvard-professor Clayton M. Christensen

Skal til fest

@sarahdamborg

Glæder mig til weekend:like hvis i elsker weekend❤️

- lauras

Tik Tok

12 to 24 years of age: is online 3,5 hours per day
60+ years of age: is online 2 hours per day

Platforms have become the new mass media
Top networks by millions of active monthly users

1	facebook	1 860	6	WeChat	846
2	Messenger	1 200	7	Instagram	600
3	WhatsApp	1 200	8	tumblr.	550
4	YouTube	1 000	9	LinkedIn	500
5	腾讯网 QQ.com	877	10	twitter	317

Tencent, Facebook, Google, Microsoft

Cost of an IT-startup in the valley

- The cost structure of a media startup

	2006	2017
	$2 000	$149
Incorporate as LLC	$20 000	$0
Office Space	$1 000	$0
Office Supplies	$1 000	$60
MS Office	$50 000	$0
Web + CRM	$1 000	$10
Register a Domain	$400	$300
Ramen		
Coffee	**$100**	**$400**
Servers/Hosting	$75 000	$100
Developer Tools	$50 000	$0
	$200 500	$1019

New Rules defined by "the product"

Beyoncé releases new album straight iTunes with no warning

Singer's fifth album drops as a surprise, after months of rumours of scrapped songs and delays

● Here's a first-look review of Beyoncé's new album, with a full review from Kitty Empire coming later

Intermediaries disappear

No record label needed to sell music...

A new season or just a new race?

Credit: Jim Hagemann Snabe

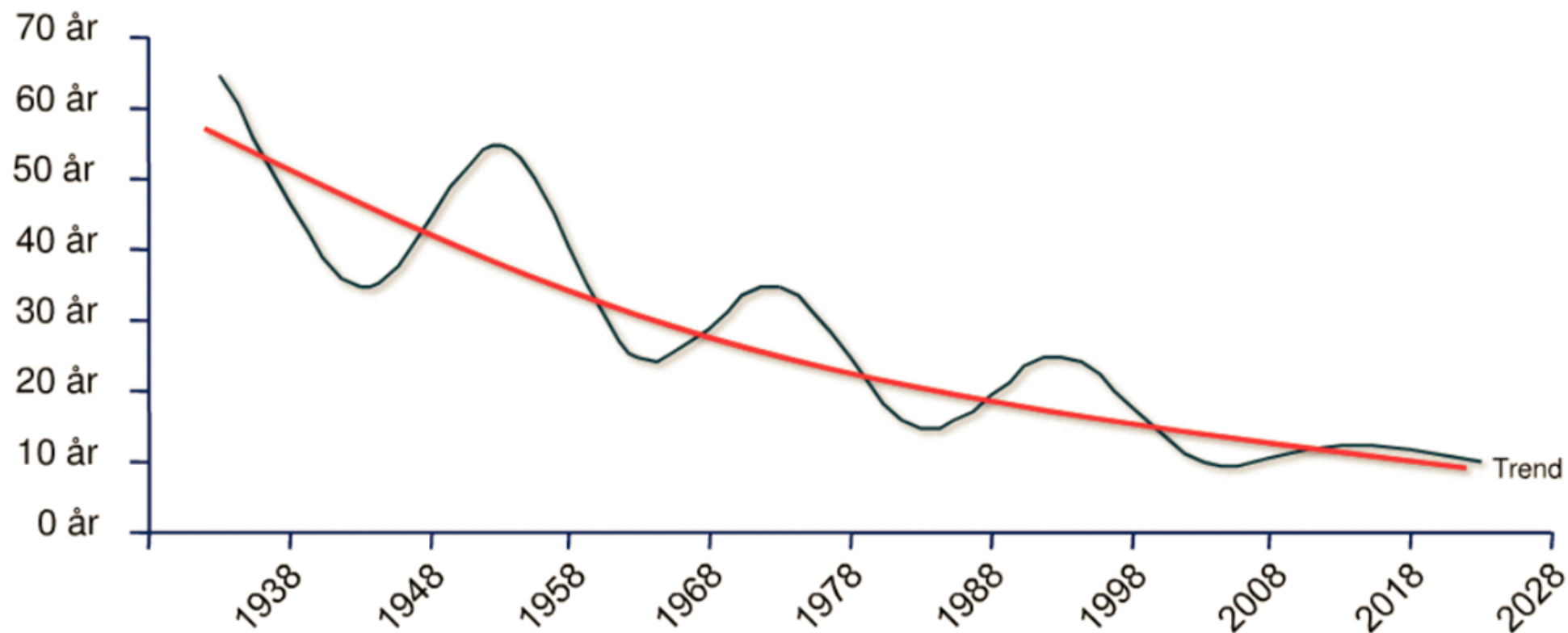Within a season = same rules. Entering a new season = new rulebook.

Average life span of S&P companies now under 20 years, down from 60 years in the 1950s…

The Platform Era

The power of positive network effects...

1917		1967		2017	
U.S. Steel $46.4B		International Business Machines $258.6B		Apple $898B	
American Telephone & Telegraph $14.1B		American Telephone & Telegraph $200.5B		Alphabet $719B	
Standard Oil of N.J. $10.7B		Eastman Kodak $177B		Microsoft $644B	
Bethlehem Steel $7.1B		General Motors $171.2B		Amazon $543B	
Armour & Co. $5.8B		Standard Oil of N.J. $106.5B		Facebook $518B	
Swift & Co. $5.7B		Texaco $82.3B		Berkshire Hathaway $452B	
International Harvester $4.9B		Sears, Roebuck $64.6B		Johnson & Johnson $374B	
E.I. du Pont de Nemours $4.9B		General Electric $63.9B		Exxon Mobil $350B	
Midvale Steel & Ordnance $4.8B		Polaroid $58B		JPMorgan Chase $340B	
U.S. Rubber $4.6B		Gulf Oil $58B		Wells Fargo & Co. $266B	

Assets ($ bn) Inflation adjusted September 2017

Mkt. Val. ($ bn) Inflation adjusted September 2017

Mkt. Val. ($ bn) as of November 10th, 2017

Industry

- Tech
- Conglomerate
- Medical
- Oil & Gas
- Financial Services
- Film
- Rubber
- Retail
- Autos
- Telecom
- Steel
- Foods
- Chemicals
- Heavy Equipment

howmuch net
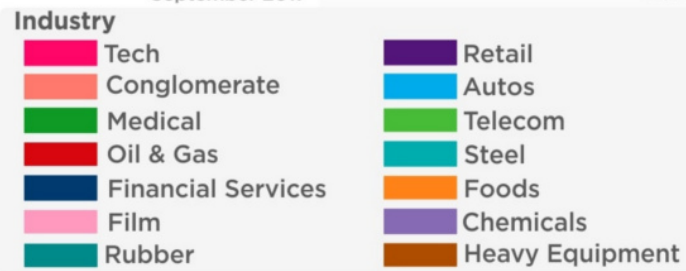
Competition is always creeping up on you. Stay ahead! See what Walmart's CEO keeps in front of him as a "healthy paranoia"

Walmart's CEO keeps this photo on his phone to stoke "healthy paranoia" in race against Amazon

cnbc If Amazon was one of your biggest competitors, you might want to maintain a "healthy paranoia," too. At least, that's Walmart CEO Doug McMillon's approach.

He keeps a photo on his phone that lists the top 10 retailers in the U.S. over the past few decades to remind him how so many companies come and go. Walmart wants to keep its No. 1 spot, which it took from Sears in 1990. We all know how that worked out for Sears.

	1950	1960	1970	1980	1990	2000	2010	2017
1.	Sears	Sears	Sears	Sears	Walmart	Walmart	Walmart	Walmart
2.	E.J. Korvette	Kmart	Fortune Brands	Kmart	Sears	Kroger	Kroger	Kroger
3.	Fortune Brands	Fortune Brands	Kmart	Fortune Brands	Kmart	Sears	Target	Amazon
4.	Kmart	Brown Shoe	Gibson	F.W. Woolworth	Kroger	Home Depot	Walgreens	Costco
5.	Brown Shoe	E.J. Korvette	Zayre	Gemco	Target	Albertsons	Home Depot	Home Depot
6.	Hartmarx	Magnavox	Brown Shoe	Target	J.C. Penney	Kmart	Costco	Walgreens
7.	Magnavox	Hartmarx	E.J. Korvette	T.G.&Y.	American Stores	Target	CVS	CVS
8.	S&W Fine Foods	N/A	F.W. Woolworth	Family Centers	Costco	J.C. Penney	Lowe's	Target
9.	N/A	N/A	Two Guys	Walmart	Super-Valu	Costco	Best Buy	Lowe's
10.	N/A	N/A	Topps	Zayre	Home Depot	CVS	Sears	Albertsons
				Jewel Osco				

Steve Ballmer on Google

AP

"Google's not a real company. It's a house of cards," said former Microsoft CEO Steve Ballmer.

Steve Ballmer on the first iPhone

Stephen Brashear / Getty Images

"Five hundred dollars? Fully subsidized? With a plan? I said that is the most expensive phone in the world," the former Microsoft CEO reportedly said of the first iPhone.

"And it doesn't appeal to business customers because it doesn't have a keyboard. Which makes it not a very good email machine."

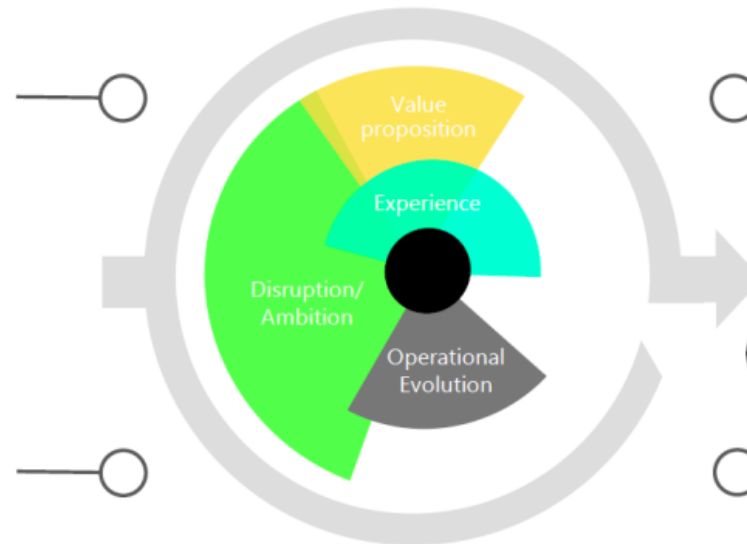# Digitally mature companies are reshaping the way they work

Processes
- Governance
- Funding
- Ways of working

Organisation
- Organisational structure
- Physical space/location

Technology
- Infrastructure
- Data

People
- Capabilities
- Leadership/mindset
- Performance management (KPIs)

Value proposition

Experience

Disruption/ Ambition

Operational Evolution

The type of change depends on your specific problem...
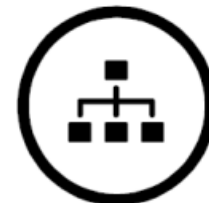
Uncompetitive value proposition > Value proposition innovation
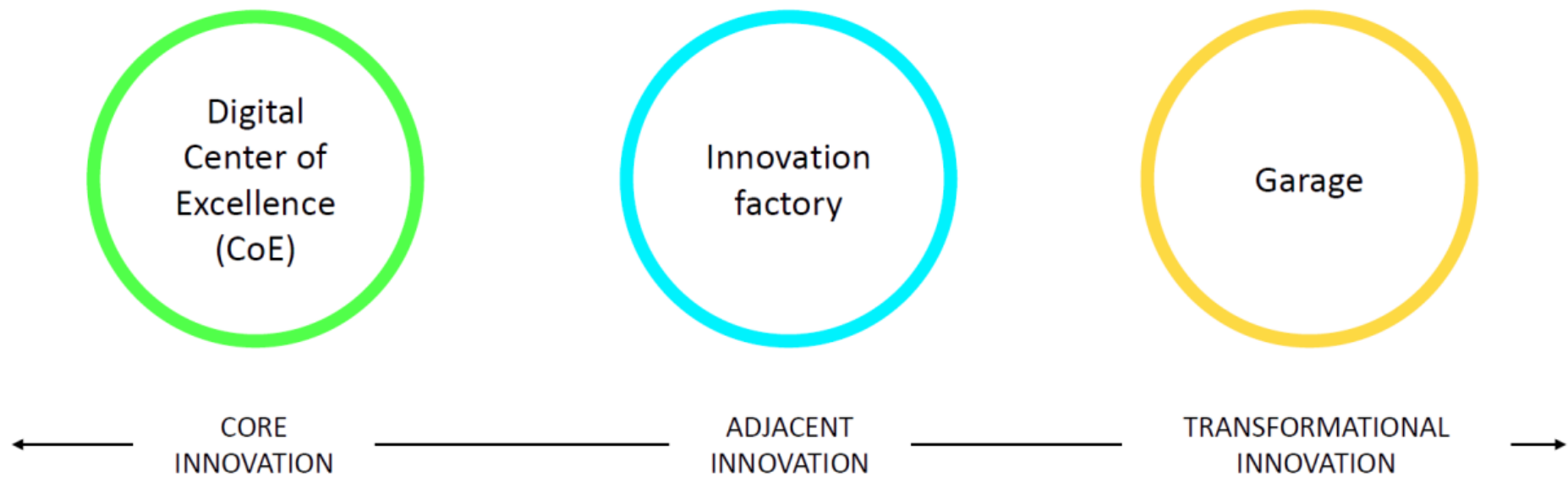
Industry disruption > Business model innovation

Ineffective operating model > Operating model redesign

Companies typically work with one of three digital innovation archetypes

Digital Center of Excellence (CoE)

Innovation factory

Garage

← CORE INNOVATION ——— ADJACENT INNOVATION ——— TRANSFORMATIONAL INNOVATION →

Each archetype has its own characteristics

INCREMENTAL ←——————————————————————————→ RADICAL

Digital CoE

Designed to drive the **digital innovation journey** of the company.

Placed **internally as an integrated unit** that works collaboratively with business units and support functions.

Focused on **digitization of the core** and providing digital **customer engagement** and **digital offerings**, ie. core and adjacent innovation

Innovation factory

Designed to drive the **product & service innovation** of the company.

Placed **internally as an integrated unit** that works collaboratively with business units and subject matter experts.

Focused on **Digital offerings, evolving new business models** and digital **customer engagement**, i.e. adjacent innovation.

Garage

Designed to drive the **disruptive transformation journey** of the company.

Placed **externally as a separate unit** that works collaboratively with external partners and start ups .

Focused on **new business models, new customer engagement models** and **digital offerings**, i.e. adjacent and transformational innovation.

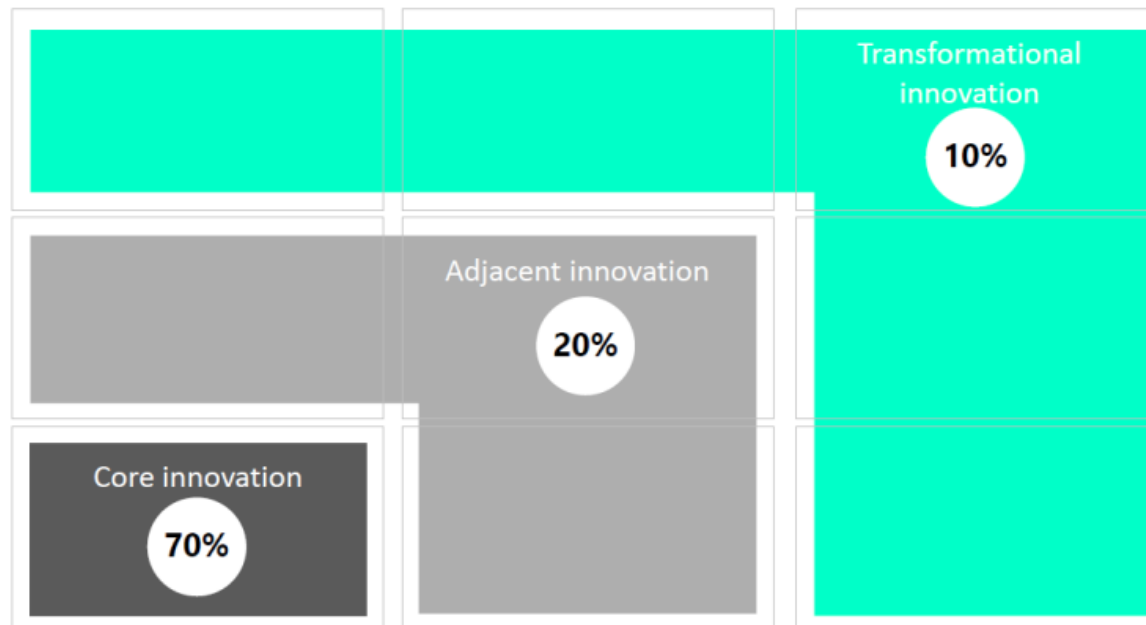**Q: Where should you place your bets?**

... and ambition

Where to play

Create new markets and audiences

Enter new markets and audiences

Serve markets and audiences

Transformational innovation

10%

Adjacent innovation

20%

Core innovation

70%

◯ Suggested share of innovation activities

Leverage best practices

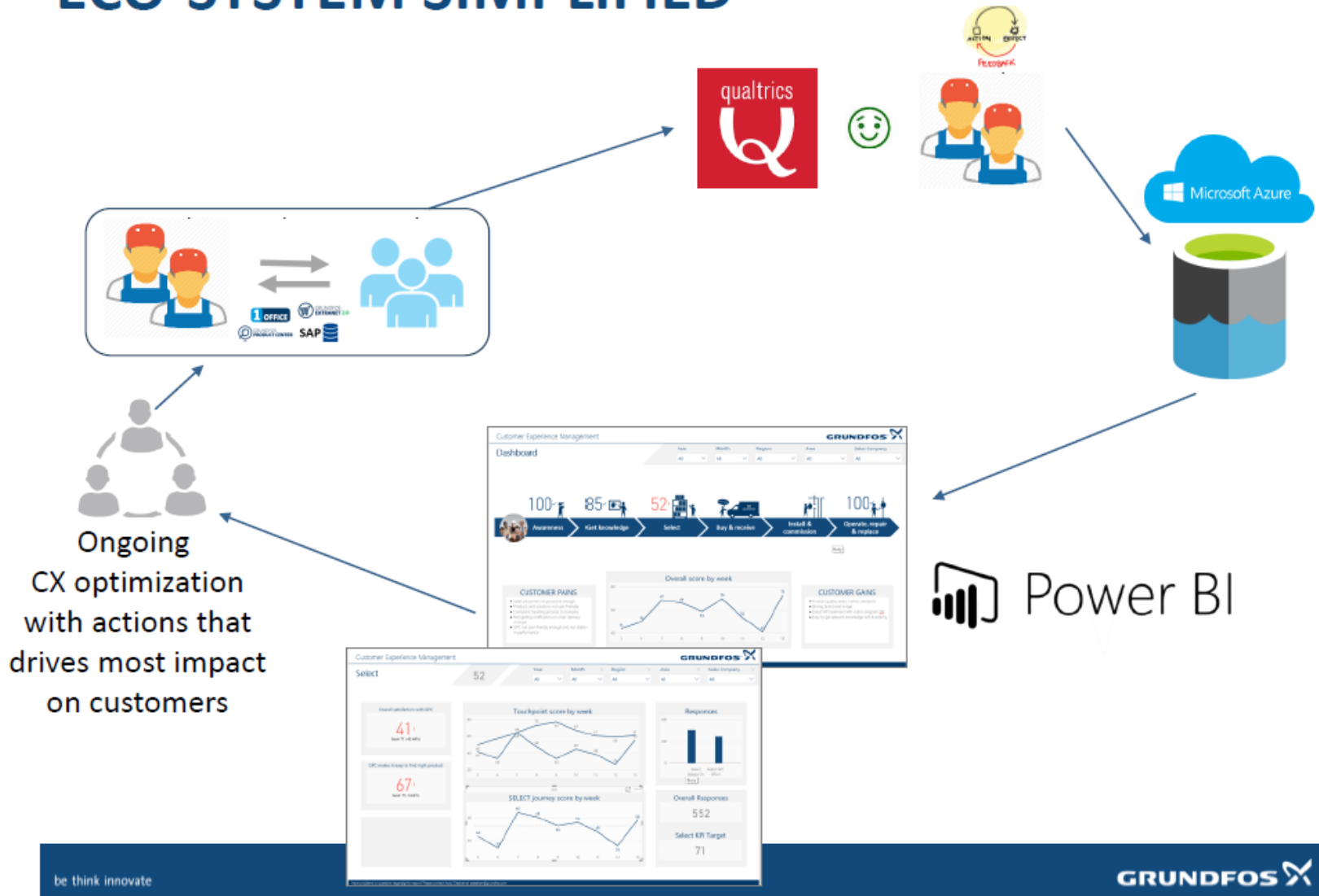Extend, enhance or improve

New businesses and structures

How to win

Core Innovation

Danish pump solution multinational adapts a customer centric approach using BI.

Group Management can in realtime follow important CX KPIs that reflect customer service and satisfaction.

E.g. time of delivery, installation time, product complaints in different markets. And, they can deep dive into different components of individual KPIs…
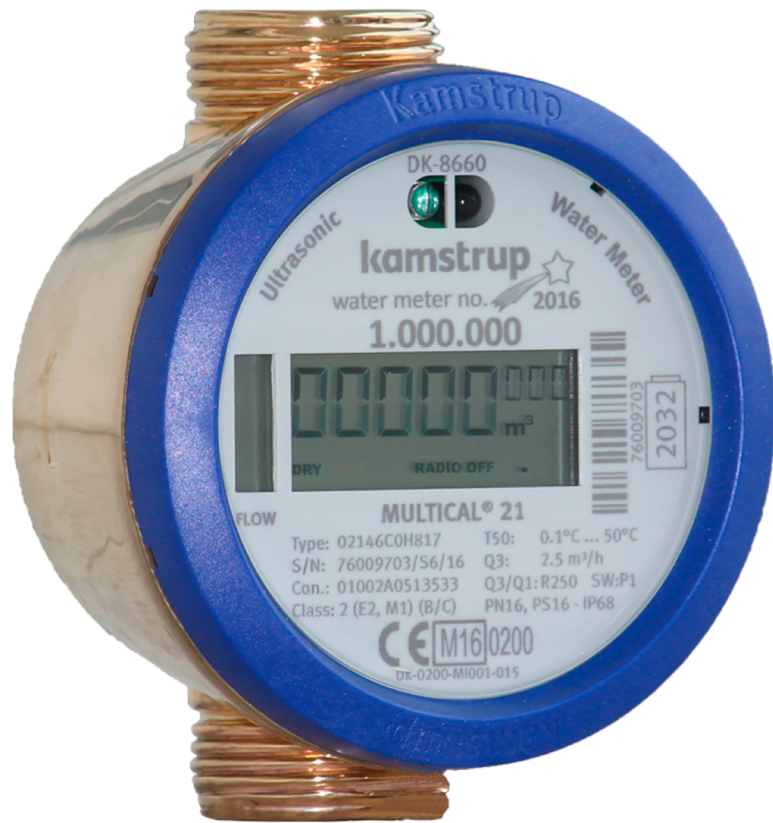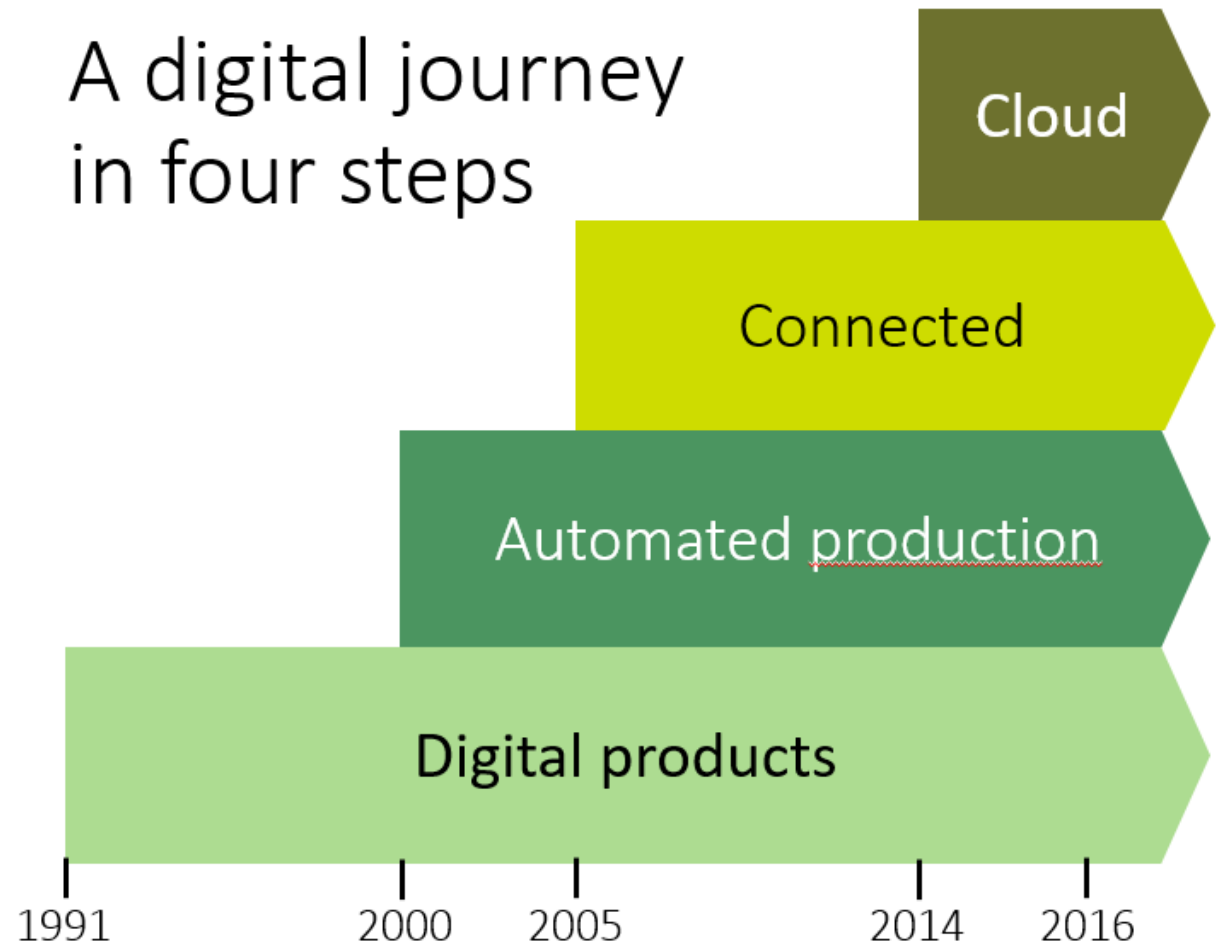
ECO-SYSTEM SIMPLIFIED

Ongoing CX optimization with actions that drives most impact on customers

Power BI

be think innovate

GRUNDFOS

Change in Business Model: From physical meters to analytics and data services

A digital journey in four steps

Cloud

Connected

Automated production
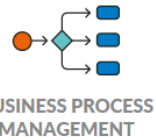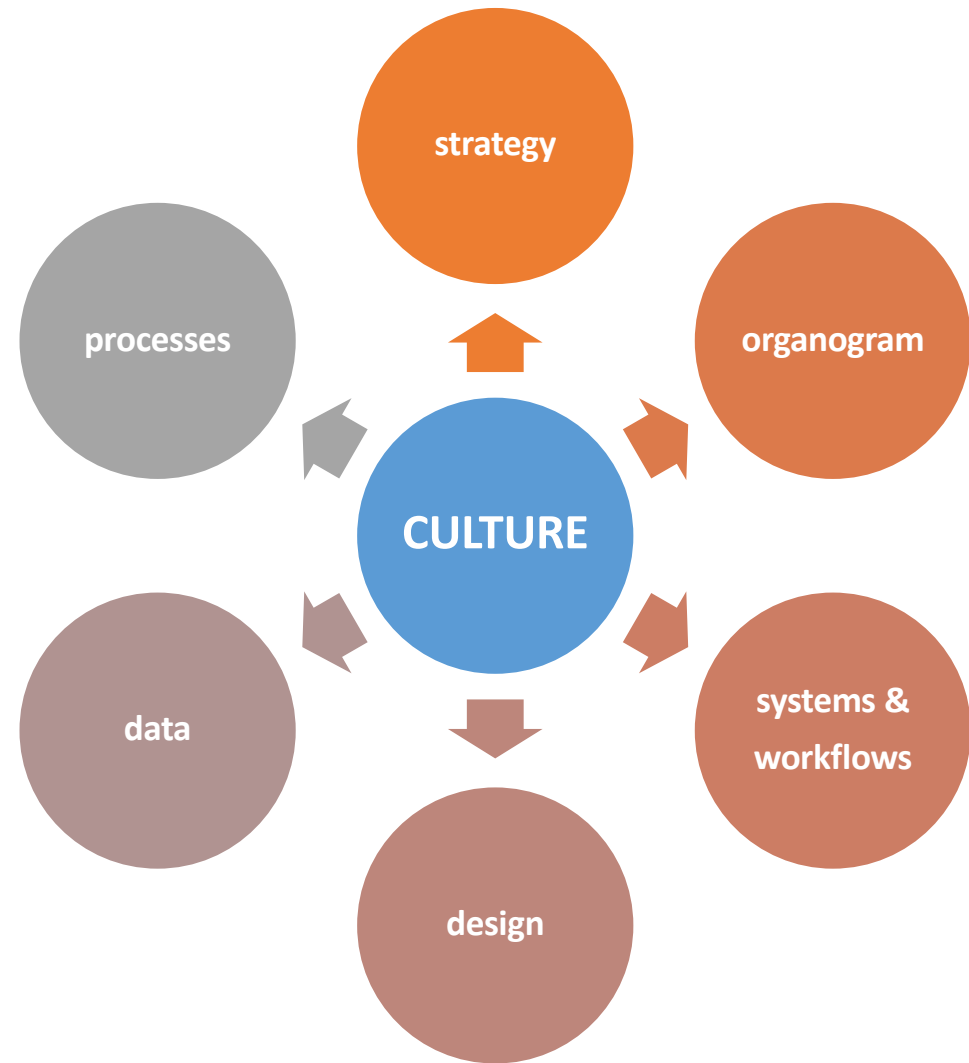
Digital products

1991   2000   2005   2014   2016

Stibo – SME founded in 1794: from printing house to IT
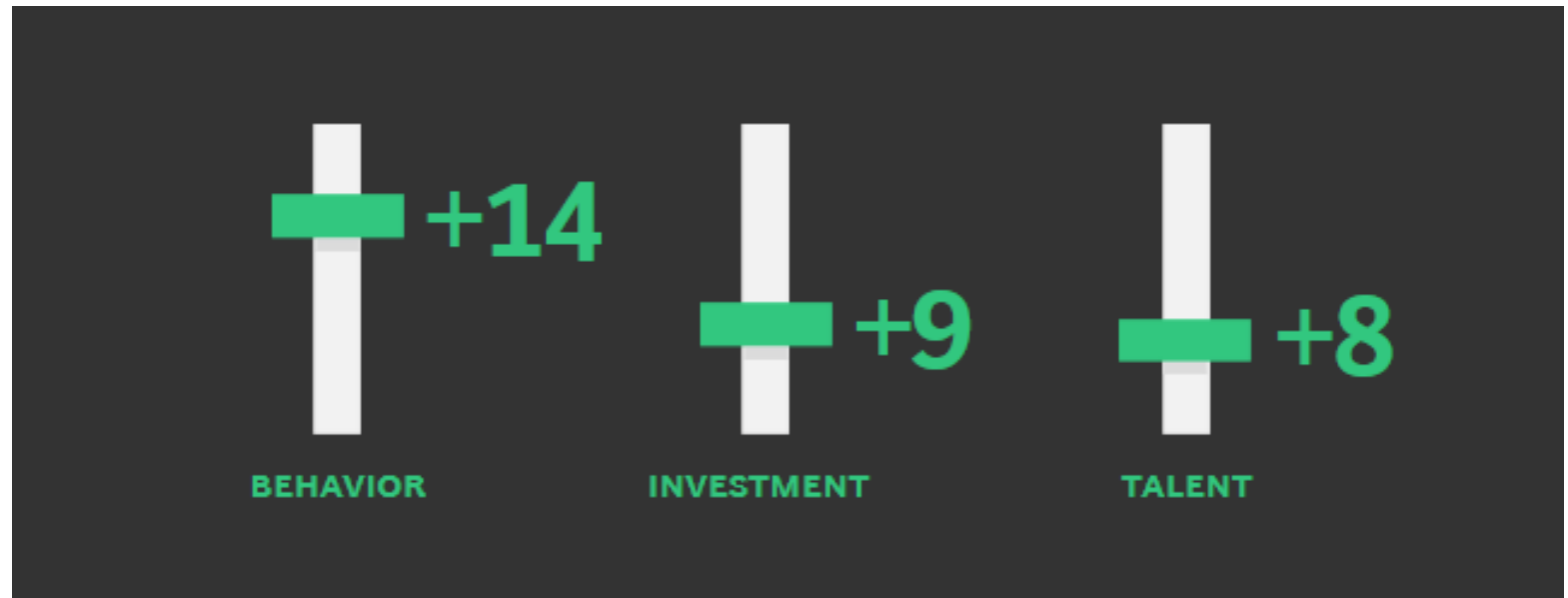
Transformational Innovation

No successful digital transformation without the right corporate culture

BCG compared digital champions and digital laggards among some 1,900 companies in the US and Europe. The champions that embedded digital practices and behaviours across the organization scored an average 14 points higher on BCGs Digital Acceleration Index.
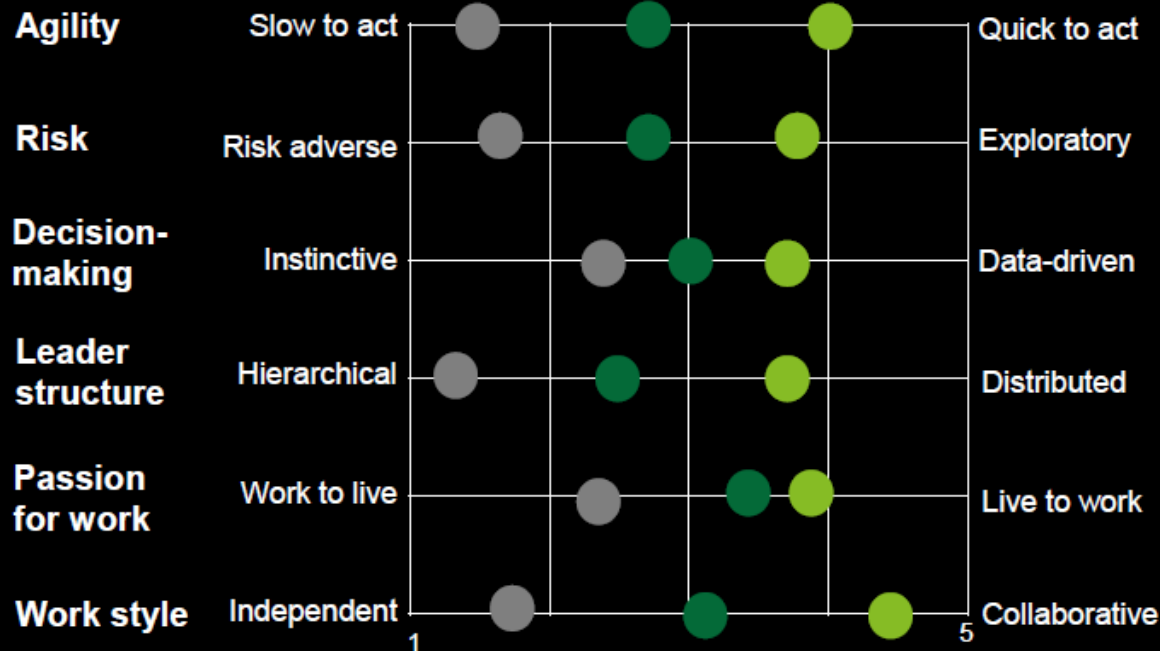
The impact of culture was even greater than that of two other levers: investing in digital initiatives and recruiting digital talent.

A "digital" culture is the single factor that has the highest impact on a company's ability to execute digital transformation.
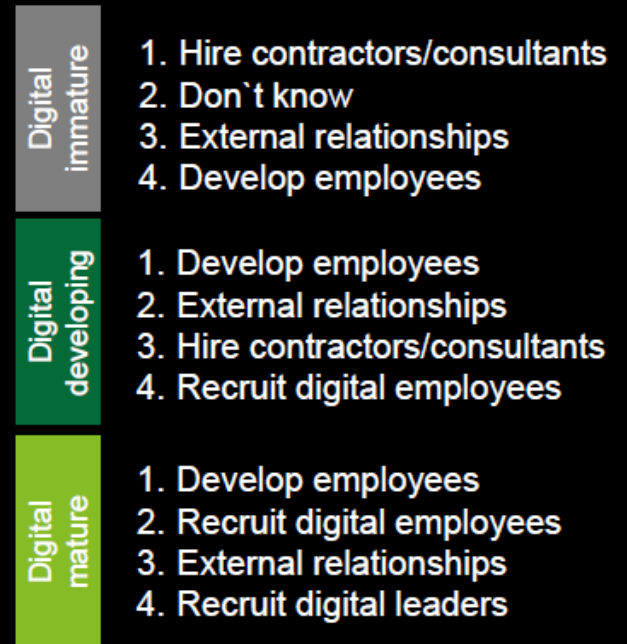
TRANSFORMING DIGITAL CULTURE IS A JOURNEY

Cultural mindset maturity

Dimension	Low (1)			High (5)
Agility	Slow to act			Quick to act
Risk	Risk adverse			Exploratory
Decision-making	Instinctive			Data-driven
Leader structure	Hierarchical			Distributed
Passion for work	Work to live			Live to work
Work style	Independent			Collaborative

Accelerating innovation priorities

Digital immature
1. Hire contractors/consultants
2. Don`t know
3. External relationships
4. Develop employees

Digital developing
1. Develop employees
2. External relationships
3. Hire contractors/consultants
4. Recruit digital employees

Digital mature
1. Develop employees
2. Recruit digital employees
3. External relationships
4. Recruit digital leaders

Doing digital innovation requires change

Become faster, more flexible

Think differently

Change mindset

Think beyond past successes
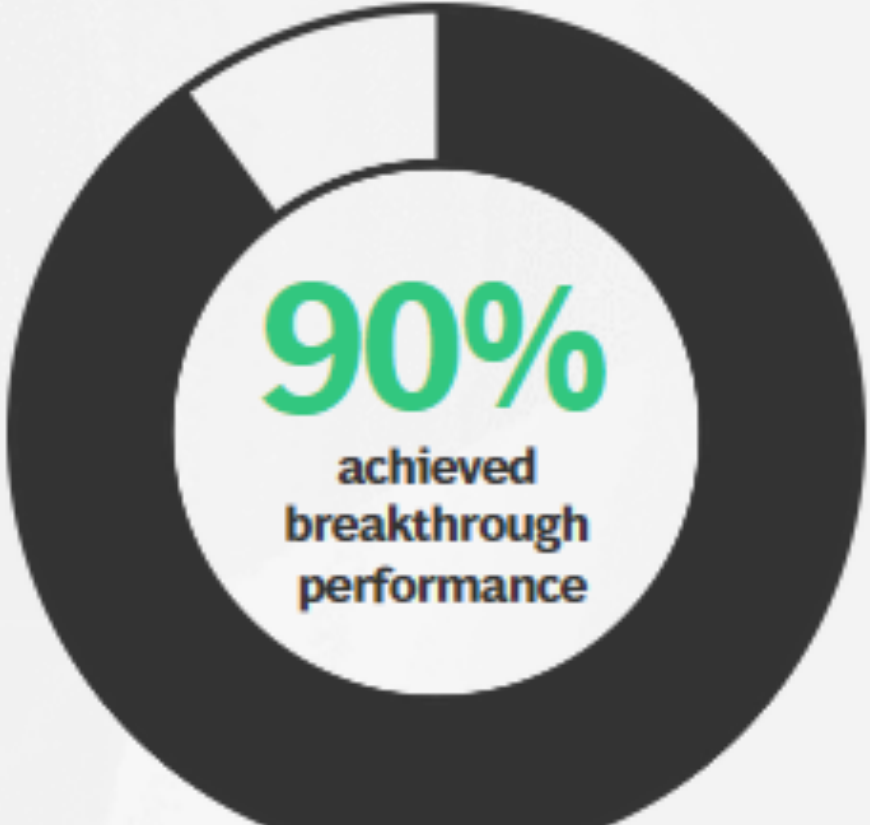
Companies that neglected digital culture

17% achieved breakthrough performance
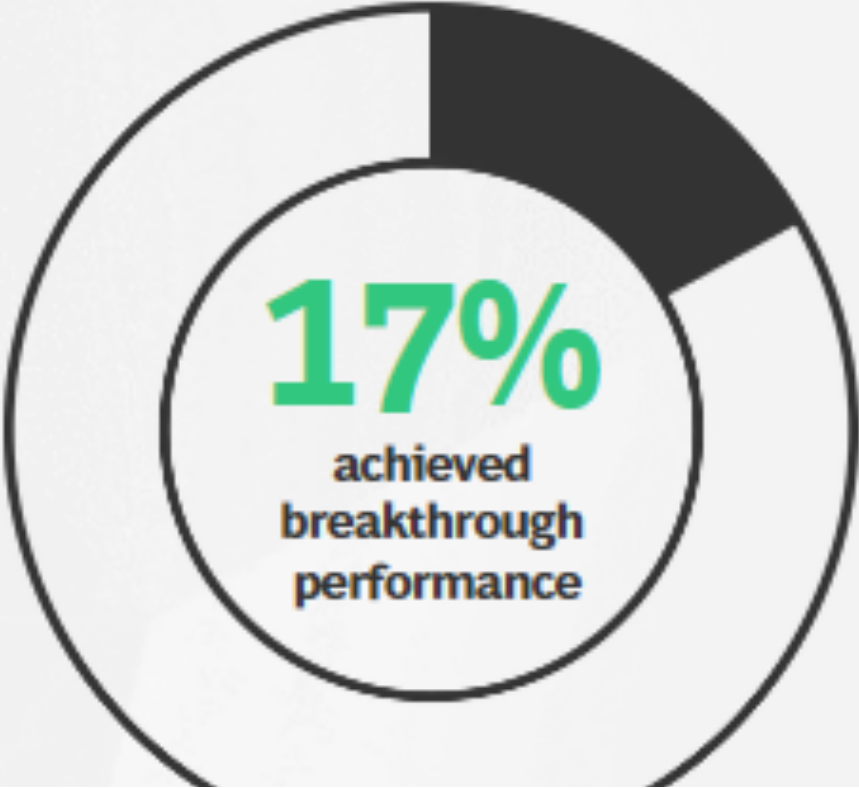
Companies that focused on digital culture

90% achieved breakthrough performance

Digital Capabilities diagnostic

Data-driven digital insights	Integrated customer experience	Digital marketing	Digitally enabled operations	Next-gen technology	+	Digital enablers
Comprehensive data ecosystem, including third-party APIs	Customer-centric experience design (UX/UI)	Targeted digital media	Digitized sales and service interactions	Scalable application architecture		Digital talent management
Robust analytics and data infrastructure	Omnichannel experience delivery	Content marketing	Streamlined and automated fulfillment processes	Cybersecurity		Organization and governance
360-degree single customer view	Customer-journey experience	Digital customer life-cycle management	Operational-excellence enablers	Agile delivery to market		Innovative test-and-learn culture
Targeted product and service decision making	Merchandising and e-Category management[1]	Marketing operations		Flexible IT infrastructure		

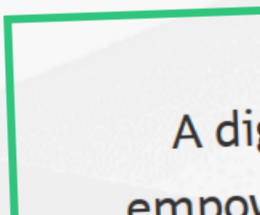**Near 90 %** Anticipate that their industries will be disrupted by digital trends

44 % Say their organisation are adequately preparing for the disruption to come....

Senior leaders, including the CEO, must create a strong digital culture.

A digital culture empowers people to deliver results faster.
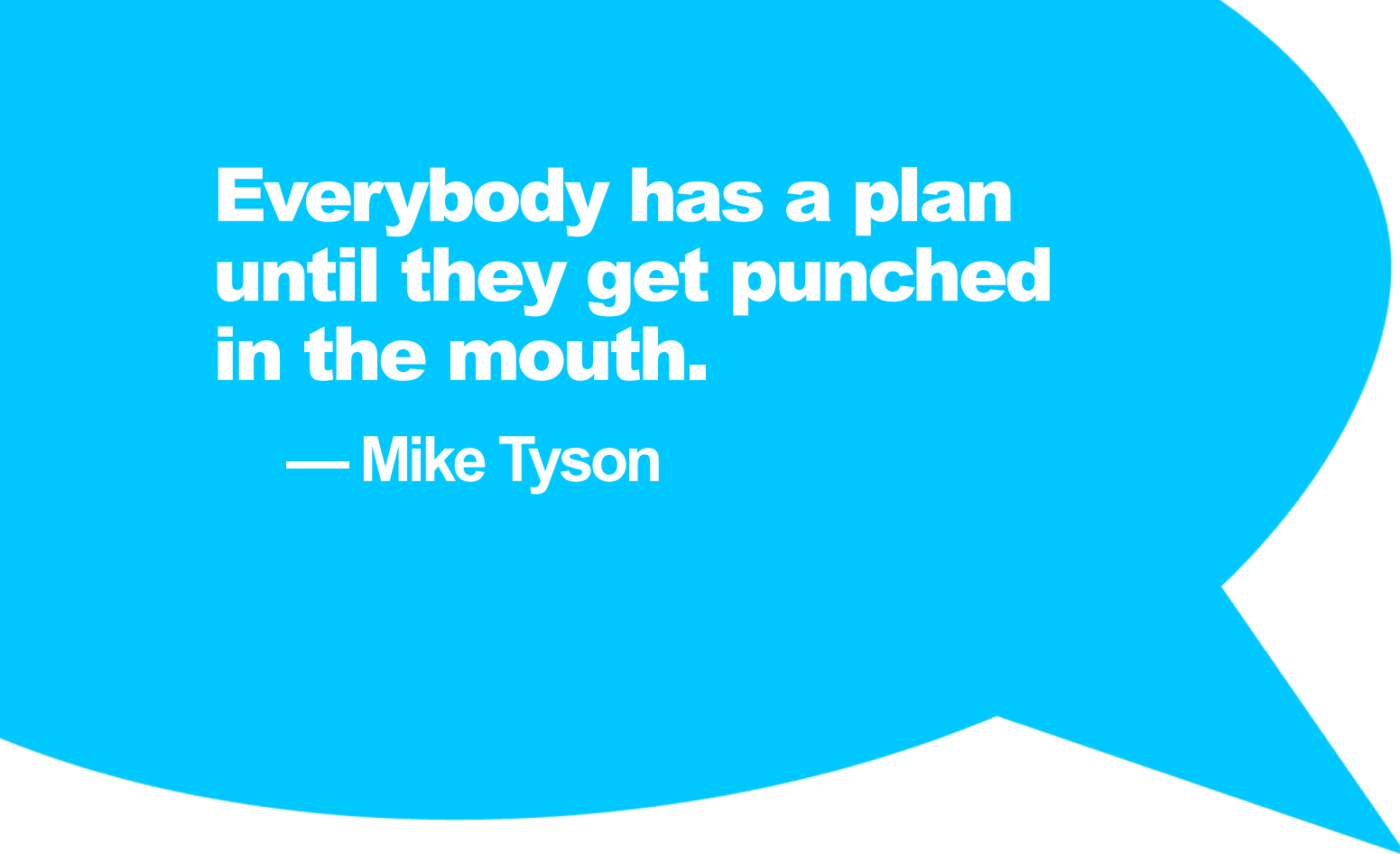
A digital culture attracts and retains better talent.

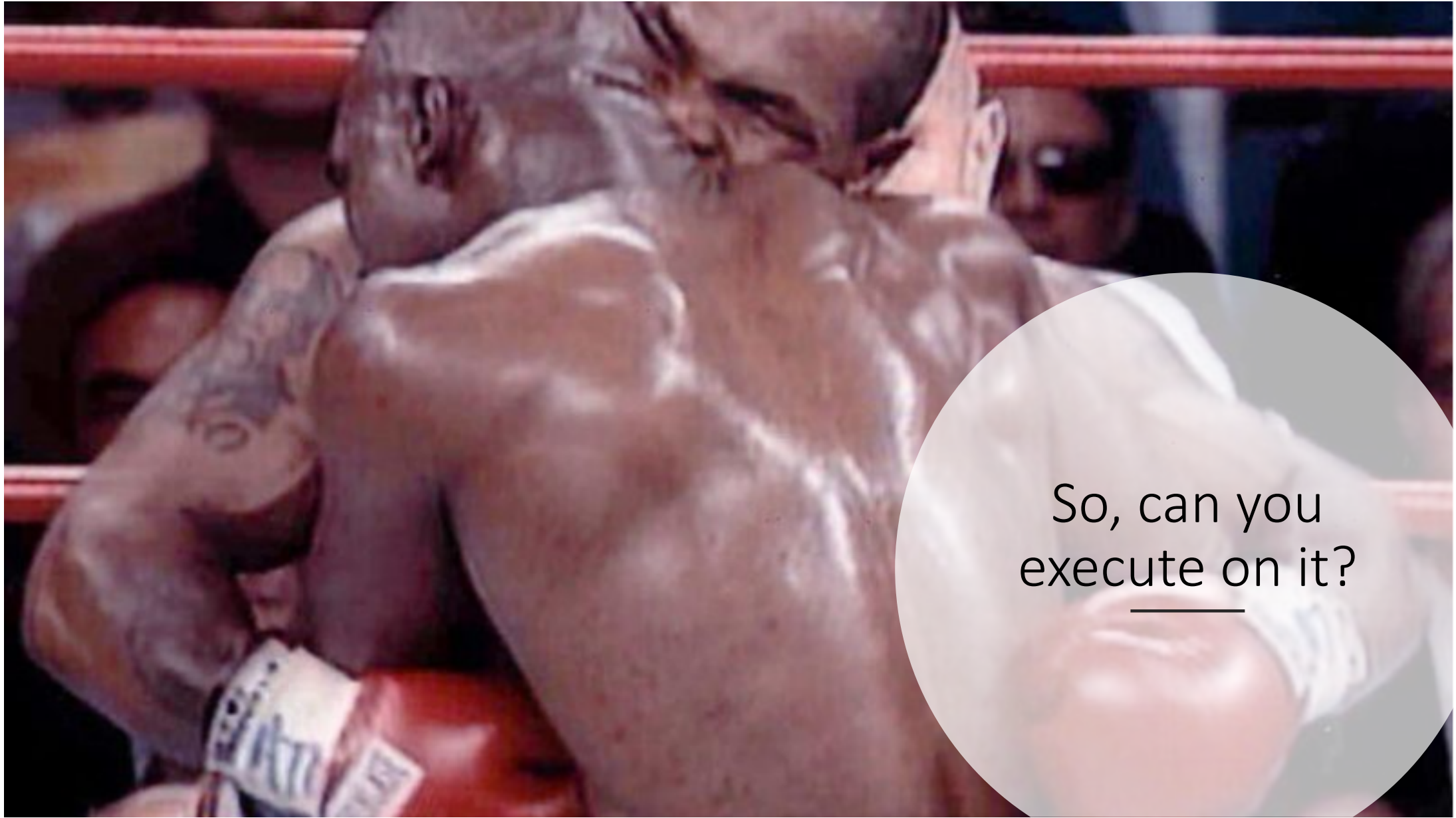Organizations that ignore culture risk transformation failure.

Do you have a plan?

And how would Mike Tyson evaluate your plan?

Everybody has a plan until they get punched in the mouth.

— Mike Tyson

So, can you execute on it?

DigitalConsult

www.digitalconsult.dk

DigitalConsult transform businesses and create value through digital strategy development and execution.

We believe in CUSTOMER CENTRIC, MARKET DRIVEN, and METRICS FOCUSED AGILE BUSINESS DEVELOPMENT.

At DigitalConsult we help our clients driving the digital agenda, building digital businesses, and transforming companies towards a new agile and digital business approach.

Steffen Damborg, Board Member & CDO
@SteffenDamborg

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