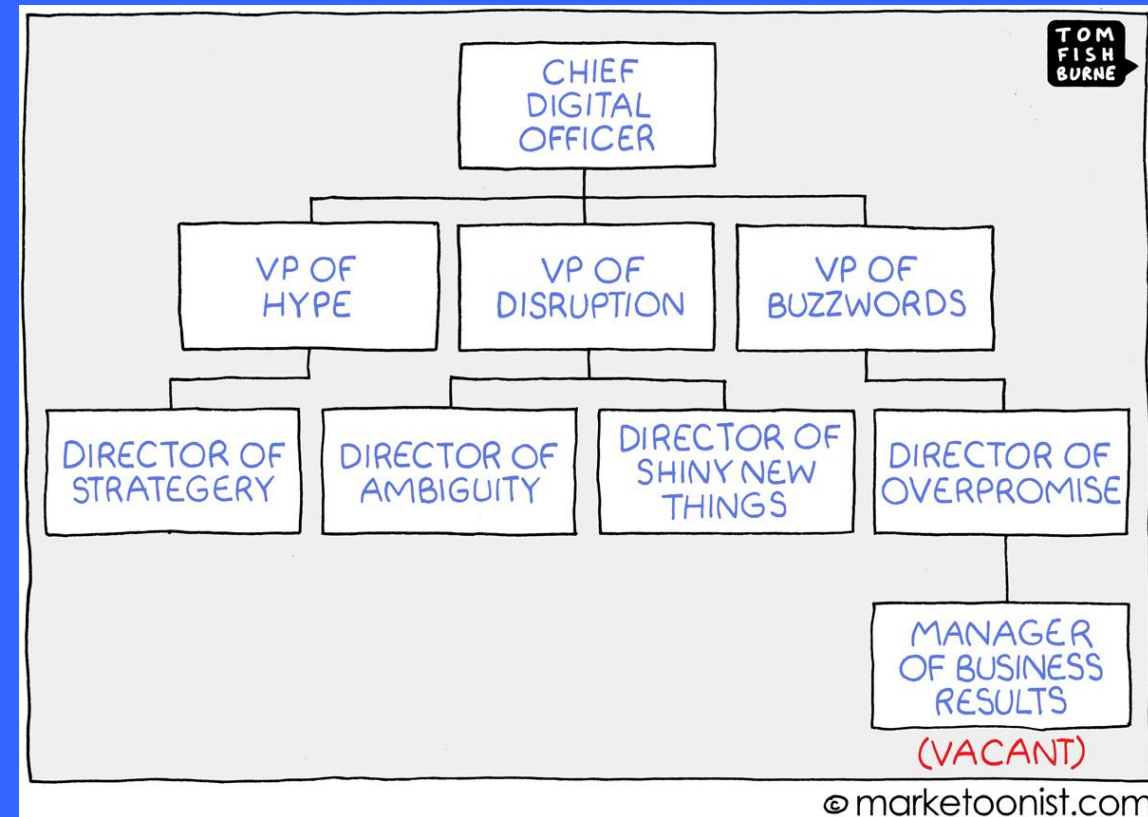


Leg 9. From Newport to Cardiff

Digital Disruption 02. Digital Transformation



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OUTLINE. Digital Disruption

01
Introduction & Concept

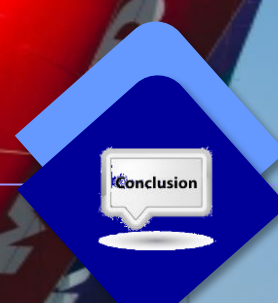
02
Digital Transformation

03
Digital Leadership

04
Digital Technologies Rating

05
Impact of Digital Technologies on Education

06
Summary and Conclusions



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OUTLINE. Digital Disruption



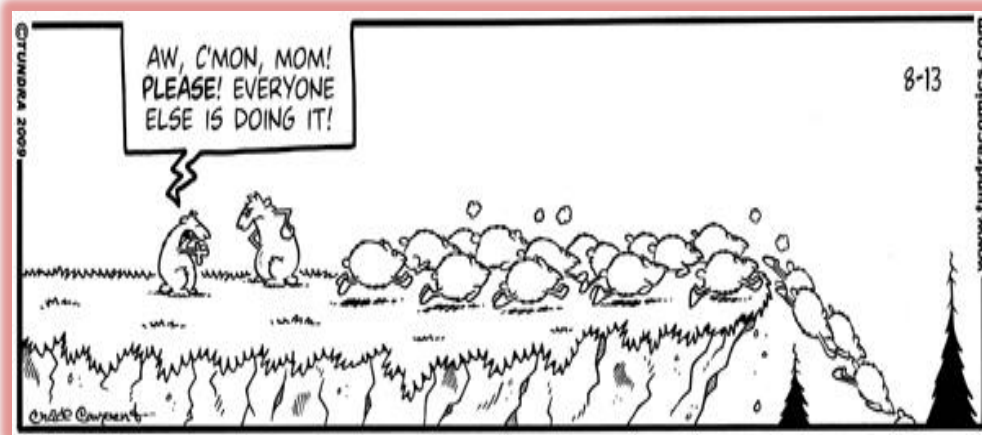


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Digital Disruption or Digital Transformation

Let's face two different paths: Digital Disruption vs Digital Transformation.



Digital Disruption

Digital disruption ultimately destroys and replaces physical businesses with purely digital solutions.



Digital Transformation

Digital Transformation on the contrary, merges the best of digital and physical world.

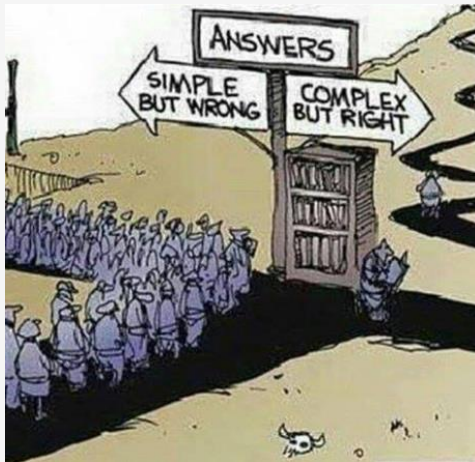
*For Bain & Co. the idea is to be **Digital** (Digital and Physical)*



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Digital Disruption or Digital Transformation

Digital Transformation requires wise savvy multidisciplinary teams which need to be educated for the digital era. Don't try to replace your best employees. Educate them.



The digital transformation must be slow enough to make it right. But fast enough to continue generating profits. Educating people (inside our organization) takes a while. We can't force success.

Understand the **Degree of Digitization** in the current environment and assess future threats

Define which digital technologies are appropriate for the business, and which are not.

<http://www.bain.com/publications/articles/management-tools-digital-transformation.aspx>

Develop a **vision** for how to engage clients and achieve profitable growth using digital technology

Educate your team and stakeholders to be **wisely digital savvy**.

Design a **plan to tap the best sources of value** from digitization adding links and strengthening linkages in the customer experience process

Educate your team and stakeholders in how to add value with digital wisdom for the future

Drum up the organization to win. Transform the approach from disruption to innovation-transformation. Develop appropriate operating models. Build a digital savvy leadership team with different backgrounds in order to create a multidisciplinary and holistic team. Educate your people to become **digital wisely savvy**.



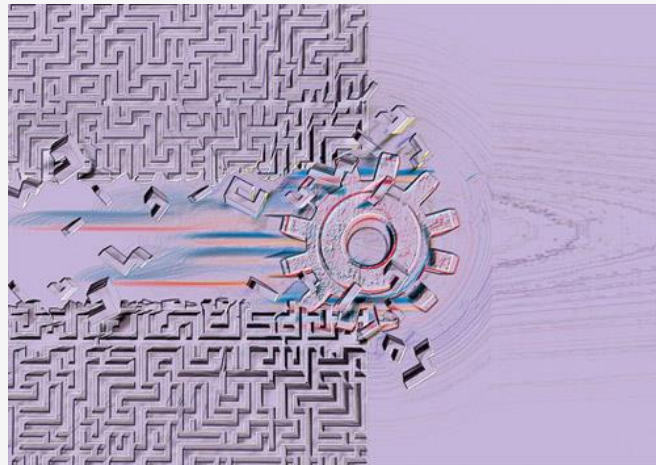


Leg 9. From Newport to Cardiff



Digital Disruption or Digital Transformation

Why do we wish to use Digital Transformations? Simply because people needs and wants are changing, and customers are using digital devices as we use the toothbrush every day.



Picture Source: <http://www.areadevelopment.com/advanced-manufacturing/Q2-2017/CEOs-toolkit-to-lead-through-the-digital-disruption.shtml>

According to Bain & Co, “Digital Transformations engage every function in the organization. They use digital technologies to reinvent each link in the customer experience chain, including:

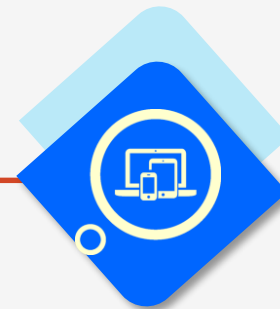
- New product and service development
- Marketing personalization to help customers discover and evaluate company offerings
- Product and service customization
- Purchasing processes
- Supply chain and fulfillment networks
- Product usage and service models
- Return and upgrade processes
- Product review and feedback systems”

<http://www.bain.com/publications/articles/management-tools-digital-transformation.aspx>





Leg 9. From Newport to Cardiff

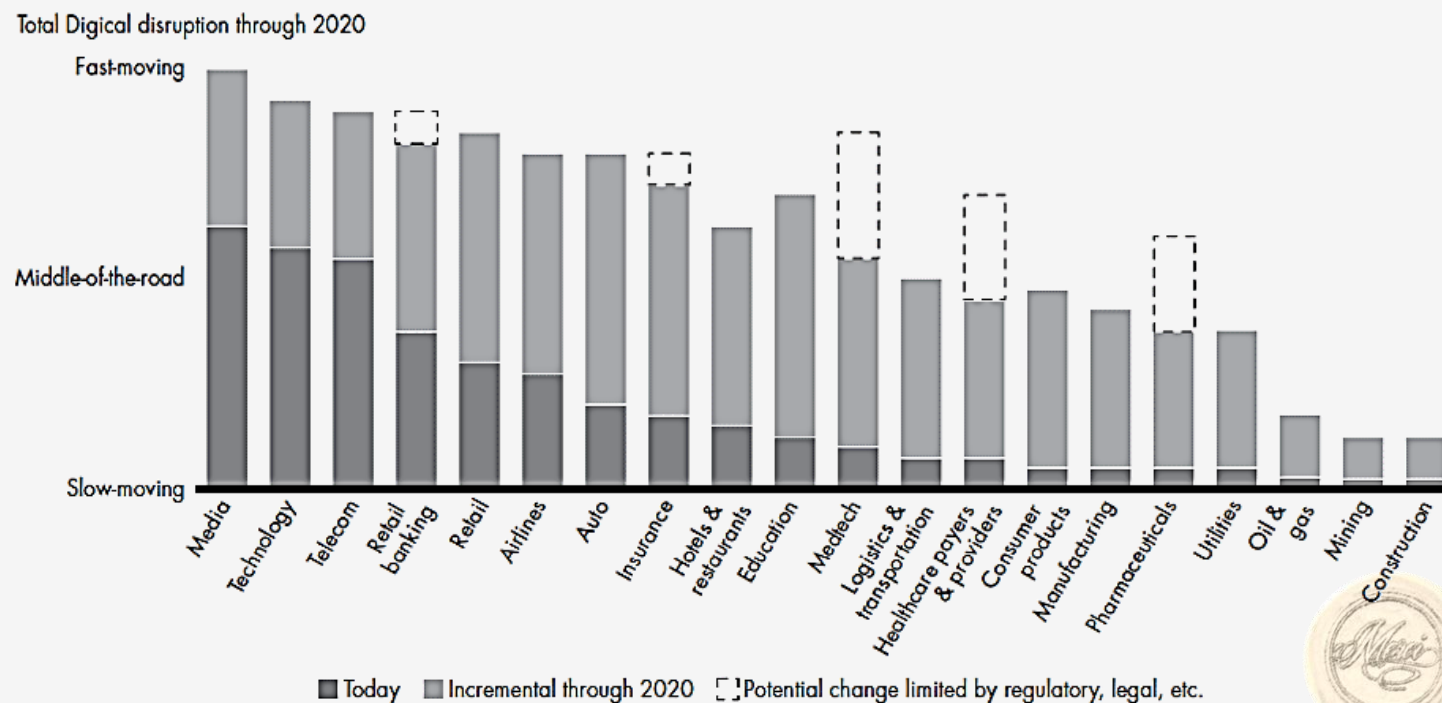


Digital Disruption or Digital Transformation

Digital-physical innovations are already changing virtually every part of the business world. The effects are dramatic in some industries and modest in others, but they are hard to miss.

Darrell K. Rigby and Suzanne Tager, Bain & Co.

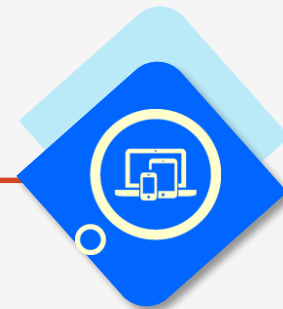
Figure 1: Projected Digital transformation by industry through 2020



<http://www.bain.com/publications/articles/leading-a-digital-transformation.aspx>



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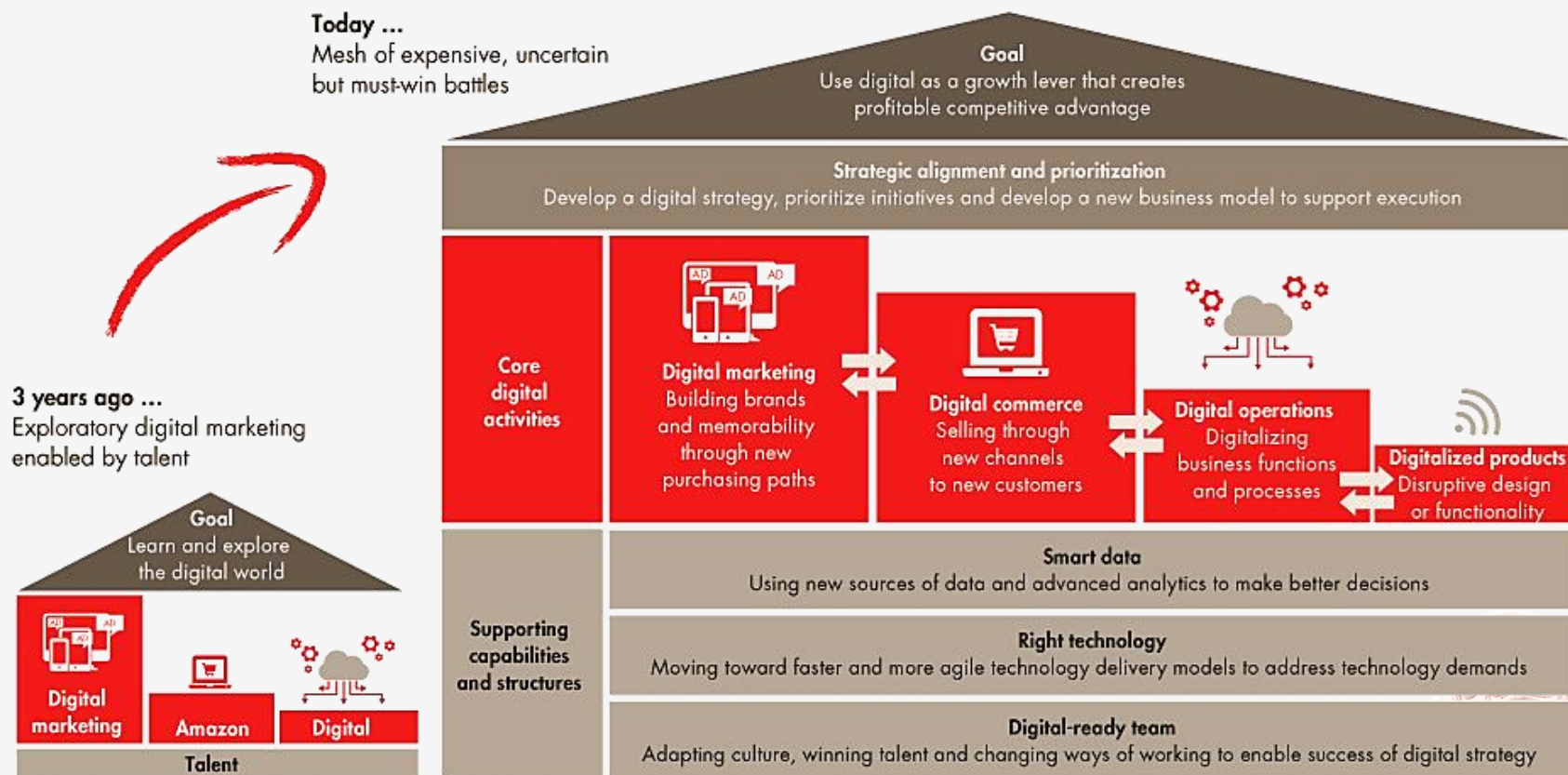


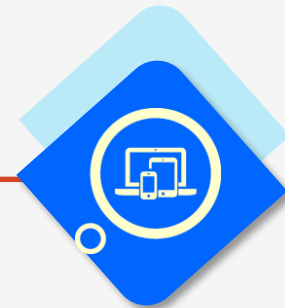
Digital Disruption or Digital Transformation

Figure 1: Digital agendas are growing exponentially

Since the year 2012, many consumer-products digital forerunner companies have tried to transform their companies into a digital enterprise... this process is more complex and tough.

<http://www.bain.com/publications/articles/deconstructing-the-digital-agenda-in-consumer-products.aspx>





Digital Disruption or Digital Transformation

Business leaders can't orchestrate a digital transformation with capped minds...

After 6 years of trying to do digital transformations with "capped minds", consulting companies as Bain & Co. have found several findings. Let's see it:

On my last publication we saw the wrong consequences of doing business decision making with capped minds.



Figure 1

Digital transformation efforts are significantly more challenging than others

In a study of hundreds of companies executing major changes ...

Conventional transformation

12% Achieved or exceeded expectations

20% Failed to deliver, producing less than 50% of the expected results

68% Settled for **dilution** of value and **mediocre** performance

Digital transformation

5% Achieved or exceeded expectations

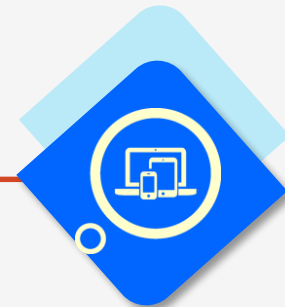
20% Failed to deliver, producing less than 50% of the expected results

75% Settled for **dilution** of value and **mediocre** performance

Source: Bain risk history survey 2017 (n=403); Digital 360 Barometer survey 2017 (n=1012)



Leg 9. From Newport to Cardiff



Digital Disruption or Digital Transformation

Digital Transformation without digitally educating your own employees and creating new capabilities "from inside out" is not successful.

"The payoff from digital transformation can be impressively high, but the success rate is regrettably low"
Bain&Co.



<http://www.bain.com/publications/articles/orchestrating-a-successful-digital-transformation.aspx>

Why is this happening?

- Because the mental model used to create digital transformations are looking at the outside of the company.
- Any change (to be successful) has to come from a different mental model: From inside out.
- Leaders use brain mental models incorrectly: use digital technologies to enhance company's speed to sell more products and services. Sell and sell and sell is the motto.
- But the inside of the company is not being transformed. Few companies are using digital technologies to solve problems and boost performance across the organization. They underinvest in the broad changes to the business model and culture that enable speed, learning and agility.
- The worst is that companies are not taking the time to test the digital model first, or include several times testing, before scale them to sell for maximum impact. Scary eh!



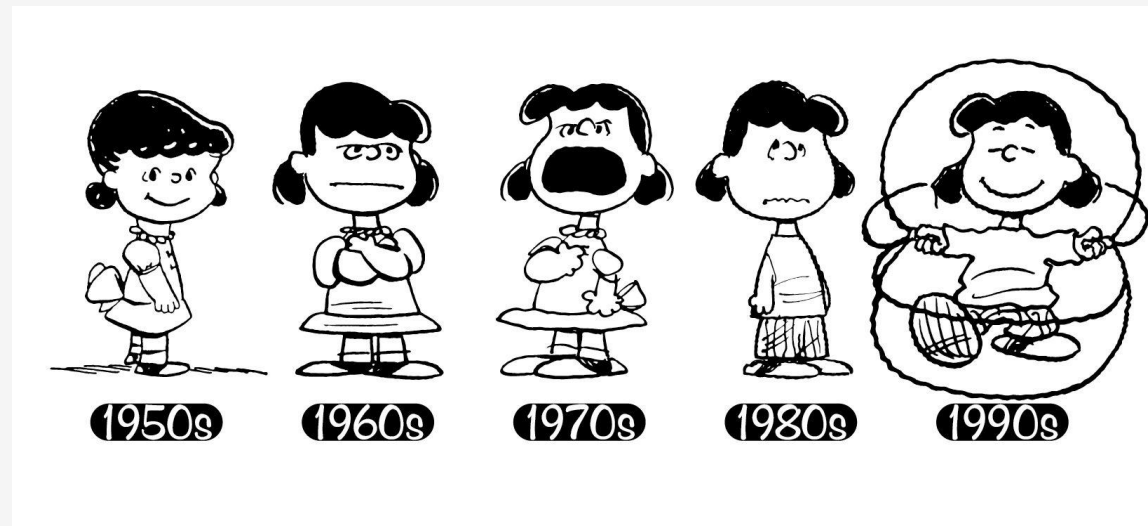


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Digital Disruption or Digital Transformation

Successful digital transformations take time. It is impossible to lead an orchestrated digital transformation without building the internal capabilities of our people. Education and training are the most important priorities. Let's procure our business digital strategy is led by wisdom and not speed.



“A successful digital transformation takes a modern, human, inner and outer market perspective to guide cross-functional research, pilot projects, testing and fine-tuning, collaboration, learning from mistakes, and do it again”.

Thank you!

