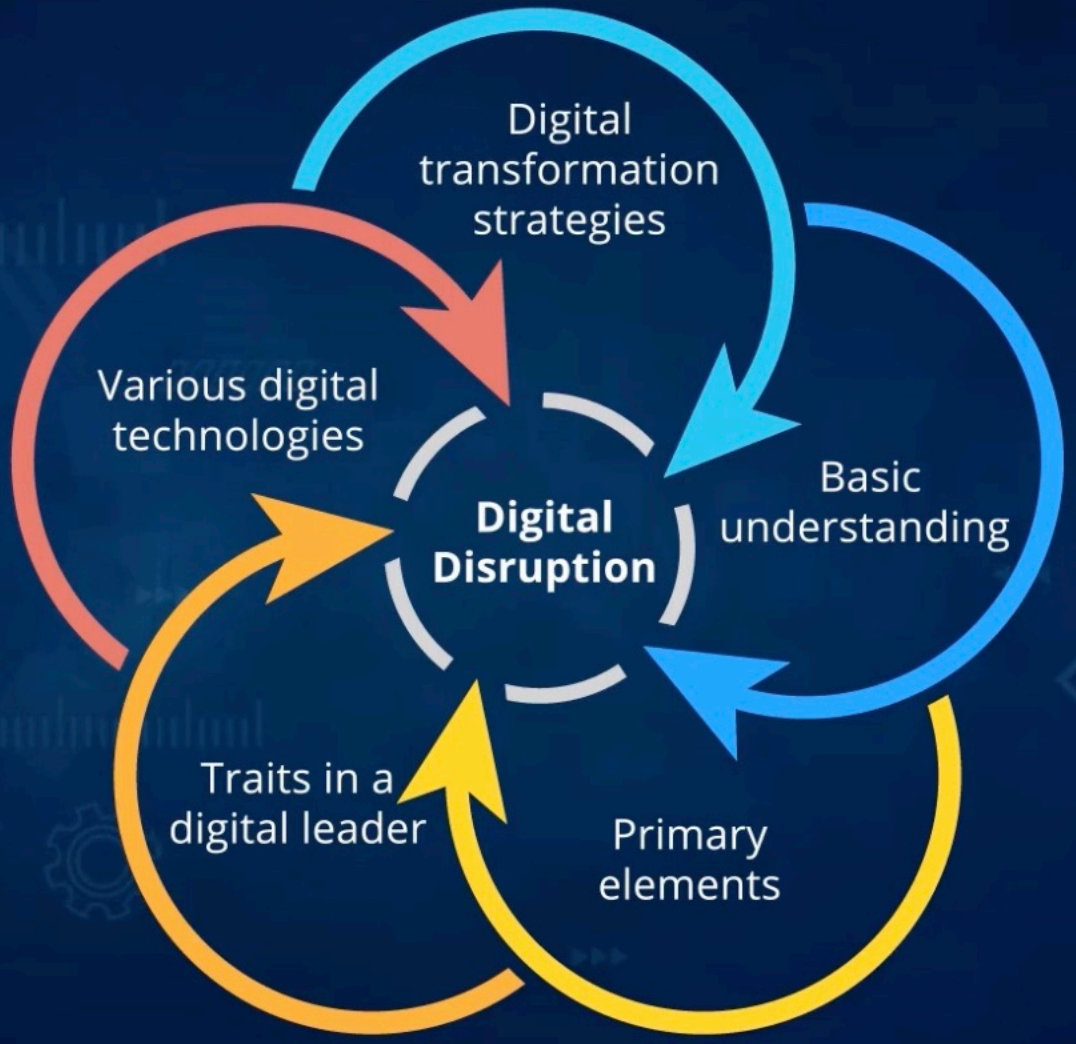
What Will You Learn?



Prerequisites

Database

Internet

Cloud Computing

SaaS Applications

Course Outline

1

Deep-Dive into Digital Disruption

- How digital technologies have disrupted the market
- Important elements of digital disruption
- Impact of disruption
- Strategic components
- Key industry sectors

Course Outline

2

Disruptive Technologies and Their Transformation Potential

- Various types of digital platforms
- Customer networks
- Impact of Big Data, AI, Blockchain, IoT, Cloud, and DevOps on digital transformation

Course Outline

3

The Digital Transformation Journey

- Digital transformation strategy and its components
- Types of digital business models
- Steps to identify the right model
- Stages in a digital business model

Course Objectives

- Define the scope and the impact of digital disruption
- Recognize patterns of digital disruption around you and appreciate its transformative effects in business
- Be aware of disruptive technologies and how these are affecting the way operations run
- Learn the elements constituting digital business transformation
- Develop a digital business model
- Design information capabilities for competitive advantage

What Will You Learn?

- Build an organization level digital disruptive strategy
- Improve overall customer experience through digital disruption
- Increase the market share by acquiring new customer base

What Will You Learn?

- Understand better about digital disruption
- How digital disruptors improve customer experience
- Characteristics that differentiate them from the rest
- Understand the key elements of digital disruption

What Is Digital Disruption?

Impact or effect caused by digital technologies and emerging business models

Disruption of products or services

What Is Digital Disruption?

Digitally disrupt your product and processes to deliver the best customer experience.

Digital Disruption

Every company is at the risk of digital disruption.

What Is Digital Disruption?

Every industrial sector will go through digital disruption in the next few years.

The Most Critical Digital Disruptions

The telephone was the beginning of a digital evolution that continues even now.

The Most Critical Digital Disruptions

Internet started as a military experiment but then brought the wave of digital transformation.

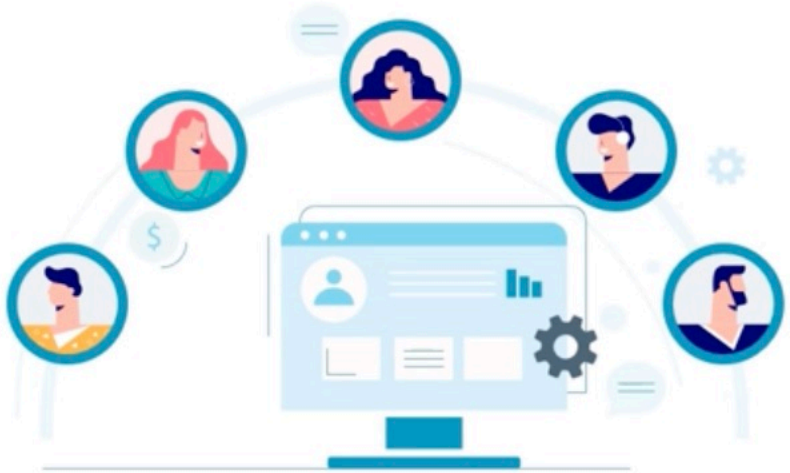
Since its invention, many organizations either leveraged it to survive or dissipated due to digital disruption.

The Most Critical Digital Disruptions

Telephones and Internet changed everything.

Companies went global

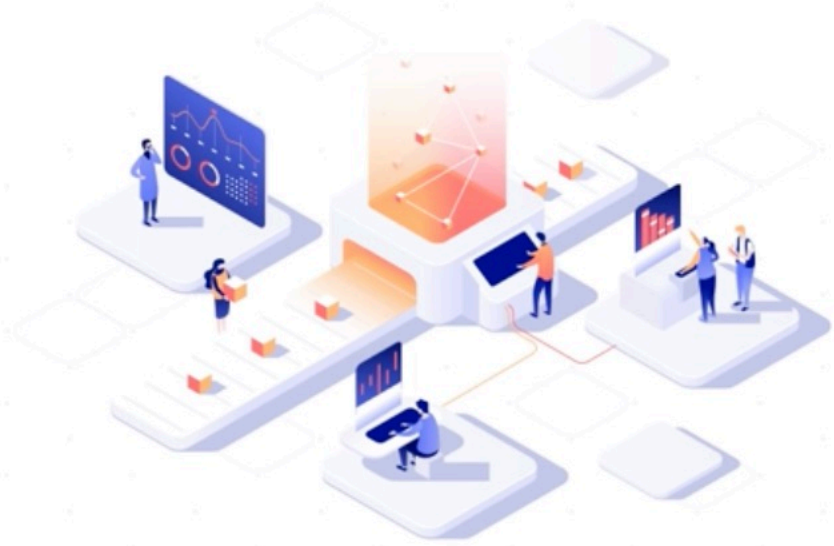
Supply chains got optimized



Customer channels changed

Who Are Disruptors?

Organizations that use digital technology to drive the market competitiveness and streamline their business



Who Are Disruptors?

Gartner

"Digital disruptors typically exist outside of the enterprise's normal range of vision."

Digital Disruption: Impact

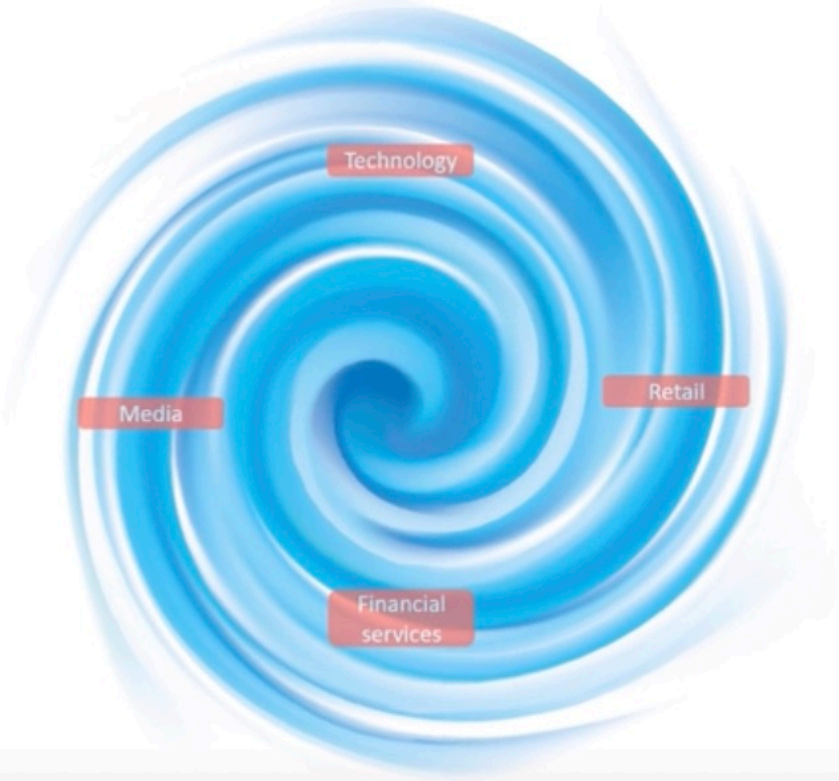
The impact of digital disruption on industries is described well here:

"Digital disruption sounds like another business buzzword – until it happens to your company. Out of nowhere, startups and other tech-savvy disruptors attack. Customers flee and revenues stall. In months instead of years, you've gone from market leader to also-ran."

[Source: Digital Vortex]

The Digital Vortex Chart

The Digital Vortex chart suggests that digital disruption impacted different industrial sectors at various timelines.



The first and foremost sectors affected by the disruption are technology, media, retail, and financial service industries.

The World of Retail

Let's see how digital disruption has impacted the world of retail:

Consumer monitoring is implemented at light speed.

Smart data analytics plays a bigger role than before.

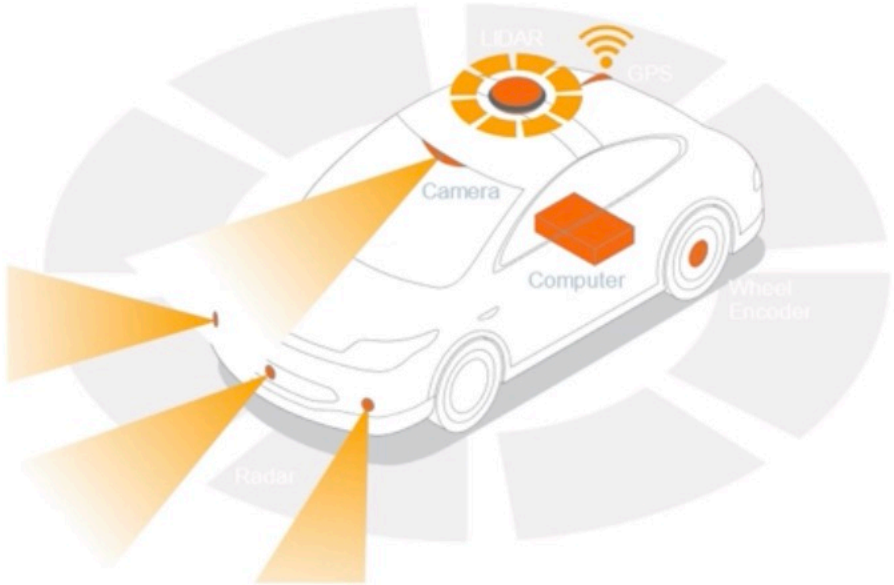
Mobile consumers are considered the smart shoppers.

Retailers provide customers with online and offline experiences.

Retailers attribute the successful engagement of their customers to their product to gamification.

The World of Automobile Industry

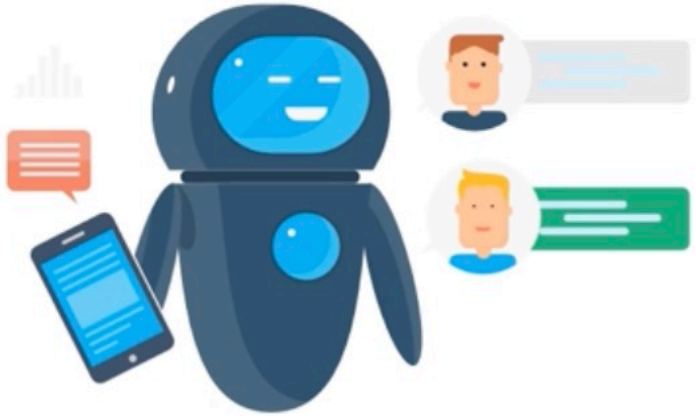
Now, let's look at the impact of digital disruption on the automobile industry:



Driverless cars have become a trending reality which will disrupt every other industry associated to driver-dependent cars.

The World of Financial Services

Next, we look at the impact of digital disruption on the financial services industry:



- Digital wallets offer easy, fast, and secure ways to pay and transfer money over the Internet.
- Financial services industry has employed AI, ML, and Deep Learning models to boost efficiency and implement an effective automated self-service.
- Chatbots, Messaging, and other forms of hyper-personalized experiences lead the future for banking and insurance sectors.

The World of Media and Entertainment

Let's look at the changes brought by digital disruption in the world of media and entertainment:

YouTube, Netflix, Hotstar, Hulu, Spotify, and many more have become household names and disrupted the industry.

Consumers are accustomed to content available on demand, that is tailored to their preferences.

Data Analytics influences marketing in a big way.

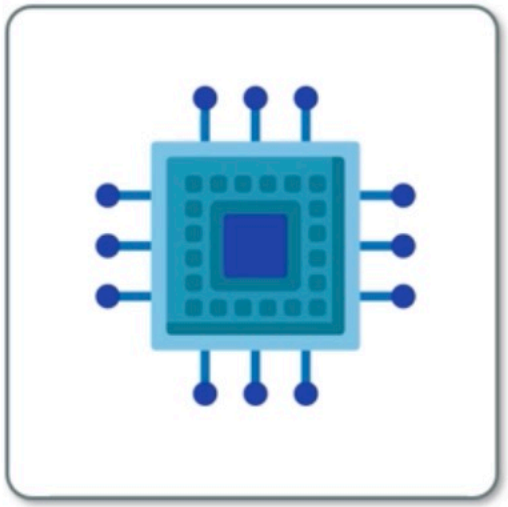
The World of Energy and Utility

Finally, let's take a look at the impact of digital disruption in the world of energy and utility industries:

- Advances in technology including cloud computing, mobile apps, automation, Big Data, and IoT have dramatically changed the way energy companies conduct their business.
- Energy monitoring systems have increased the efficiency through Big Data Analytics.
- Utility companies collect massive amounts of data through smart meters and sensors, driving improvement in the consumer experience.
- Digital technology implementation has improved safety in high-risk worksites.

Industry Talk

Digitally transformed organizations innovate at faster rates and disrupt the market with new products and services.



Digital disruptors are agile and more innovative. Therefore, those organizations require greater compliance and governance.

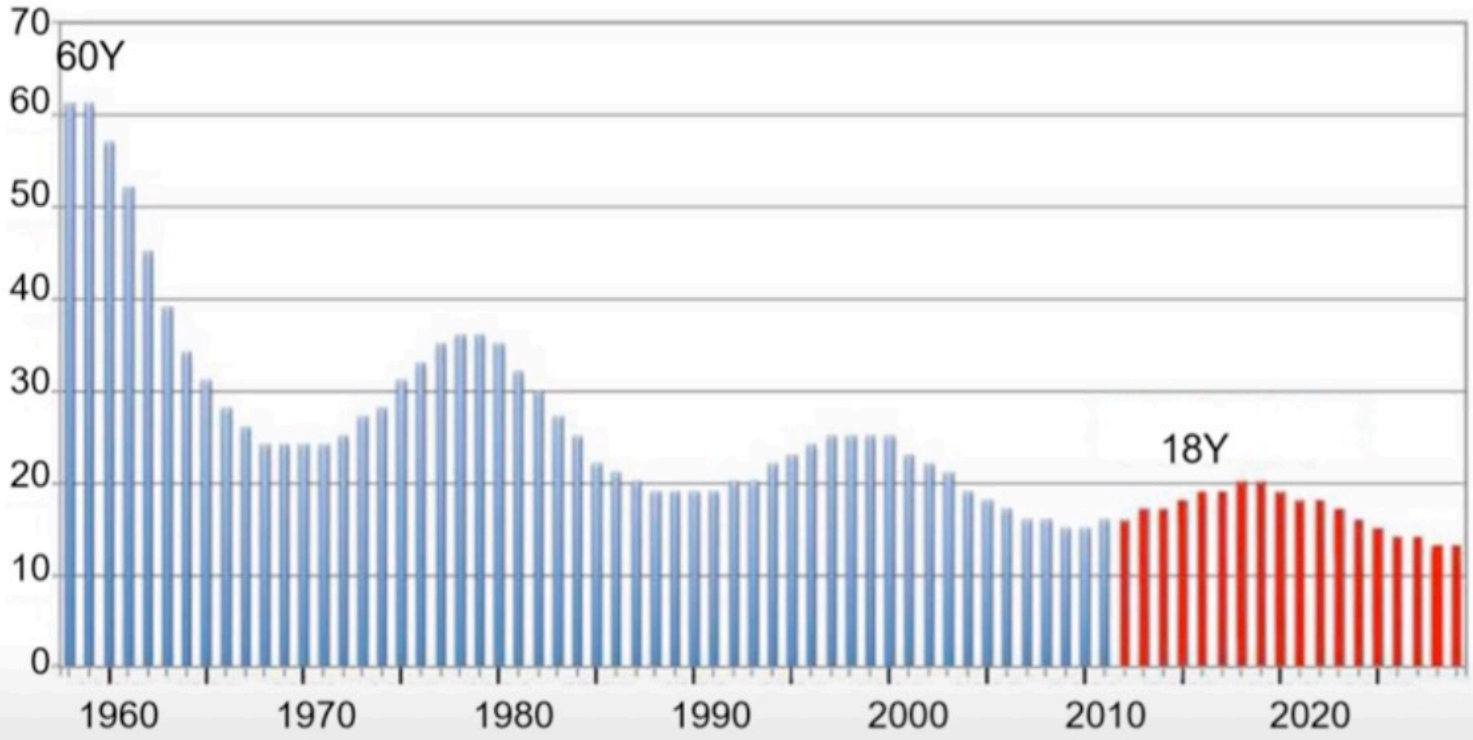
Industry Talk

Digitally transformed organizations constantly collaborate with external partners to introduce innovative ideas to the market.

Employees working with digital disruptors have more opportunities and possibilities to innovate regardless of what jobs they are involved in.

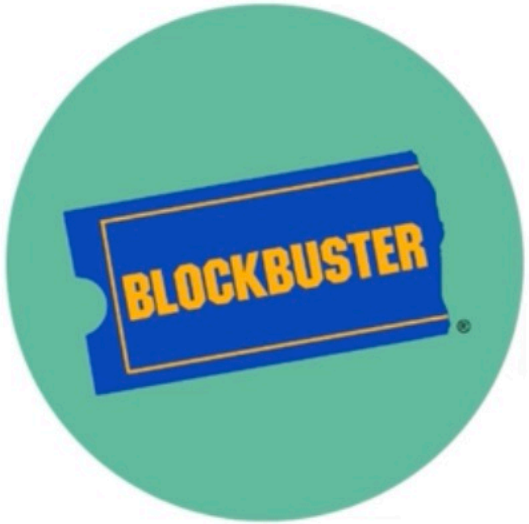
Industry Talk

Average Company Lifespan on S&P 500 Index



Companies That Got Disrupted

Because of poor strategic decisions, companies which got disrupted are:



52% of the Fortune 500 companies has gone out of business, and one of the main reasons is digital disruption.

Companies That Got Disrupted

Did not respond to certain warnings from the market and competitors

Followed traditional way of running business

Companies That Got Disrupted

- Acknowledge digital disruption to be an unstoppable force
- Embrace digital disruption and plan for it
- Know the signals of digital disruption emerging in your industry
- Understand that the changes in customer needs result in digital disruption

This knowledge will help you prevent digital disruption from sabotaging your company.

Digital Disruption and Strategies for Digital Transformation

Digital Native Disruptors

DIGITAL BUSINESS

Digital Native Disruptors: What's Different?

DIGITAL BUSINESS

Digital Native Disruptors

Examples of disruptors that disrupted the industry:

Digital Native Disruptors

NETFLIX

Delivered content home without the need for DVD players

Created products that are ahead of competitors

Digital Native Disruptors

Transformed the traditional retail industry

Created an ecosystem for everything, from operating systems and search engines to devices

Disruptors: What's Different?

Interact and transact with consumers

Build reliable services through latest disruptive technologies

Disruptors: What's Different?

Understand customer needs better than their competitors

Disruptors: What's Different?

Understand customer needs better than their competitors

Products

Customer expectations

Services

Digital is their core organizational strategy.

Disruptors: What's Different?

Disrupts markets by changing the way business is managed

Disruptors: What's Different?

Established brands that don't adopt digital find customers leaving

Force organizations to change their business models to respond to digitization

Key Differentiators

Keep an eye on the changing customer landscape to know the signs of digital disruption

Key Differentiators

Don’t own the capital expenditure or products essential to deliver to the end customer

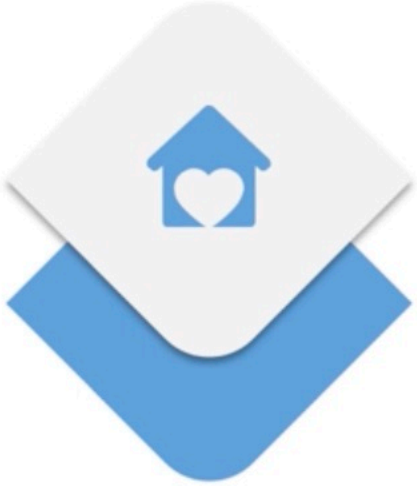
Uber owns no vehicle

Airbnb owns no real estate

Key Differentiators

Focus on the customers' experience and find solutions to their problems

Characteristics of Disruptive Companies



Challenge the existing state (status quo)

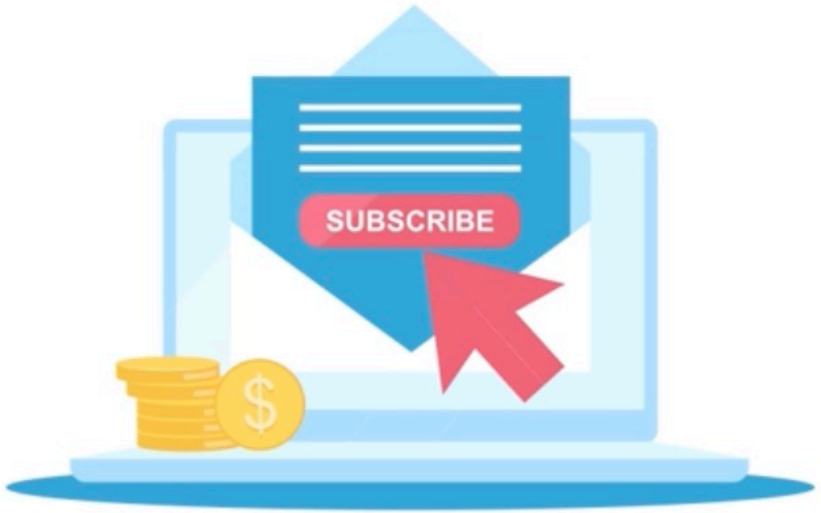
Create a new norm and define a new way to digitally transform the world

Embrace the new wave of doing business

Characteristics of Disruptive Companies

Netflix transformed it completely and have challenged the status quo and changed the traditional way of watching content by renting DVDs to subscription-based content.

→



Characteristics of Disruptive Companies

- Define a new way of working to drive digital transformation
- Focus on the organization to win in the market

- Revamp how marketing, IT, and finance work together
- Transform every aspect of organization

- Build business on the old model to make it robust

Characteristics of Disruptive Companies

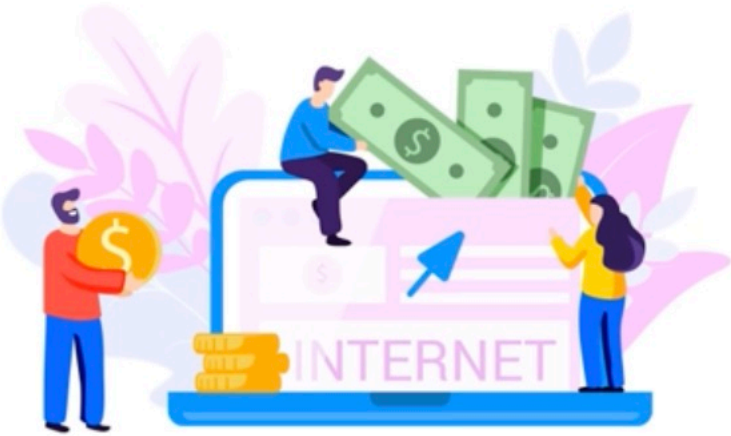
Walmart Labs

It was not very successful initially, but it decided to set up a separate lab called Walmart Labs which helped the organization grow its e-commerce business exponentially.

Characteristics of Disruptive Companies

Netflix uses every click on the platform to produce data, and then all the data is used by the organization for specific activities like target audience identification.

NETFLIX →



→

Characteristics of Disruptive Companies

Understand how a customer's future looks like and create it accordingly

Identify aspects of the business model that needs to be changed

Move consciously to understand the market

Balance and act strategically

Characteristics of Disruptive Companies

Apple has created unique brand loyalty by focusing on consumer experience.

Characteristics of Disruptive Companies

The entire organization is focused on improving the consumer experience.

Characteristics of Disruptive Companies

Right price to drive the right demand

Customers respond immediately and powerfully to cost reduction

Innovative ways to create value from underutilized resources

Characteristics of Disruptive Companies

Digital native disruptors build better product experiences that create stronger customer relationships and brings the best features to market faster.

Characteristics of Disruptive Companies

Characteristics of Disruptive Companies

Google, which started as a search engine, has now built an ecosystem.

Its presence is there in every mobile device because of Android.

Characteristics of Disruptive Companies

They have created an ecosystem of products and services that makes it hard for the consumer to move to something new.

Succeed in Digital Disruption

- Build a strategy for embracing it
- Build better products or services in the market
- Bring digital initiatives to the company

Digital Disruption and Strategies for Digital Transformation

Elements of Digital Disruption

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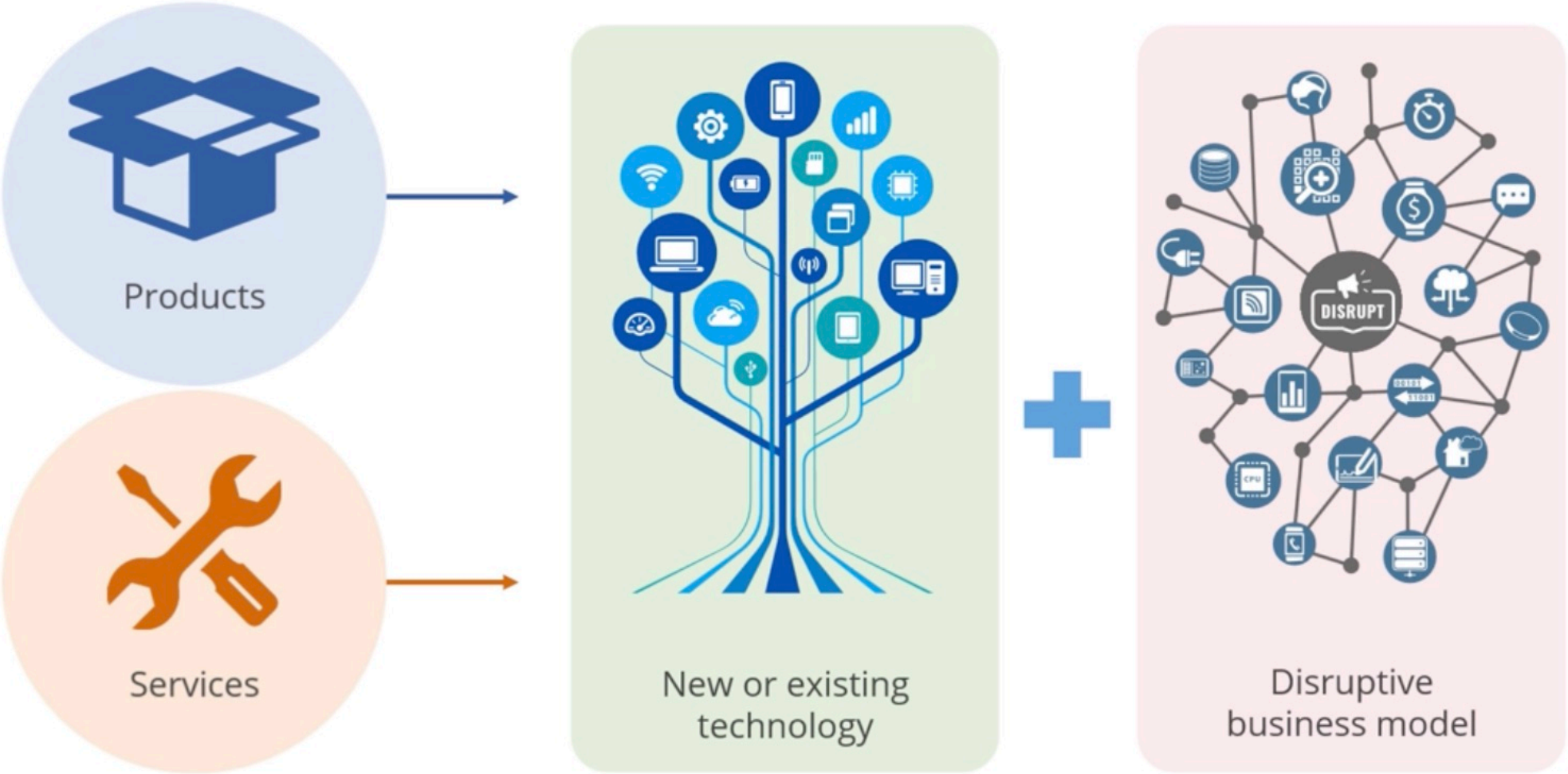
Key Elements of Digital Disruption

DIGITAL BUSINESS

Elements of Digital Disruption

Elements of Digital Disruption



Elements of Digital Disruption: Business

DIGITAL BUSINESS

Elements of Disruption: Business

Digital disruption makes you rethink your business's underlying operating model for growth and opportunities.

Elements of Disruption: Business

Everest Group®

"Only 10% of the organizations are ready to encounter digital disruption and have a structured business strategy."

Elements of Disruption: Business

Digital disruption results in maximizing the value-adds.

Improved cost savings impact the bottom line

High productivity results in improved customer experience

Growth in revenue impacts the top line

Customer Expectations: Challenges

Customer expectations evolve due to disruption; this directly impacts business.

Business challenges in managing high customer expectations:

Expect quick solutions to problems

- Maintain high customer experience in a cost-effective way

In control of their relationship with companies

- A lot of choices, easy access to information, and less incentive to be loyal

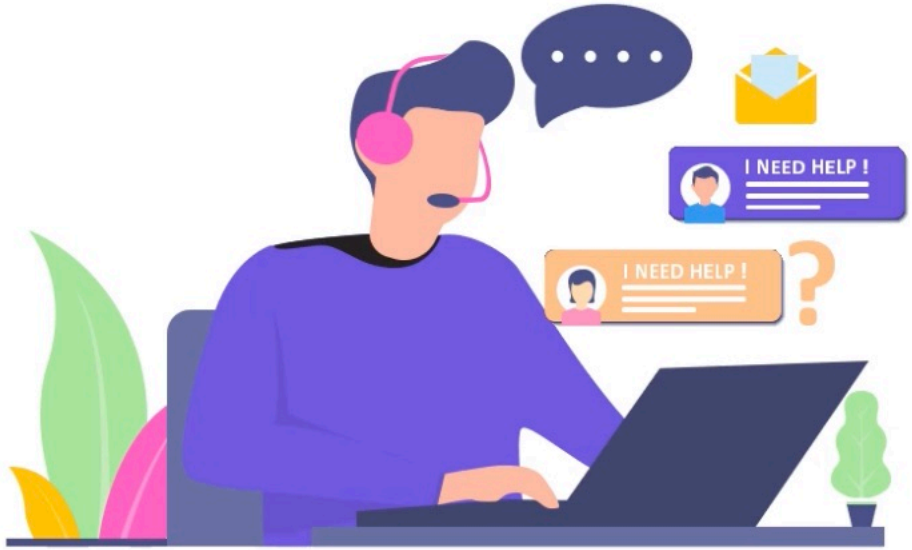
Customer Expectations: Challenges

Business challenges in managing high customer expectations:

- Require companies to connect across channels and platforms to deliver proactive services
- Expect personalized experience

Opportunities to Disrupt

Customer expectations provide organizations opportunities to disrupt.



Provide the right solutions at the right price to disrupt the market and win customers

- Improved top-line revenue

Use digital transformative approach to solve complex customer problems at an efficient rate and pace

- Improved bottom-line savings

Opportunities to Disrupt

Provide self-service opportunities for customers for purchases and updates

- Increased customer experience

Deliver cohesive brand experience

Disruption: Challenges

Challenges faced by business leaders:

Provide a great customer experience, but maintain low costs to improve the bottom line

Link customer-facing and back-office operations to meet business expectations and improve productivity

Disruption: Opportunities

Opportunities for business leaders:

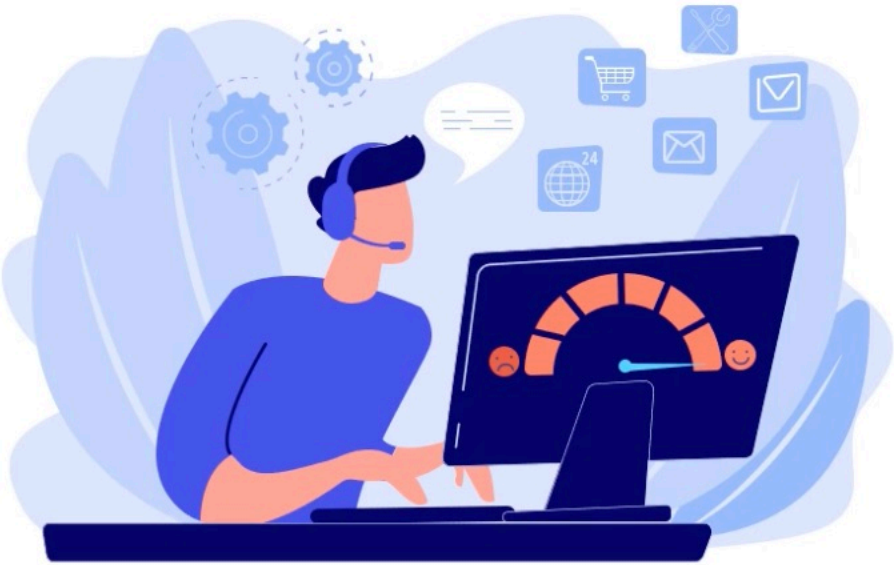
Use digital services to improve employee, product, and customer experience

- High brand reputation and improved top-line revenue

Eliminate redundancy in the business model by efficient exchange of information across the value chain

- Improvement in the bottom line

Disruption: Opportunities



Opportunities for business leaders:

Facilitate a strong back-office support system that results in an improved front office

Integrate front- and back-office functions

- Seamless customer experience

Elements of Digital Disruption: Technology

DIGITAL BUSINESS

Element of Technology

Organizations strive to operate and improve through technology

To remain competitive

To create new experiences

Role of Technology

How do we incorporate a supply chain ecosystem of workers, clients, vendors, and business partners?

How do we create an agile, scalable, and digital ecosystem for an improved user experience?

How can we make the correct details available to achieve efficient decision-making?

Role of Technology

How can we maximize the portfolio of technologies?

How do we make accurate and stable transactions in real time?

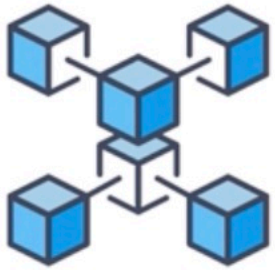
How do we promote continual change and innovation?

Elements of Technology

Platform

Big Data

Artificial Intelligence



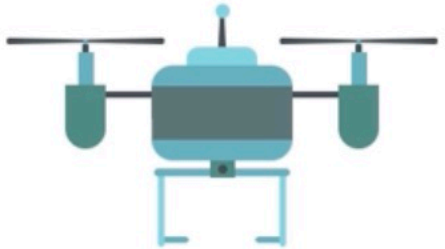
Blockchain

IoT

Elements of Technology

Automation

Cloud Computing



Drones

Edge Computing

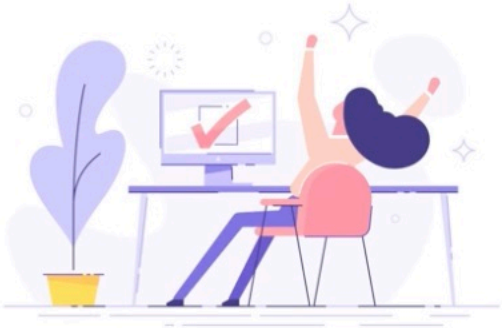
Extended Reality

Elements of Digital Disruption: Industry

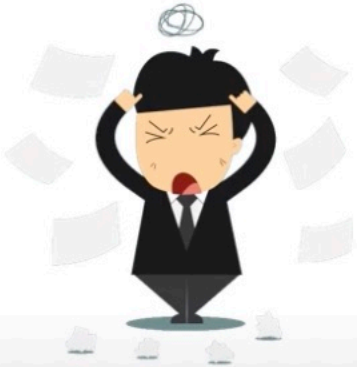
DIGITAL BUSINESS

Elements of Digital Disruption: Industry

Digital transformation solution



Worked well



Cannot work well

Elements of Digital Disruption: Industry

Providing highly customized and personalized digital transformation solutions

Meet the actual requirements of different industrial businesses and address each industry's business growth

Elements of Digital Disruption: Industry

Personalizing digital solutions

Artificial Intelligence

Big Data

Machine Learning

Data Analytics

Generate actionable business insights creating a big difference in revenue generation

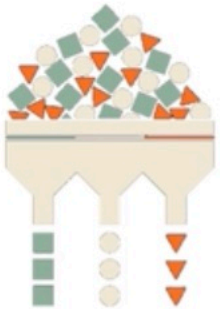
Elements of Digital Disruption: McKinsey Study

DIGITAL BUSINESS

McKinsey Study

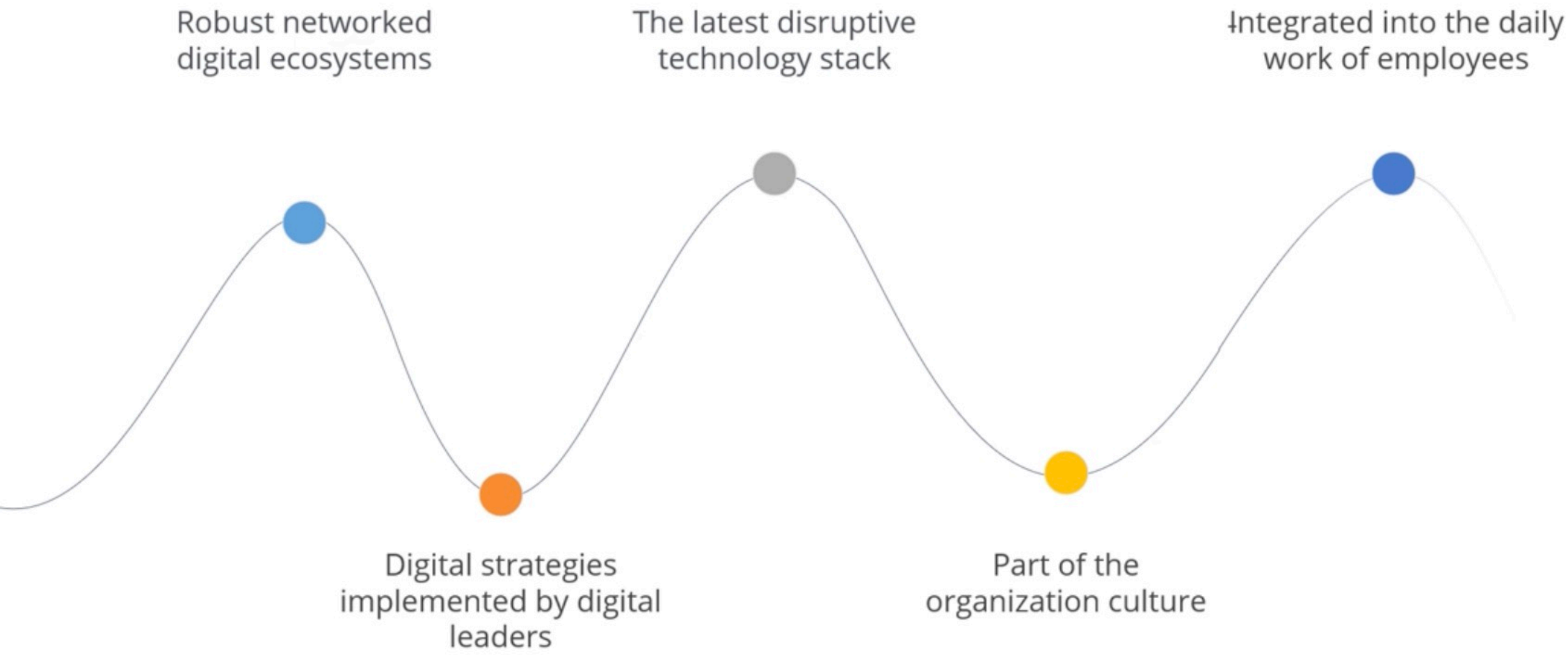
McKinsey conducted a study to understand the impact of digital disruption.

Twenty seven indicators



Three categories: Digital labour, digital usage, and digital assets

McKinsey Study



McKinsey Study

The key insights are:

IT and Media Industry

Latest disruptive digital technology in product development and service delivery along with digital channels to interact with the customers seamlessly

Financial Services

- Newly introduced digital solutions have disrupted the financial services
- High expectations of customers
- Disruptive implementations of the new era of financial services

Capital-Intensive Sectors

- Manufacturing and automotive industries have been steady from the 1960s
- Digitization of customer interaction

McKinsey Study

Improves customer interactions by engaging customers digitally

All sectors can innovate, improve productivity, and earn profits

Lagging behind in providing digital tools to workers

McKinsey Study

Digital disruption in their DNA

Planning and implementation

McKinsey Study

- Shed old ways of working
- Drive cultural shift
- Upskill the employees
- Transform thinking to become a digital business

McKinsey Study

McKinsey Study

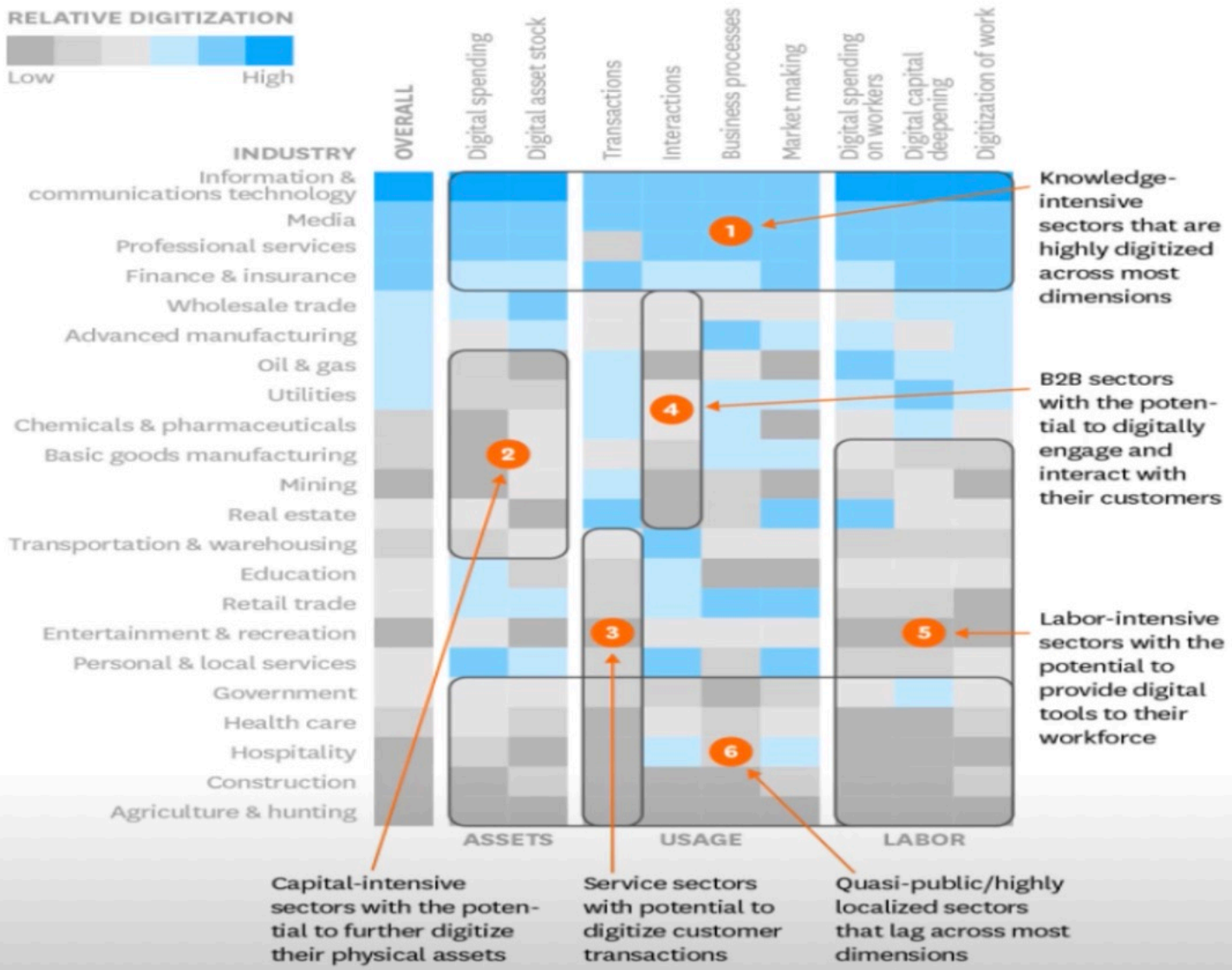
Shopping online is no longer a gimmick

E-commerce is the heart of revenue generation

McKinsey Study on Different Industrial Sectors

DIGITAL BUSINESS

McKinsey Study on Different Industrial Sectors



McKinsey Study on Different Industrial Sectors

Areas which will digitally transform organizations:

Customer-centric philosophy
Digitizing customer transactions and interactions

Transformational outlook
Leadership drives technology decisions

Digitization
Disrupting the business

Internal customer experience
Employees have consumer-grade technologies

McKinsey Study on Different Industrial Sectors

Organization structure
Seamless customer experience

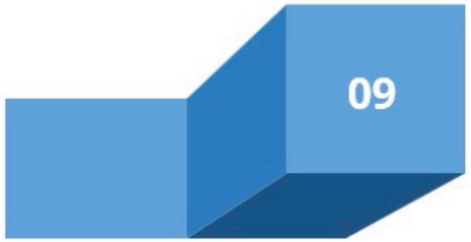
Change management
Cultural transformation

Data, security, privacy, and data ethics
Standards are the prime focus

Evolution of products, services, and processes
Perfection in delivery

McKinsey Study on Different Industrial Sectors

Technology decisions
Involve entire C-suite



Integration
Integrate all data systems

Personalization
Guide the customers

Logistics and supply chain
Improve effectiveness

Elements of Digital Disruption: Society

DIGITAL BUSINESS

Elements of Digital Disruption: Society

Digital disruption has affected the way everyone communicates, thinks, and learns in this world today.

Elements of Digital Disruption: Society

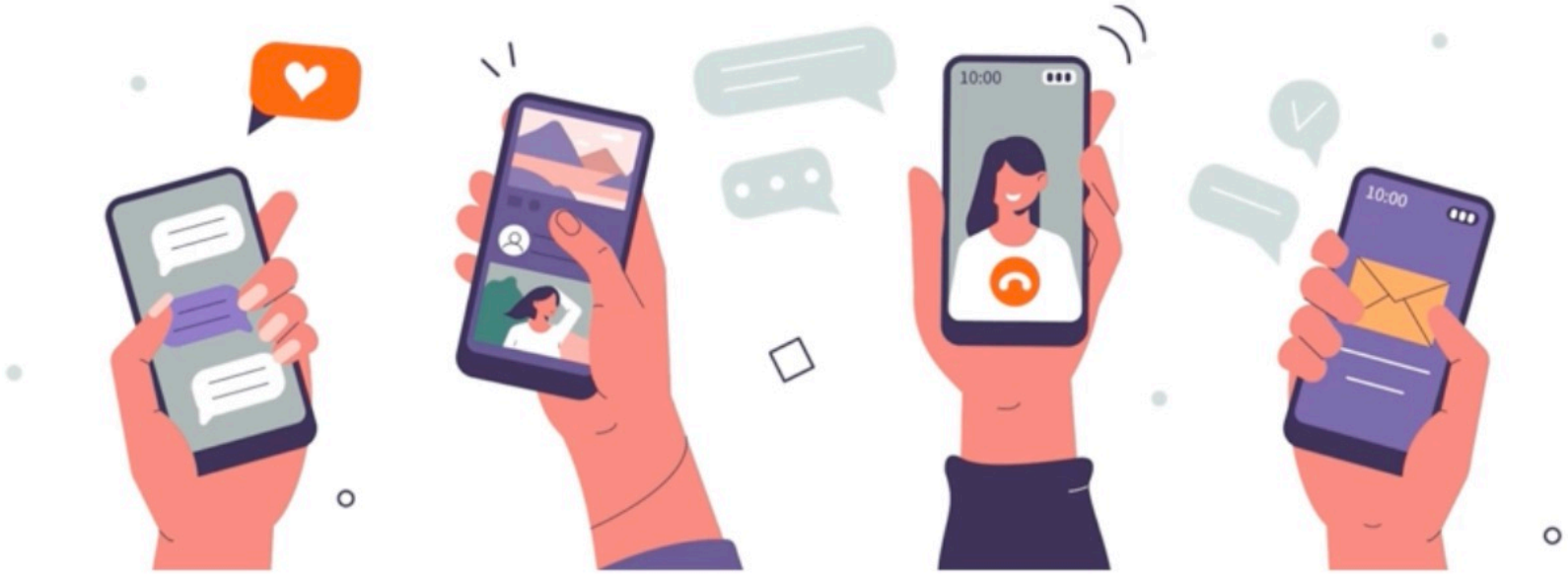
Digital disruption has completely evolved education and learning.

Elements of Digital Disruption: Society

Digital platforms are changing business relationships, as digital technology is influencing every aspect of our daily lives.

Elements of Digital Disruption: Society

Digital platforms are changing business relationships, as digital technology is influencing every aspect of our daily lives.



Elements of Digital Disruption: Society

Digital platforms are changing business relationships, as digital technology is influencing every aspect of our daily lives.

Elements of Digital Disruption: Society

A steady annual increase in e-commerce sales indicates an increase in people's expenditure.

Elements of Digital Disruption: Society

A steady annual increase in e-commerce sales indicates an increase in people's expenditure.

Supply chain management

Elements of Digital Disruption: Society

A steady annual increase in e-commerce sales indicates an increase in people's expenditure.

Productivity

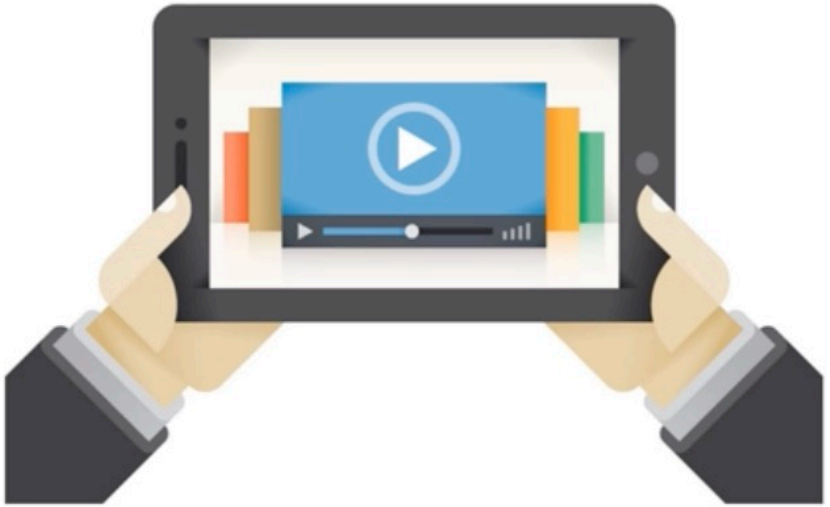
Elements of Digital Disruption: Society

A steady annual increase in e-commerce sales indicates an increase in people's expenditure.

Pricing model

Elements of Digital Disruption: Society

When was the last time you watched a movie online?



Elements of Digital Disruption: Society

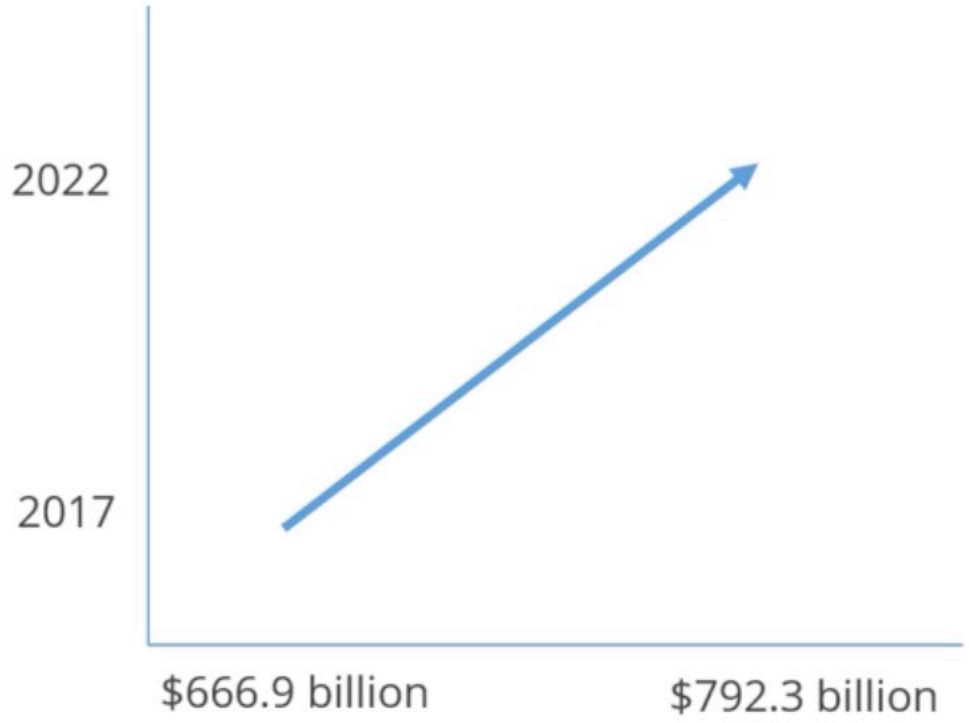
Netflix is growing and has millions of subscribers around the world.

Elements of Digital Disruption: Society

Media and entertainment is one of the first sectors to disrupt digitally and transform the business.

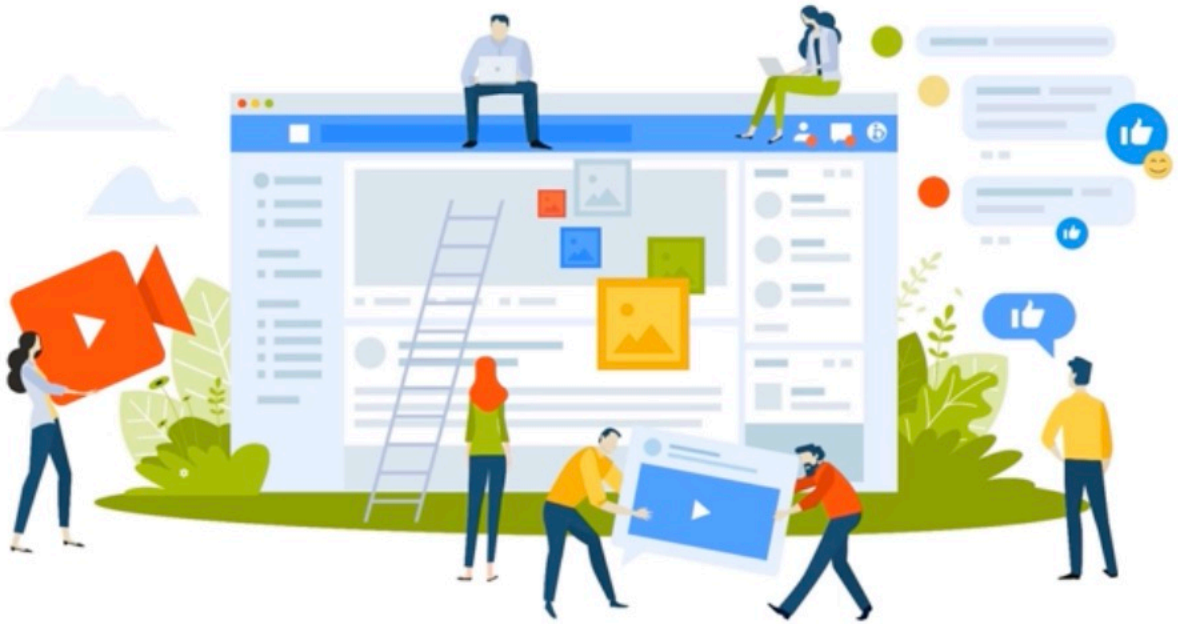
Elements of Digital Disruption: Society

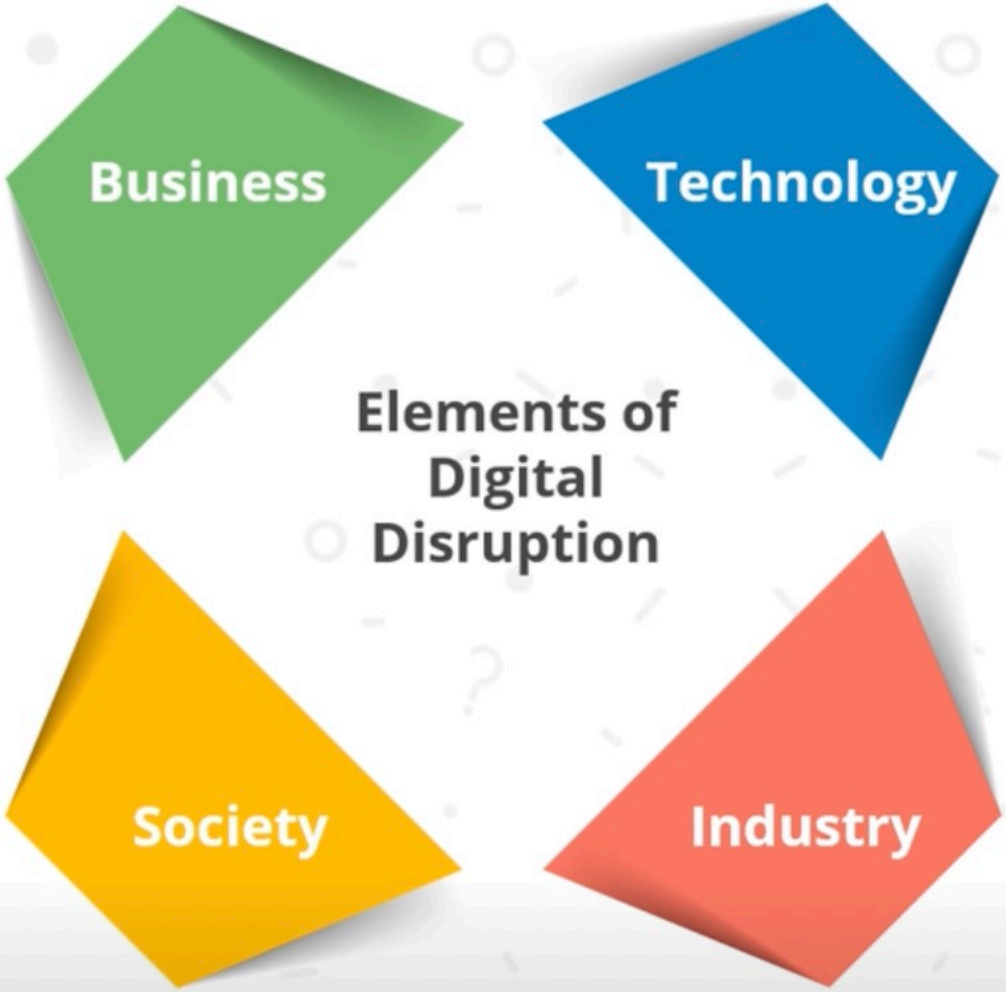
PwC Global Entertainment and Media Outlook 2018:



Elements of Digital Disruption: Society

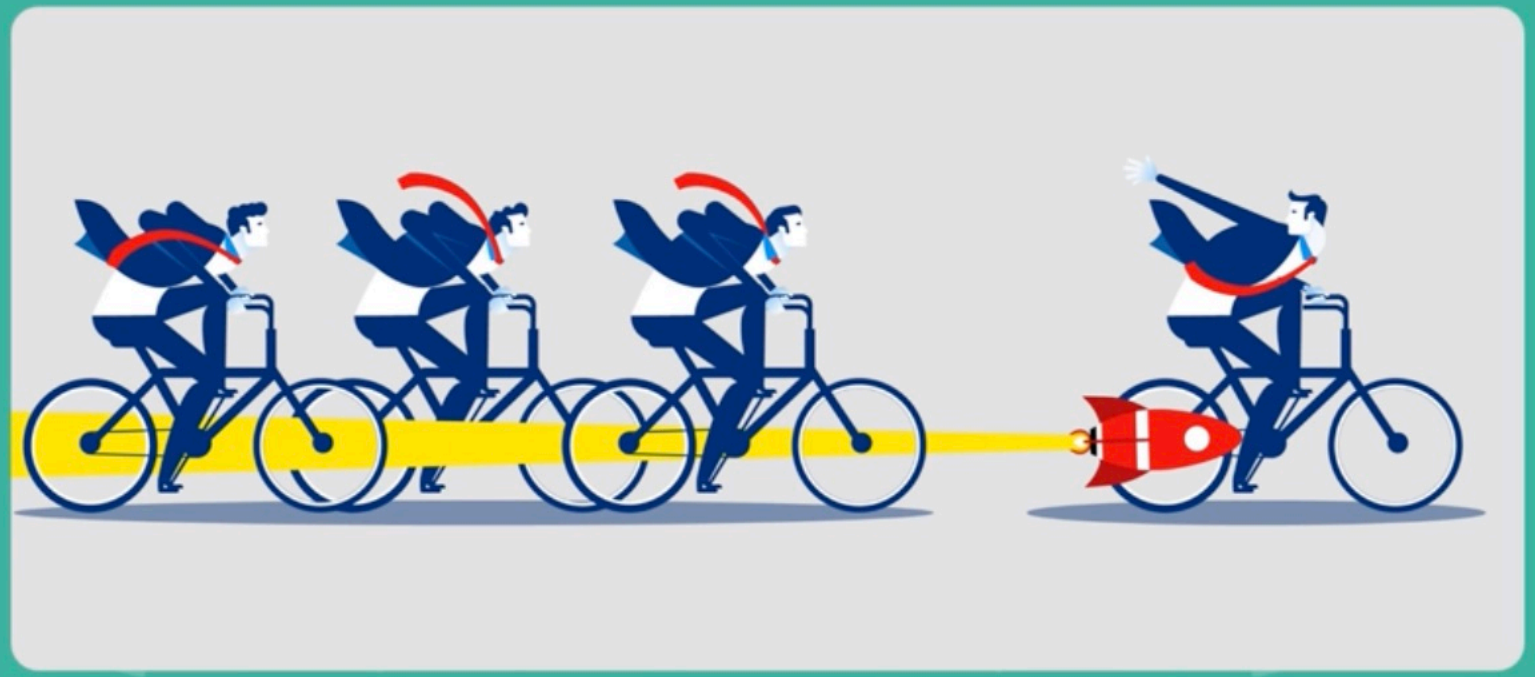
Digital disruption's success in media and entertainment industry indicates that consumers want innovative and easy-to-use products.




Business
Technology
Elements of Digital Disruption
Society
Industry

Digitization of the business will enhance customer experience.

Adopt the right digital technologies to gain the competitive advantage



Digital transformation solutions must be customized to meet the requirements of different industrial sectors.

Revenue Growth

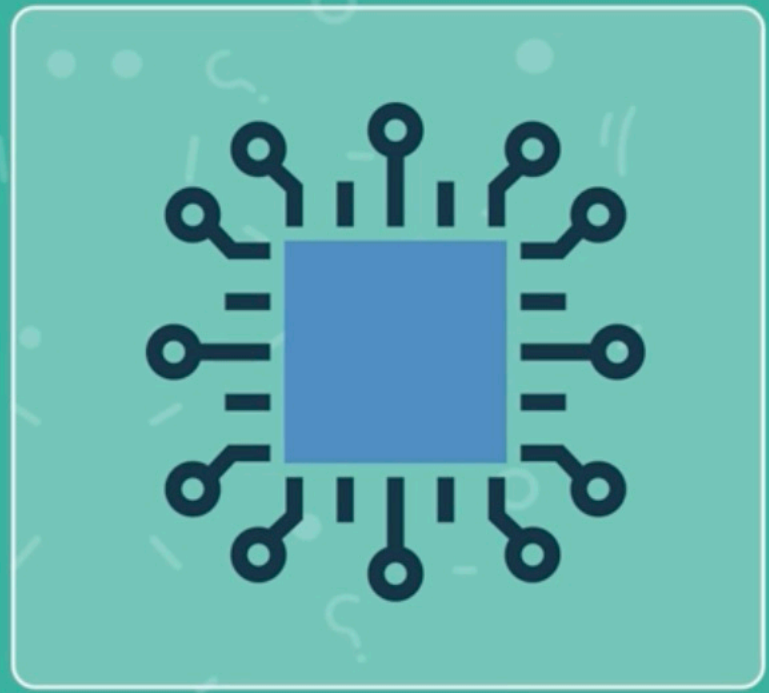
Society demands tailored products.

Capabilities to increase customer experience

Analysis of current capabilities

Competitive Landscape Analysis

Digital Adoption



Elements of Digital Disruption

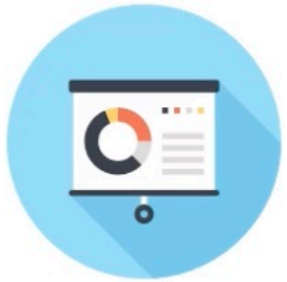
Digital Disruption and Strategies for Digital Transformation

Impact of Digital Natives on Elements of Disruption

DIGITAL BUSINESS

Learning Objectives

The four prominent elements of disruption are:



Business

Technology

Industry

Society

Learning Objectives

Finally, she should be able to leverage the learnings from digital natives to improve customer experience and drive profitability through digital disruption.

Introduction to the Impact of Digital Natives on Elements of Disruption

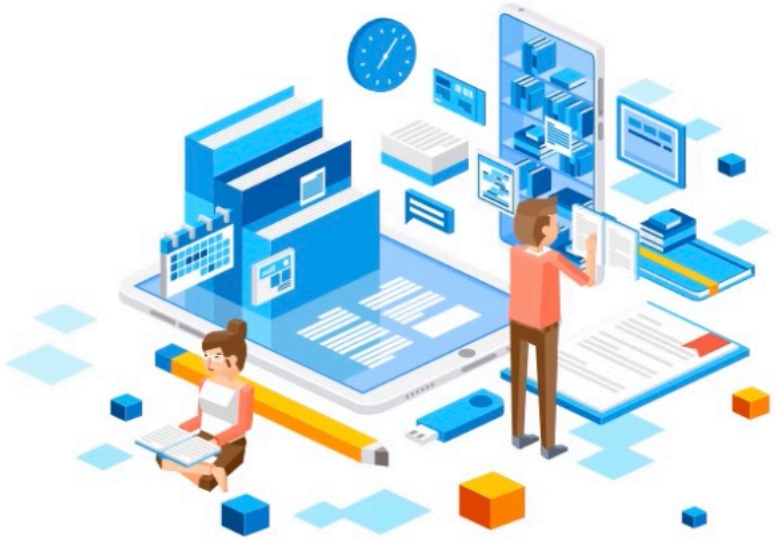
DIGITAL BUSINESS

Digital Native

It is a term coined by Marc Prensky in 2001.

Digital Native

- A digital native is a person growing up in the digital age.
- The opposite of a digital native is a digital immigrant.



Elements of Disruption

Business, technology, industry and society are the elements of disruption.

Each of these elements is made of three major parts.

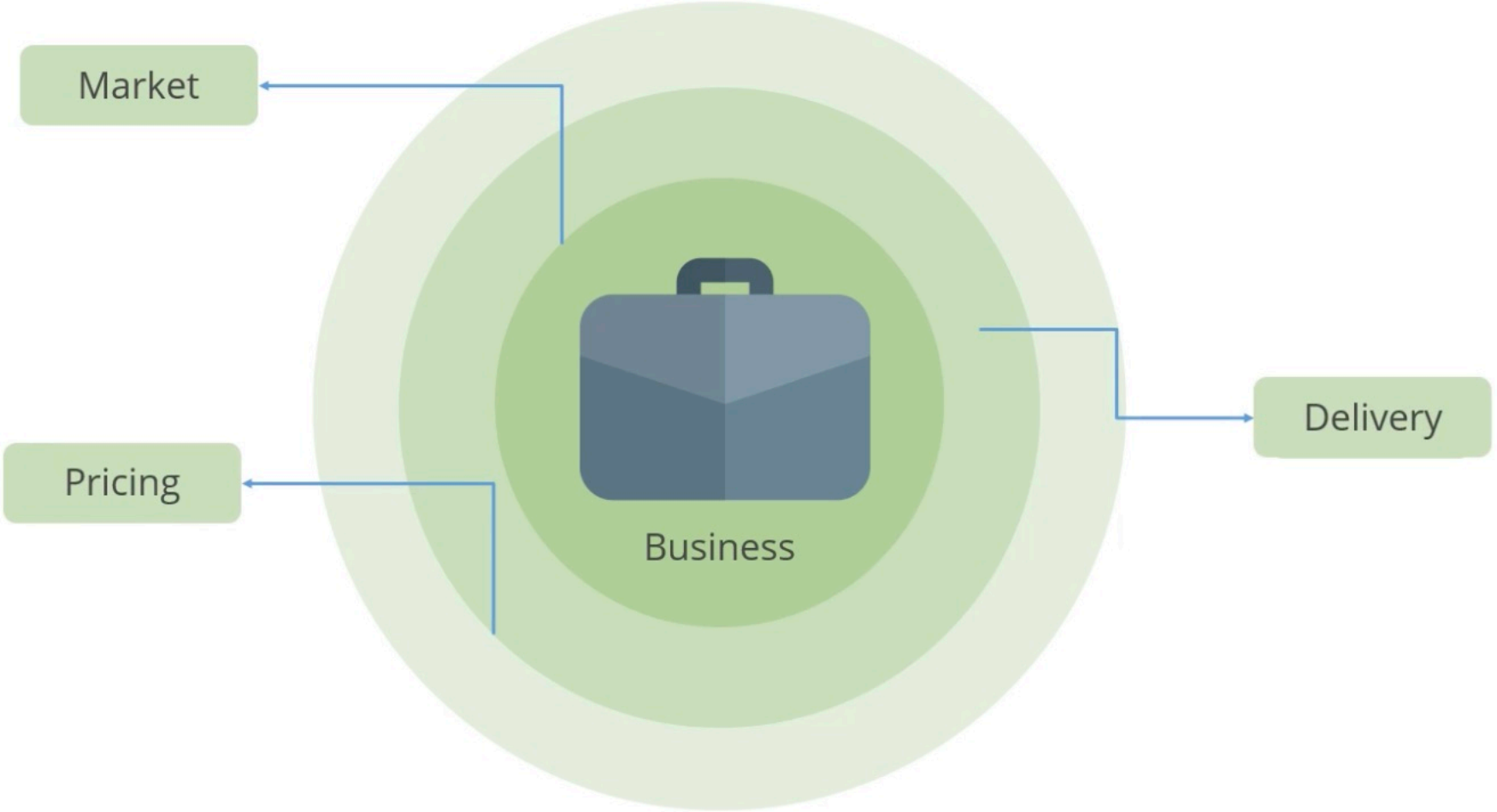
Business

Technology

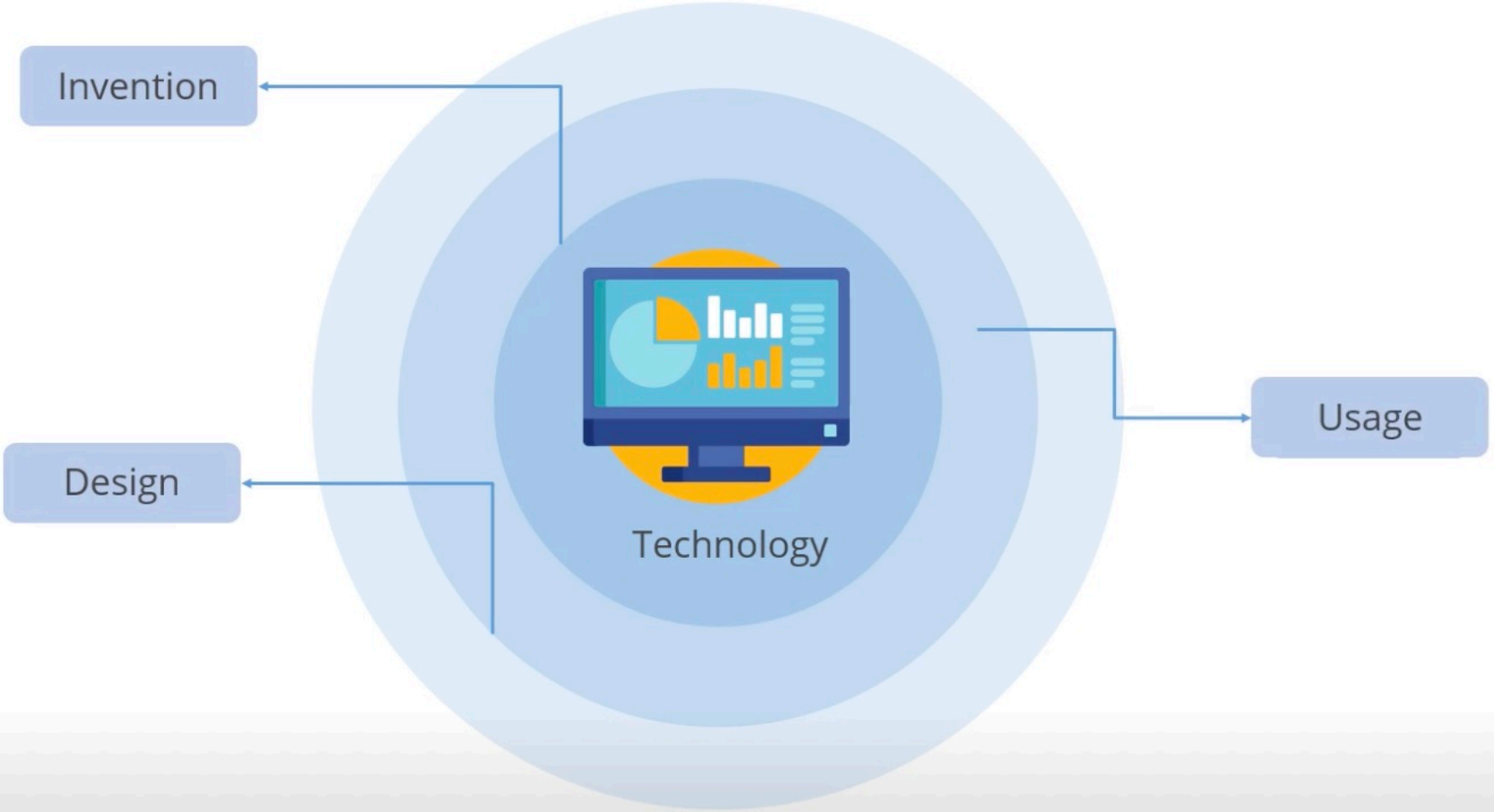
Industry

Society

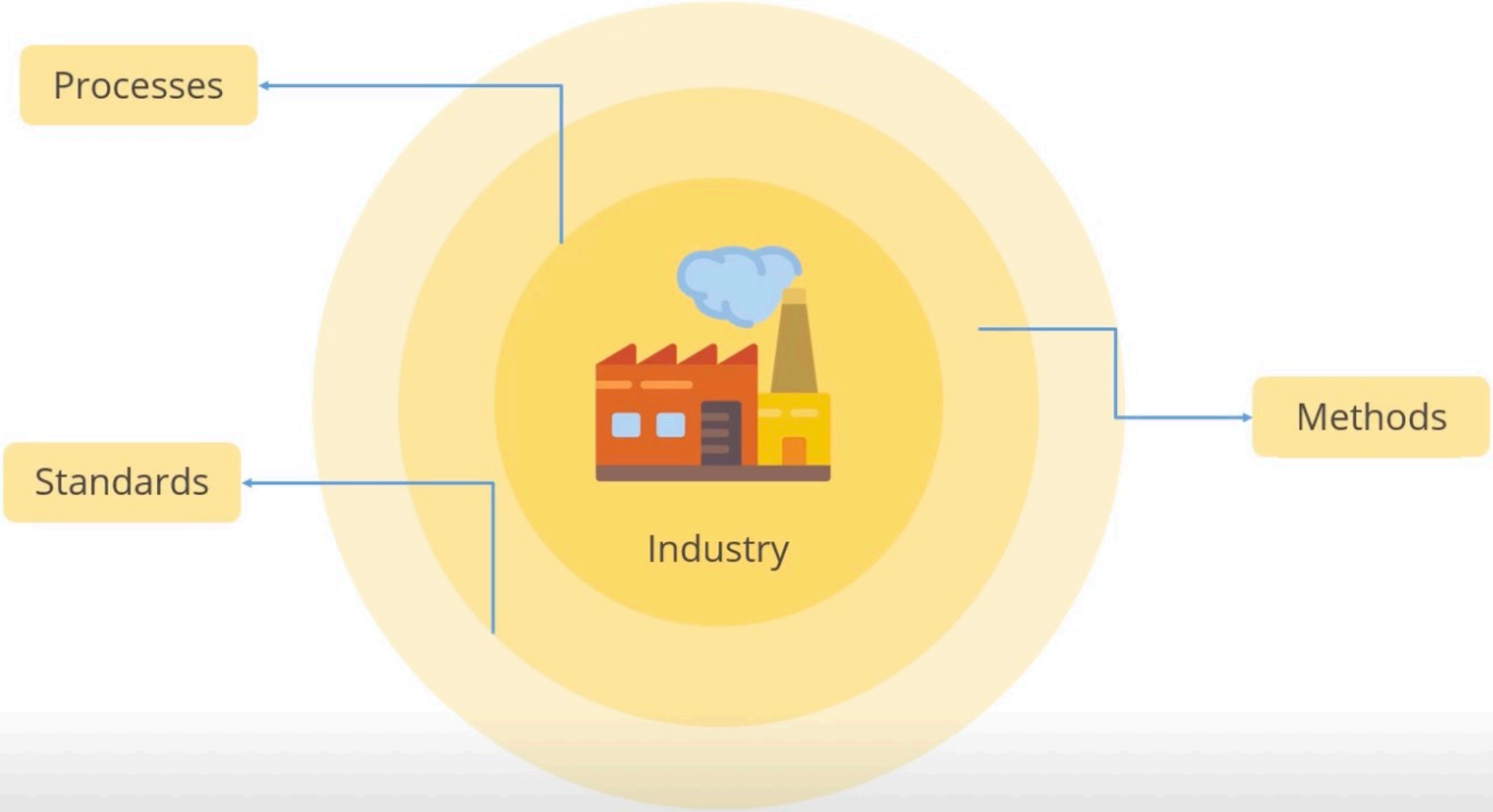
Business



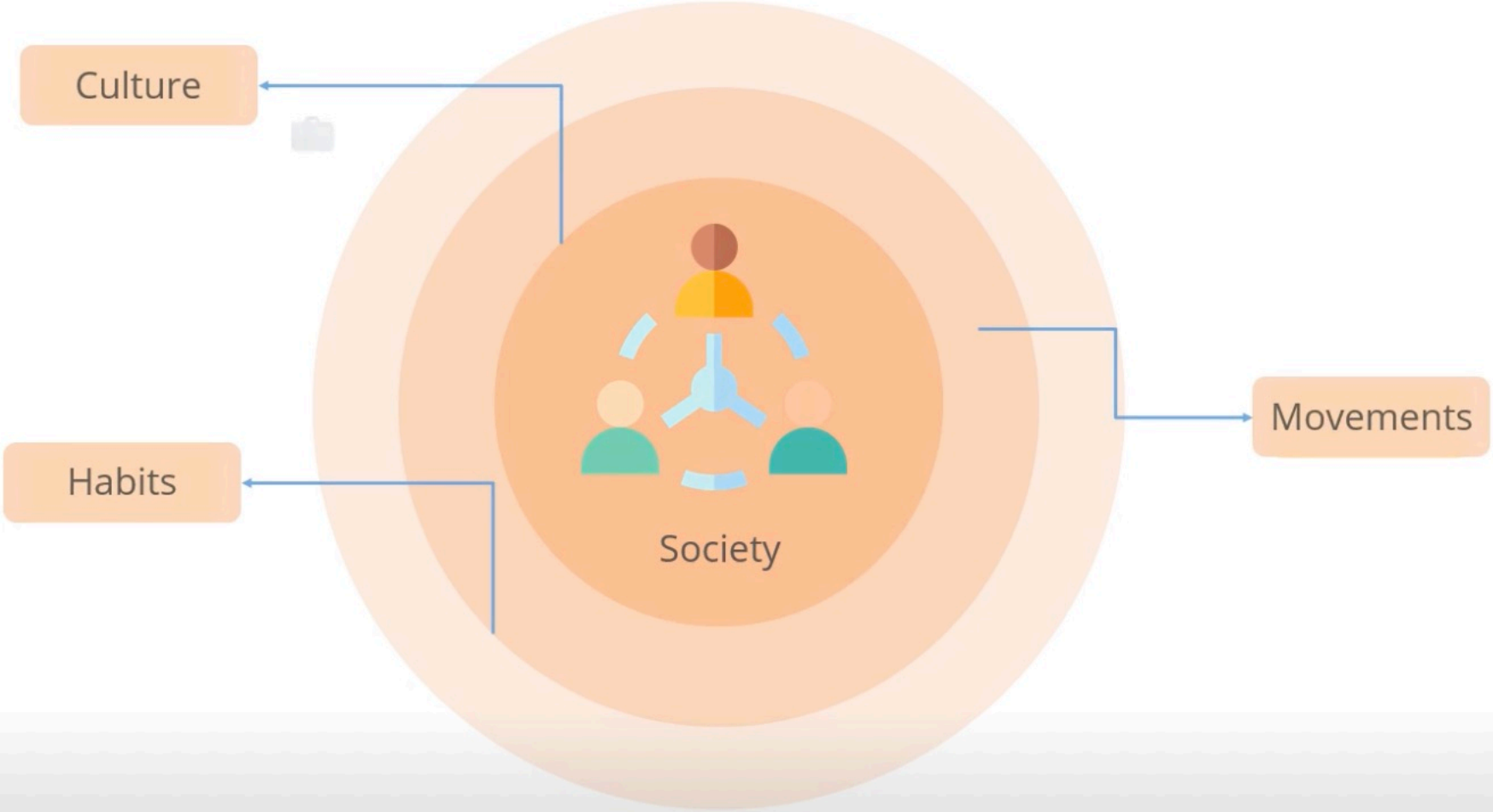
Technology



Industry



Elements of Disruption



Impact of Digital Natives on the Business Element: Market

DIGITAL BUSINESS

Business Element

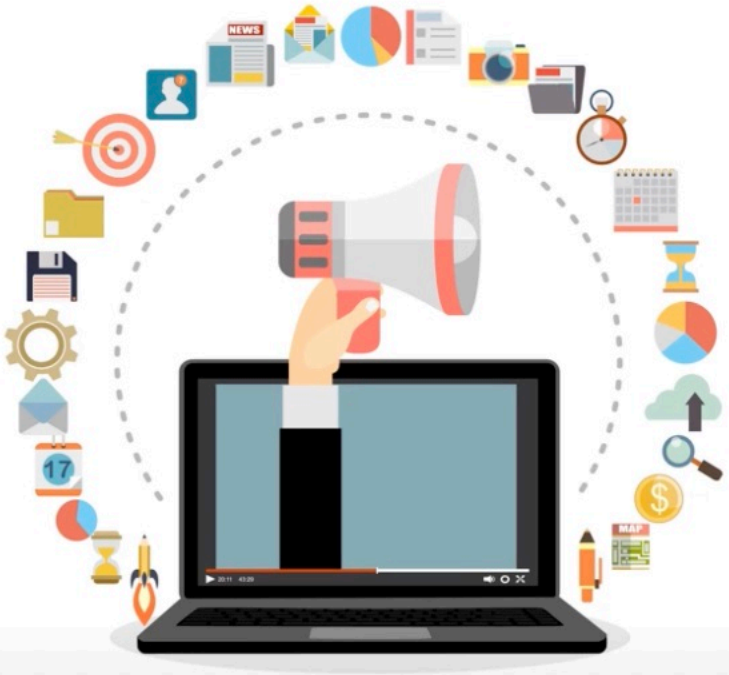
Market

Pricing

Delivery Mechanisms

Business Element: Market

Digital disruption has caused a paradigm shift in doing business to remain relevant in the market.



- It captures the market share in new business areas and territories.
- It has allowed many small players compete with big players.
- It also caters to the changing customer demands.

Business Element: Market

Print media

Advertisements

Radio commercials

Business Element: Market

Emails

Social media advertisements

Digital banner

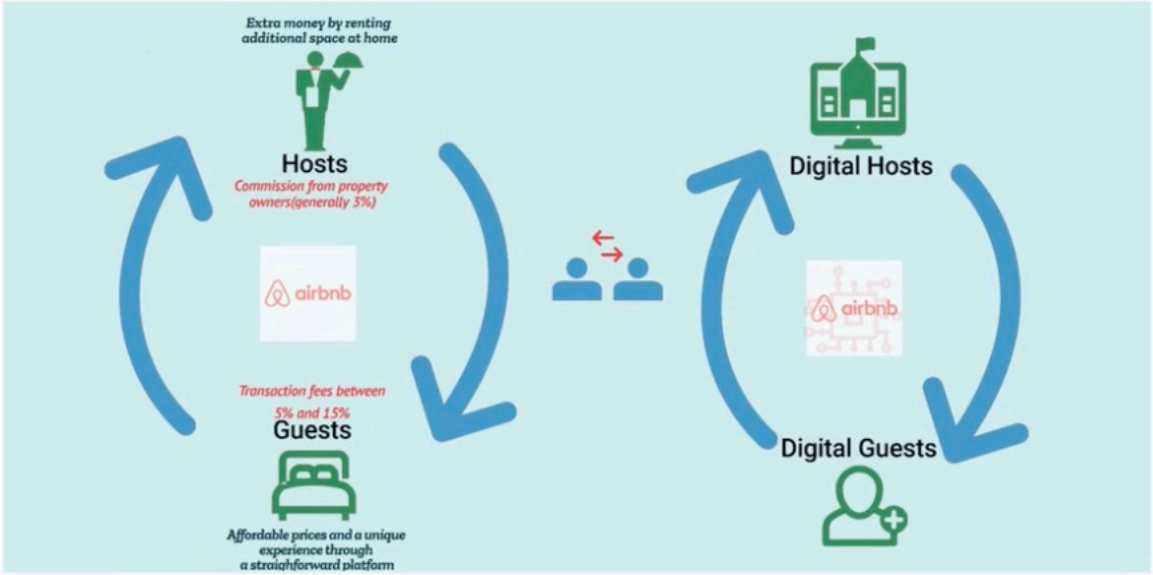
Now, every company uses both the traditional and digital means to influence and attract consumers.

Business Element: Market

Digital technologies have helped organizations to elevate their brand presence in the minds of customers within a short span of time.

Business Element: Market

Airbnb is a great example of new market creation.

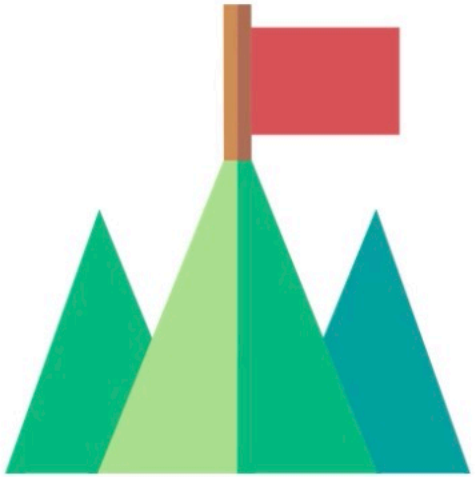


Impact of Digital Natives on the Business Element: Pricing

DIGITAL BUSINESS

Business Element: Pricing

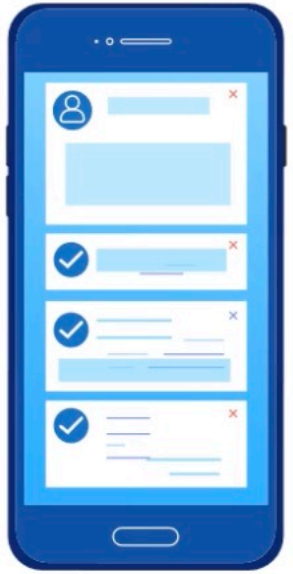
Digital disruption has significantly changed the pricing methods for many products or services.

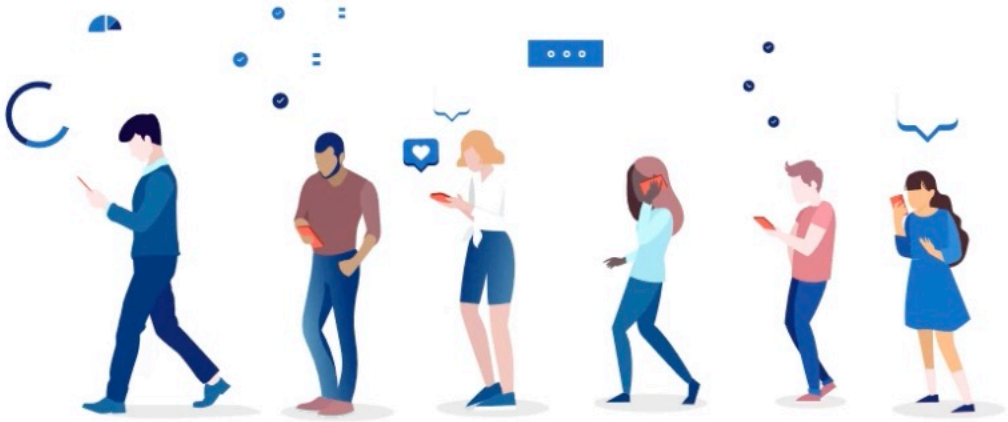


Business Element: Pricing

Digital disruption has significantly changed the pricing methods for many products or services.

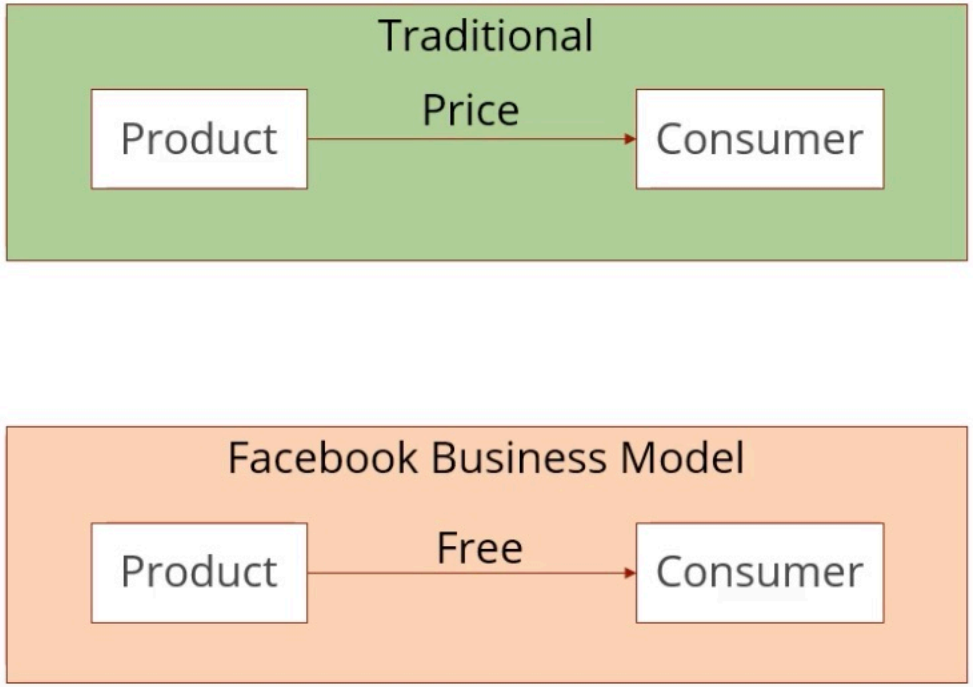
amazon ebay Etsy





Business Element: Pricing

Facebook follows a business model that makes its products free for all.



Business Element: Pricing

Subscription Model:

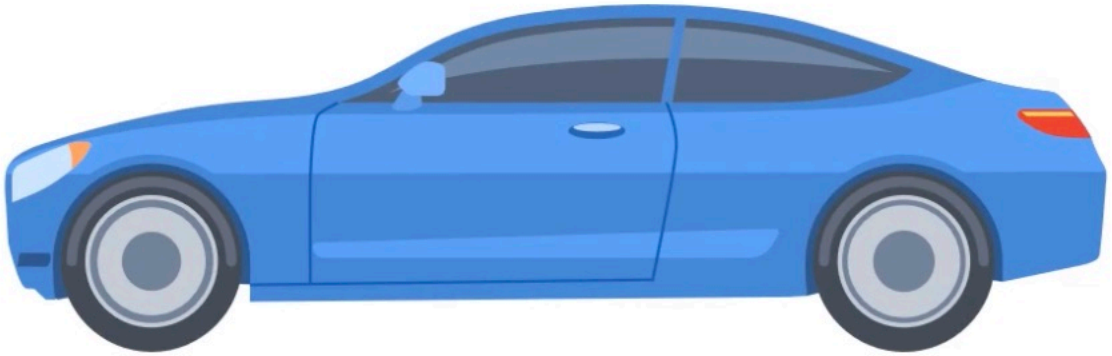
Customers pay a monthly subscription for getting access to the product or service of their choice.

NETFLIX

Business Element: Pricing

Experience Model:

- Pricing is finalized depending on the customer's experience.

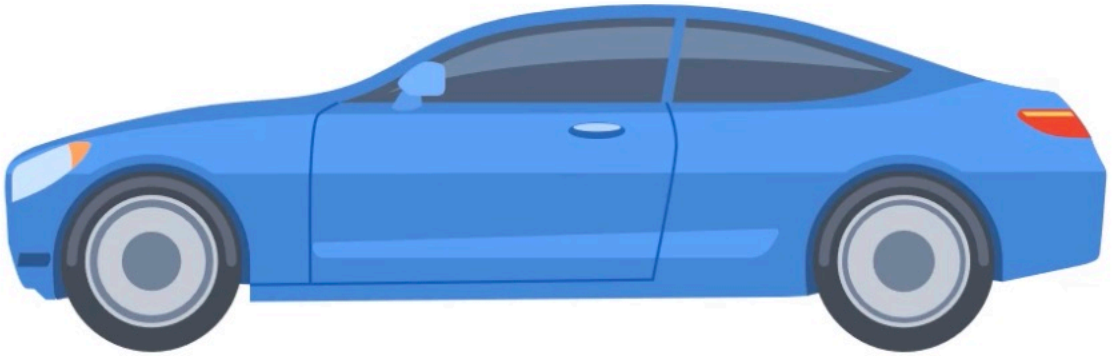


Business Element: Pricing

Experience Model:

- Pricing is finalized depending on the customer's experience.
- Consumers are willing to pay a higher amount to get the best experience.

TESLA



Business Element: Pricing

Free Model:

Products are provided free of cost, but user data is collected in return.

Business Element: Pricing

Free Model:

Products are provided free of cost, but user data is collected in return.

Business Element: Pricing

Access-Over-Ownership Model:

The consumer pays to use the services or products for a fixed period of time but can't claim ownership of them.

airbnb

Zoomcar

Business Element: Pricing

Ecosystem Model:

The additional products are bundled with the main product, and this interdependency enhances the value of the number of products a customer owns.

Google

Business Element: Pricing

On-Demand Model:

This model attracts customers who want to save time. The necessary work is completed by people who have time and are in need of money.

Uber

OLA

lyft

Business Element: Pricing

Freemium Model:

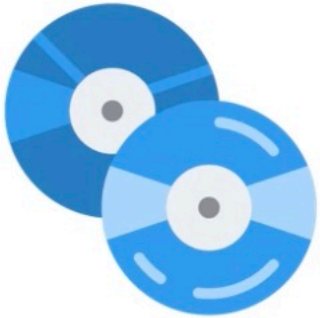
- The basic services are offered free of cost.
- The consumer is given the option of upgrading to paid services that offer premium products and services.

Impact of Digital Natives on the Business Element: Delivery Mechanism

DIGITAL BUSINESS

Business Element: Delivery Mechanism

Digital products are developed once and sold to millions of customers without any worry of warehouse or stock management.



Spotify®

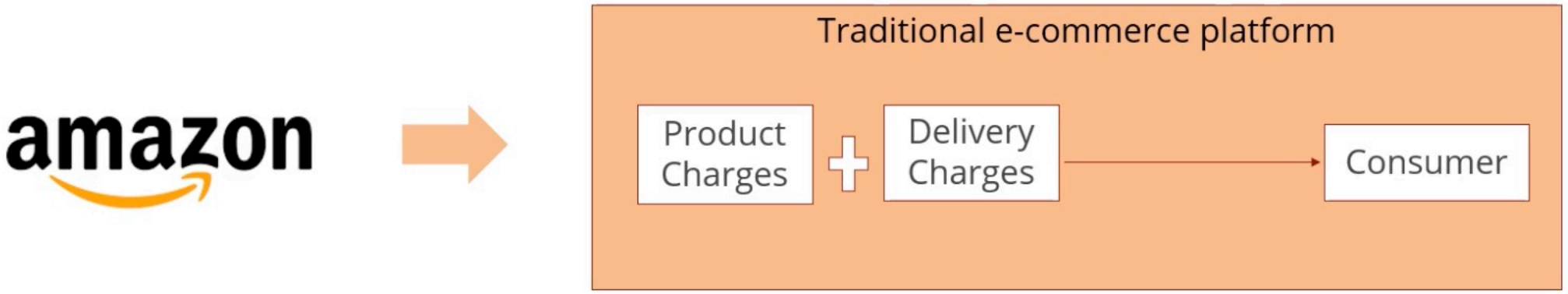
NETFLIX

Business Element: Delivery Mechanism

E-Commerce Product Delivery:

- E-commerce sites disrupted the traditional delivery mechanism of products and services.
- These sites guarantee on-time and safe delivery of certain products.
- Premium subscription membership entails free delivery at a short time and has completely changed the logistics.

Business Element: Delivery Mechanism



Impact of Digital Natives on the Technology Element: Invention

DIGITAL BUSINESS

Technology Element

Technology Element: Invention

Digital natives have a clear understanding of disruptive digital technologies.

Technology Element: Invention

Digital Natives:

- Are fearless and easily pursue innovation
- Have the unique skill of collaborating with others
- Solve problems using technology
- Seek time- and energy-saving solutions to complete daily tasks

Technology Element: Invention

amazon alexa

Impact of Digital Natives on the Technology Element: Usage

DIGITAL BUSINESS

Technology Element: Usage

Digital natives' use of digital technology has significantly increased.

Digital Natives

- Use a variety of digital devices to go online
- Make companies adopt a balanced digital device strategy

Technology Element: Usage

Insights on the use of digital technology:

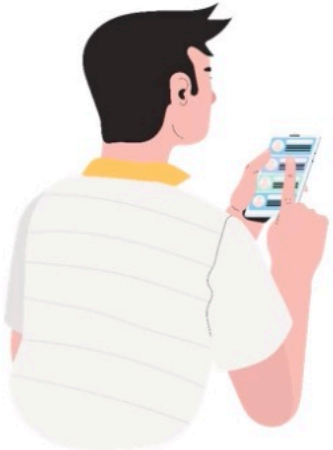
4.54 billion internet users
298 million new users

3.80 billion social media users
321 million new users

More than 5.19 billion
mobile users

Technology Element: Usage

More than 100
days a year



6 hours 43 minutes
each day

More than 40%
of the time

Technology Element: Usage

Data is the King.

Technology Element: Usage

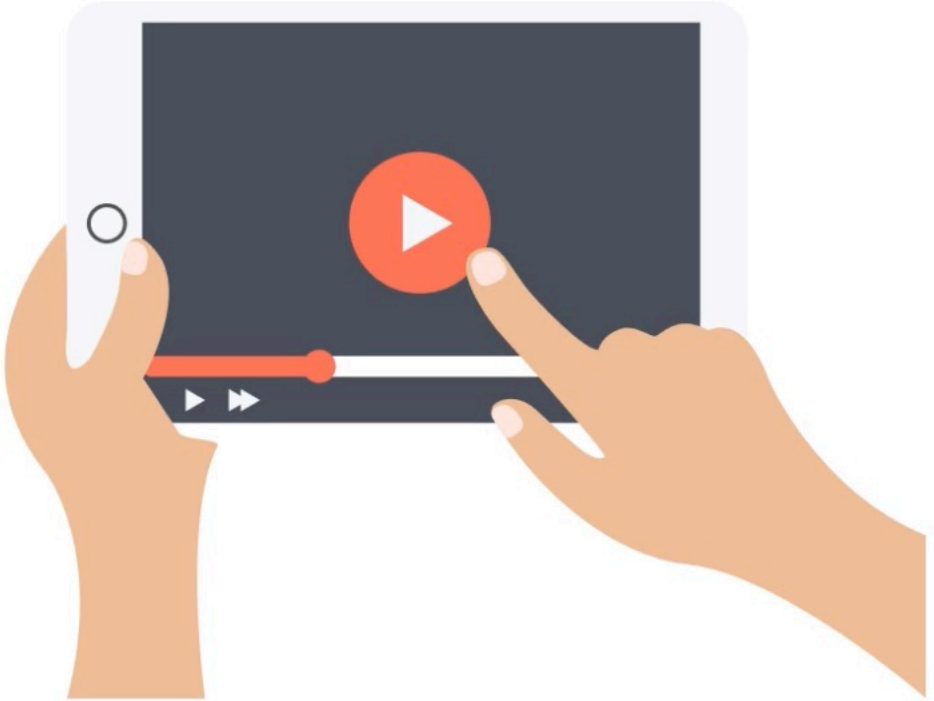
NETFLIX

75,000 genres

200 attributes

Technology Element: Usage

NETFLIX



Impact of Digital Natives on the Technology Element: Design

DIGITAL BUSINESS

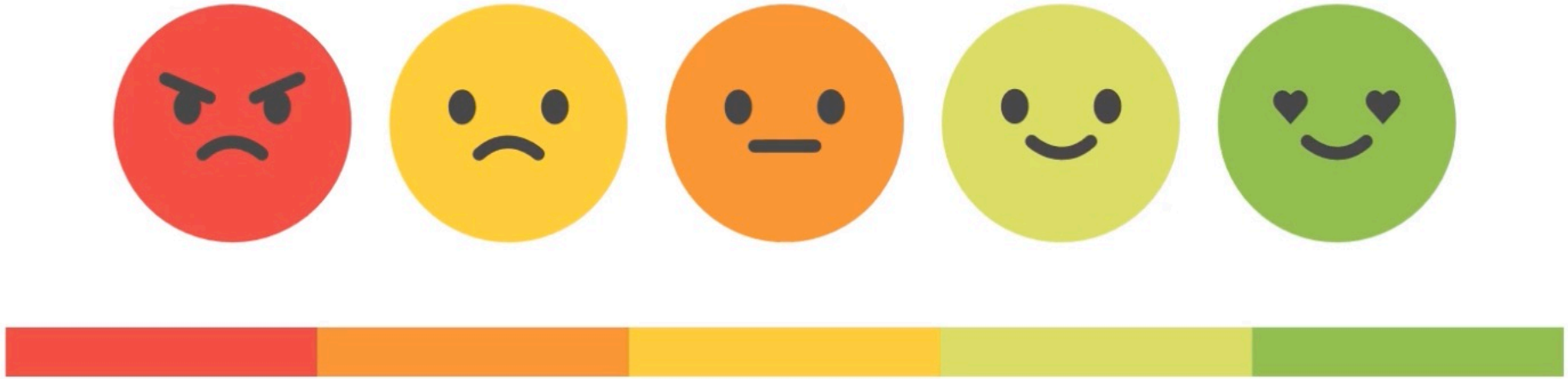
Technology Element: Design

Digital Natives

Impatient Consumer

Technology Element: Design

Varied User Experience



Technology Element: Design

A few guidelines for designing products for digital natives by UX magazine

Quick access

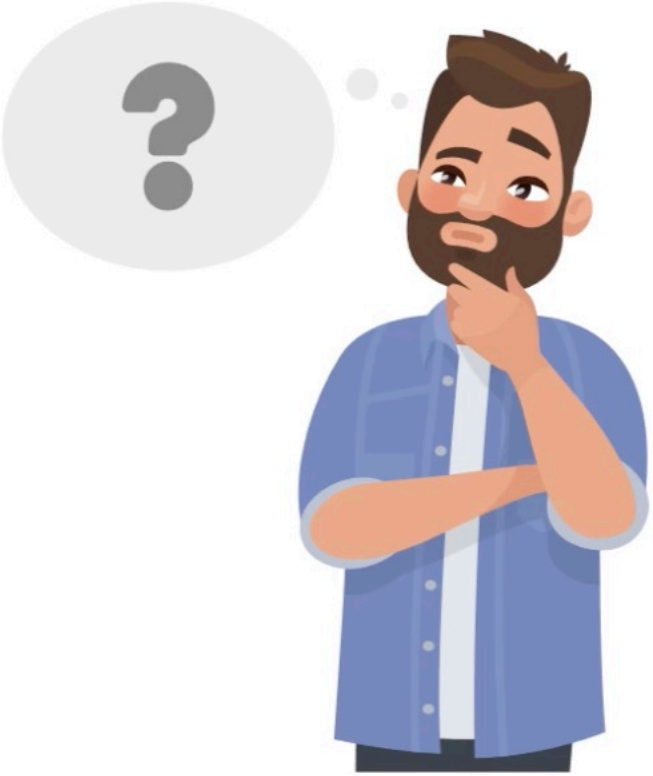
Simple

More visuals and less text

Self-explanatory and intuitive

Touch of fun

Technology Element: Design



Technology Element: Design

Phase 1: Like button

Phase 2: Basic smiley

Phase 3: Facebook's animated reactions

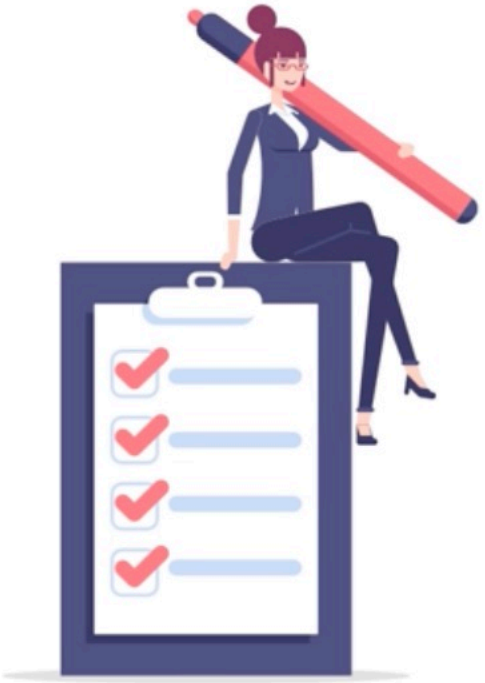
Impact of Digital Natives on the Industry Element

DIGITAL BUSINESS

Industry Element

Industry Element

Industry Element



Industry Element: Processes

People prefer privacy as well as access to control their privacy.

Industry Element: Processes

Digital native companies impact the industry by setting up new processes for privacy, security, and content moderation.

Privacy

Security

Industry Element: Processes

Digital native companies impact the industry by setting up new processes for privacy, security, and content moderation.

Content Moderation

Industry Element: Processes

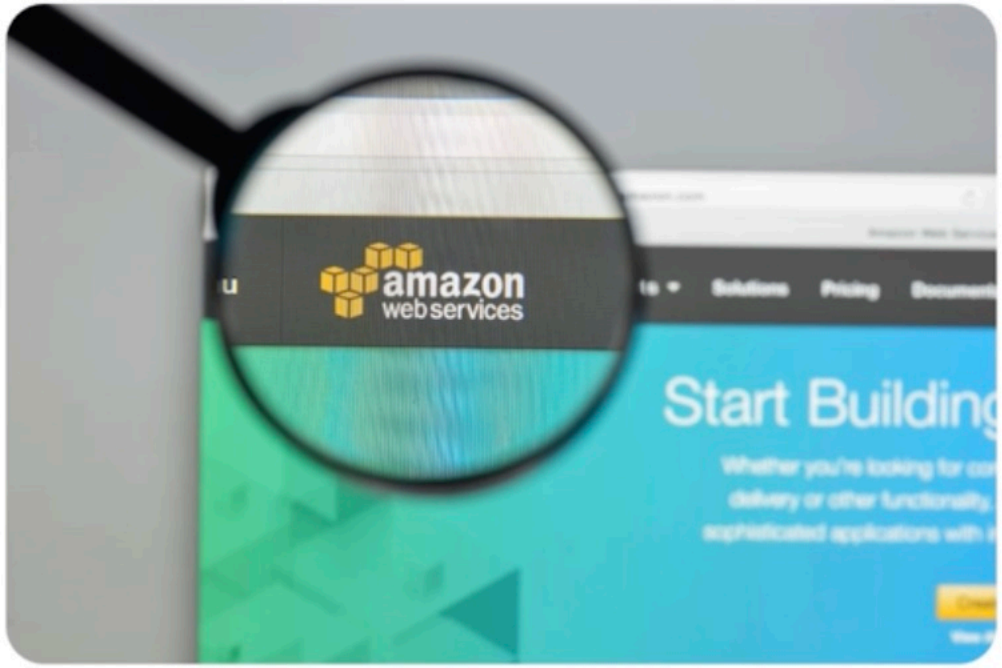
Facebook allows users share their experiences with specific groups or individuals.

Industry Element: Standards

Amazon has changed the picture of commerce completely.

Industry Element: Standards

Amazon has changed the picture of commerce completely.



Industry Element: Standards

Amazon has changed the picture of commerce completely.

amazon alexa

amazonkindle

Alexa and Kindle

Cloud Services

prime

Amazon Prime

amazonpantry

Amazon Pantry

Industry Element: Methods

Netflix has transformed the traditional entertainment industry completely.

NETFLIX

73 million streaming subscribers

Industry Element: Methods

Netflix has transformed the traditional entertainment industry completely.

Industry Element: Methods

Netflix has transformed the traditional entertainment industry completely.

Impact of Digital Natives on the Society Element

DIGITAL BUSINESS

Society Element

Culture

Habits

Movements

Society Element: Culture

Facebook has changed the culture of several countries by creating a vast global network.

It is one of the most preferred social media platforms.

Society Element: Culture

Closed group and anonymity

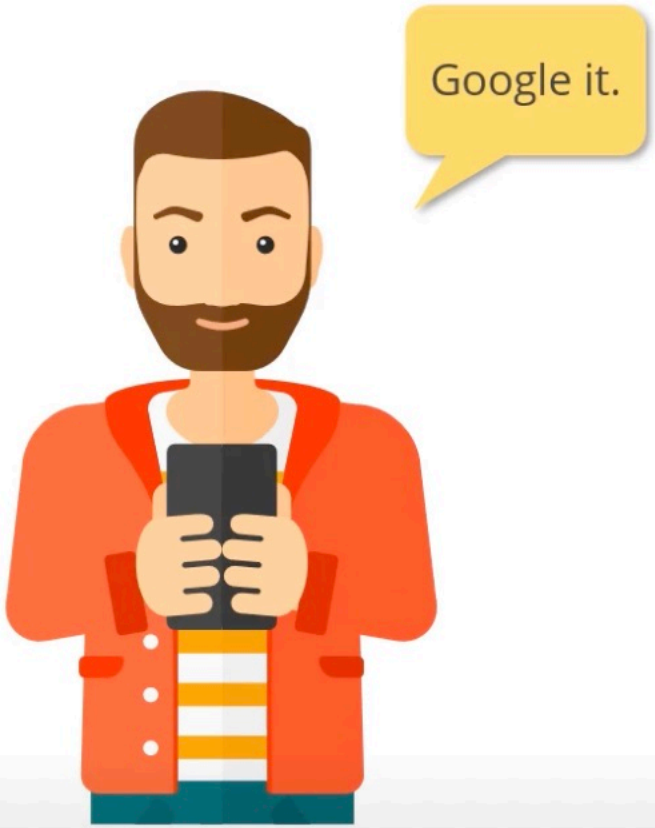
Comment and share anonymously

Free speech

Society Element: Habits

Google

Society Element: Habits



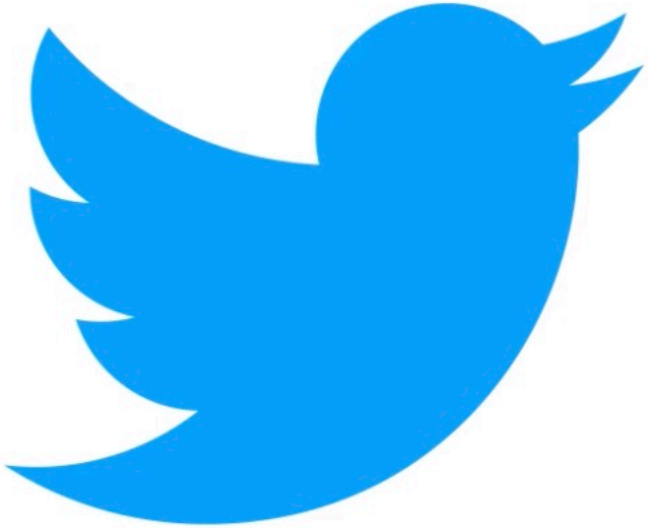
Society Element: Habits

- Marketplace
- Email host
- Photo manager
- Video platform

It has created an ecosystem which has changed our habits and way of life.

Society Element: Movements

Digital technology has brewed many movements in society.



Society Element: Movements

From human and animal rights to anti-terrorism movements, every voice is heard around the world through Twitter.

Digital Disruption and Strategies for Digital Transformation

Understanding the Strategic Components of Digital Disruption

DIGITAL BUSINESS

igital

Learning Objectives

Anna needs to identify the key indicators.

Learning Objectives

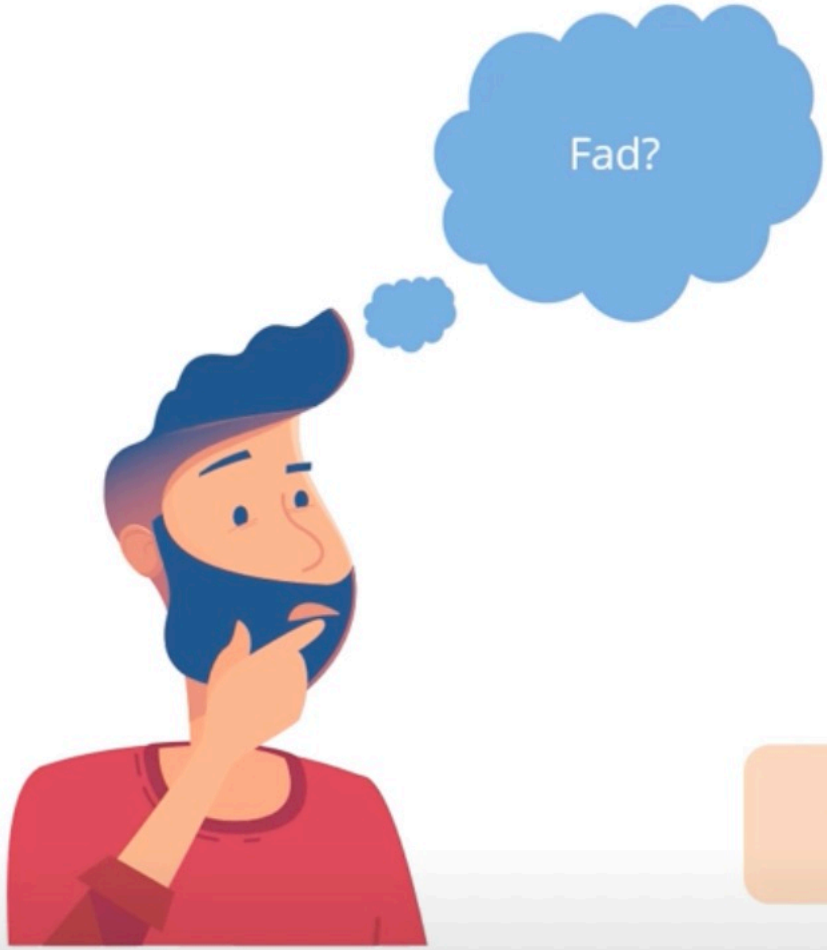
She must also identify digital transformation use cases.

Improving customer experience and driving profitability through digital disruption

What Are the Differences between Fads and Trends?

DIGITAL BUSINESS

Fads vs. Trends

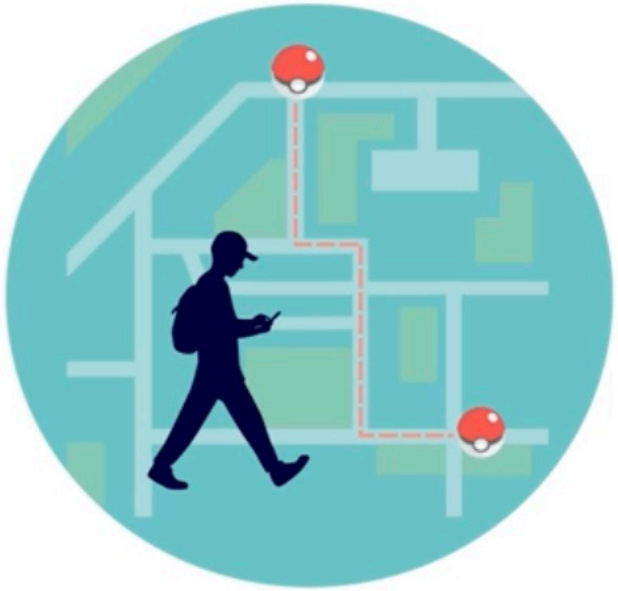


Short-lived or temporary

Do not exist for long

Fads vs. Trends

Dominated the market for short duration



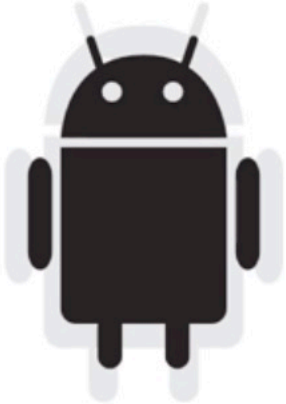
Disappeared completely

Identify Trends Over Fads

Are continuous, may evolve, and exist for longer duration

Are complex and visible across all the elements of disruption

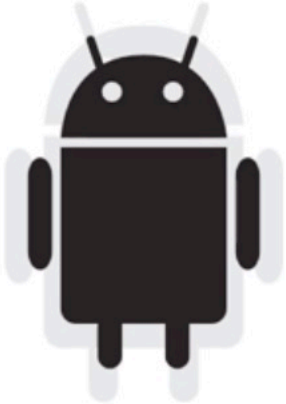
Identify Trends Over Fads



Transformative trend that began on a small scale market and evolved continuously

- Has more than 50% of the market share
- Has dominated the market

Identify Trends Over Fads



Transformative trend that began on a small scale market and evolved continuously

Nokia lost its customers to Android

Identify Trends Over Fads

To check the evidences of trend or fad in your organization

To check if the technology supporting the fad or trend is evolving

To check if other industries or competitors are following the trend or fad

To check how people are reacting to the trend or fad

What Are the Key Indicators?

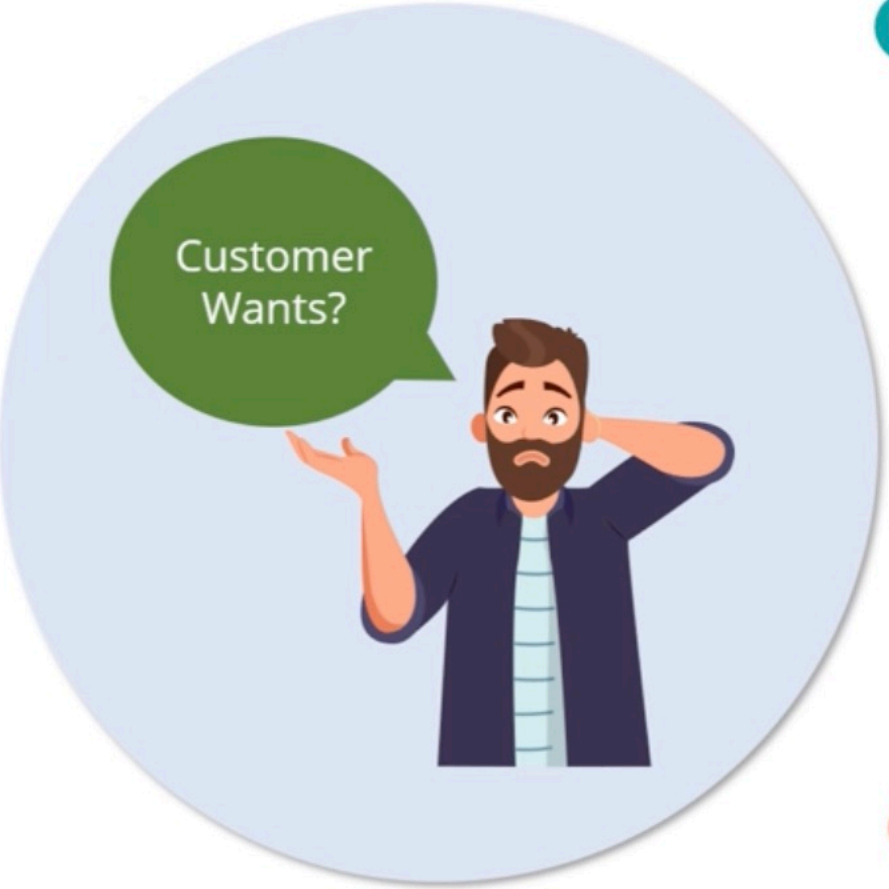
DIGITAL BUSINESS

Key Indicators to Identify Digital Transformation Trends

Key Indicators: Shift in Consumer Wants

DIGITAL BUSINESS

Shift in Consumer Wants



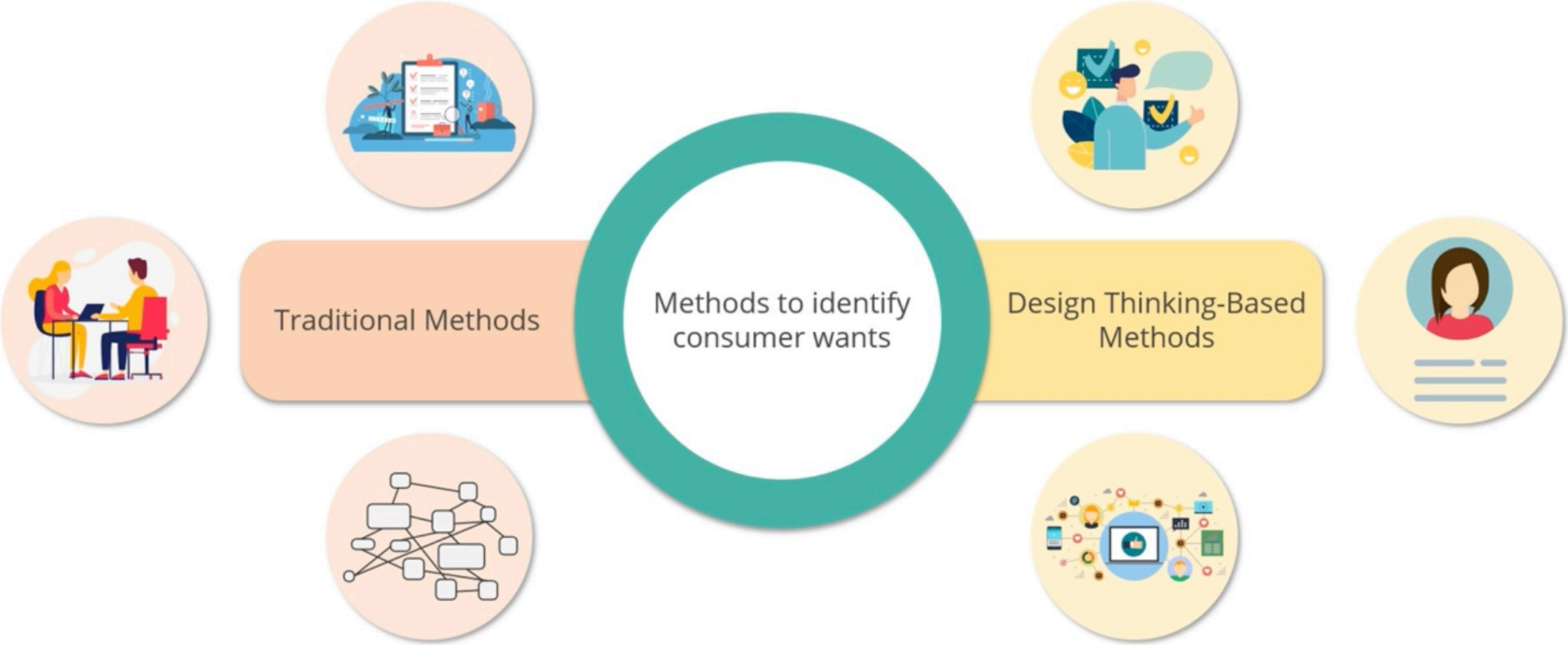
- Desires of the customers
- Customer satisfaction
- Easy and intuitive ways

Shift in Consumer Wants

Asking to switch on the light or play music

Makes things easier

Shift in Consumer Wants

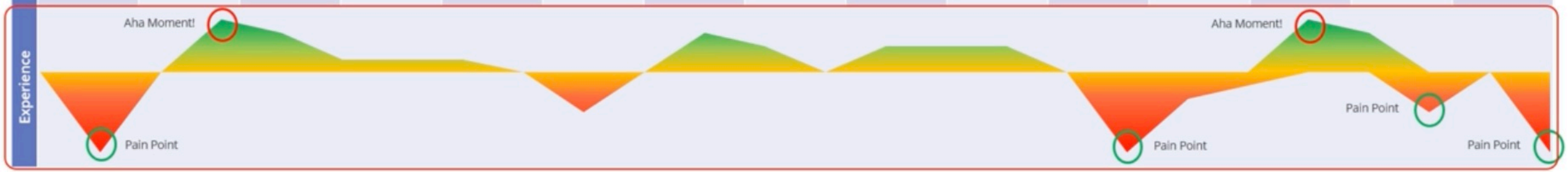


Shift in Consumer Wants

Helps to identify potential wants

Shift in Consumer Wants

	Pre Implant Experience					Hospitalization					Post Implant Experience				
Stakeholders	Self Realization/ Knowing from peers about his hearing disability	Researches about the symptoms and related implications/ causes	Consults an ENT specialist/Audiologist	Conducts a few hearing tests in a lab	Contacts pharmacy for medication	Checks with insurance for cost of surgery	Consults ENT specialist/ Audiologist again to make a final decision on surgery	Identifies a surgeon and a hospital	Notifies the insurance company for medical coverage	Patient monitoring, operative surgery/patient management	Discharge and billing	Contacts pharmacy for post-operative medication	Advocacy - Shares feedback with peers on social media/word of mouth	Consultation & rehabilitation post surgery	Contacts Cochlear for device updates/ maintenance/ defects
Feelings	Why Me!	Phew! This is curable, but I could have taken precautions	Whom to contact? Who is the best consultant in town?	Why do I need to collect my reports physically?	Which is the nearest pharmacy that has this medication?	How much will it cost? Am I adequately covered?		Which hospital can give me best care?	Can the hospital take care of it automatically?	I hope this goes well	Frustrated as there is limited visibility on billing during stay	Wish this was automated	I should help others as they helped me	Is there a standard rehabilitation process globally?	I wish this was automated
Touchpoints															

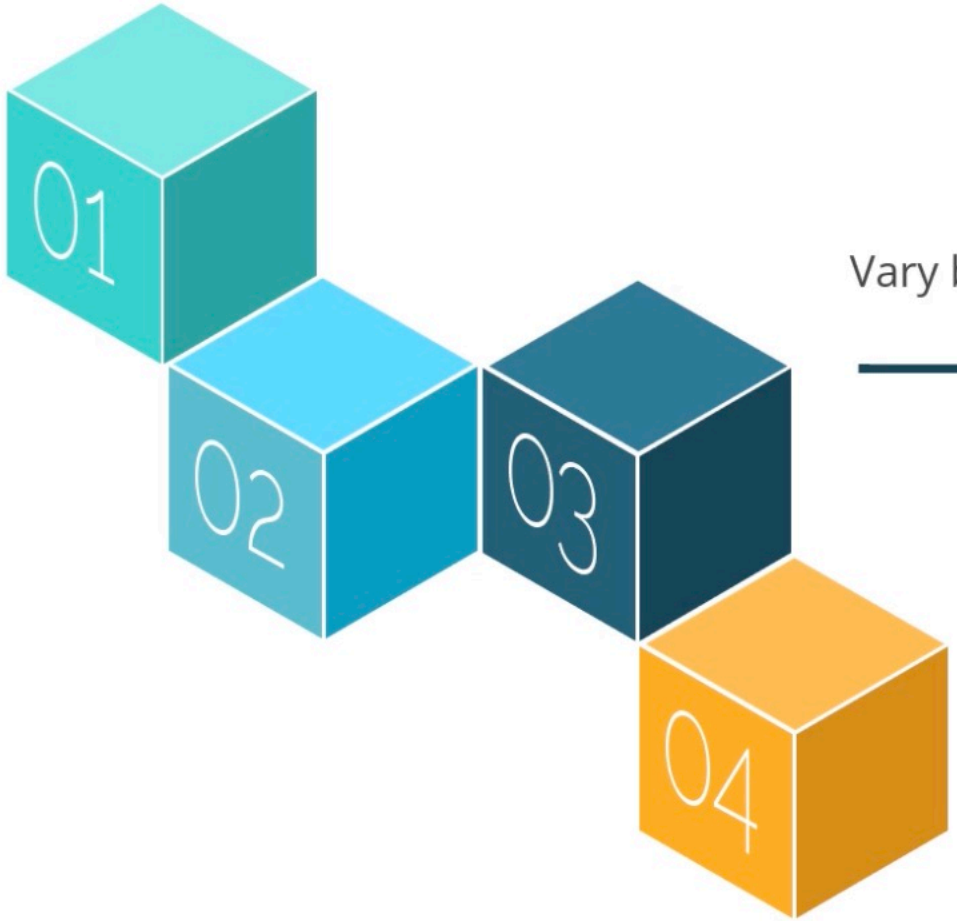


Key Indicators: Investment Trends

DIGITAL BUSINESS

Investment Trends

Allow to get an external view of consumer expenditure



Are easy to identify and available in the public domain

Vary based on the type of industry

Cover people and processes

Investment Trends

Business:
Helps to identify the top transformation expenditure

Technology:
Helps to identify the largest technology expenditure

Industry:
Finds out the spend across different initiatives

Society:
Checks the expenditure of your customer

Key Indicators: Adjacent Markets

DIGITAL BUSINESS

Adjacent Markets

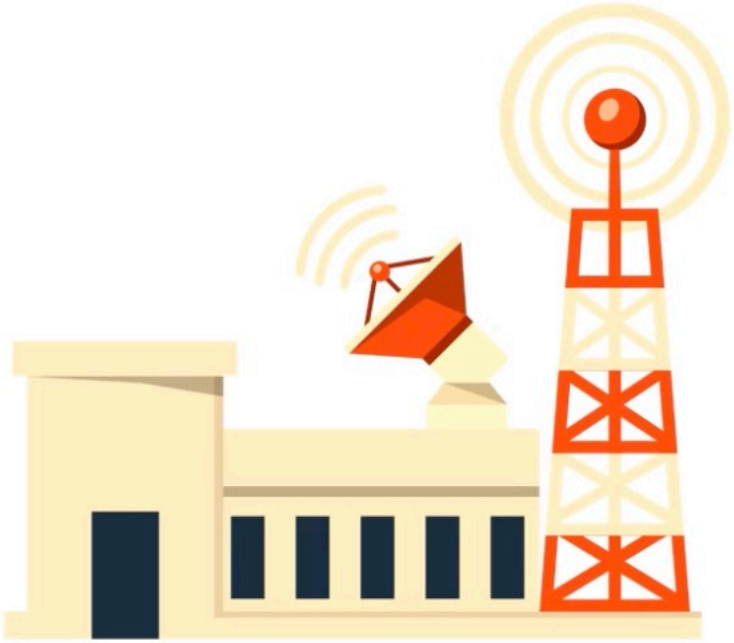
One of the important key indicators of digital transformation

Industries that overlap your industry

Insights into the changes happening in the ecosystem along with the scope of organic and inorganic growth

Adjacent Markets

Adjacent Markets



Telecom industry

Adjacent Markets

T-Mobile

+

layer3tv
a T-Mobile company

Expanded to media

Expanded to mobile wallets and device loans

Source: LinkedIn

Adjacent Market Transformation Initiatives: Template

Business: Indicates a industry or an organization's expenditure on transformative initiatives

Technology: Indicates the highest expenditure of adjacent industries on technology

Industry: Indicates the expenditure of adjacent industries across different transformative initiatives

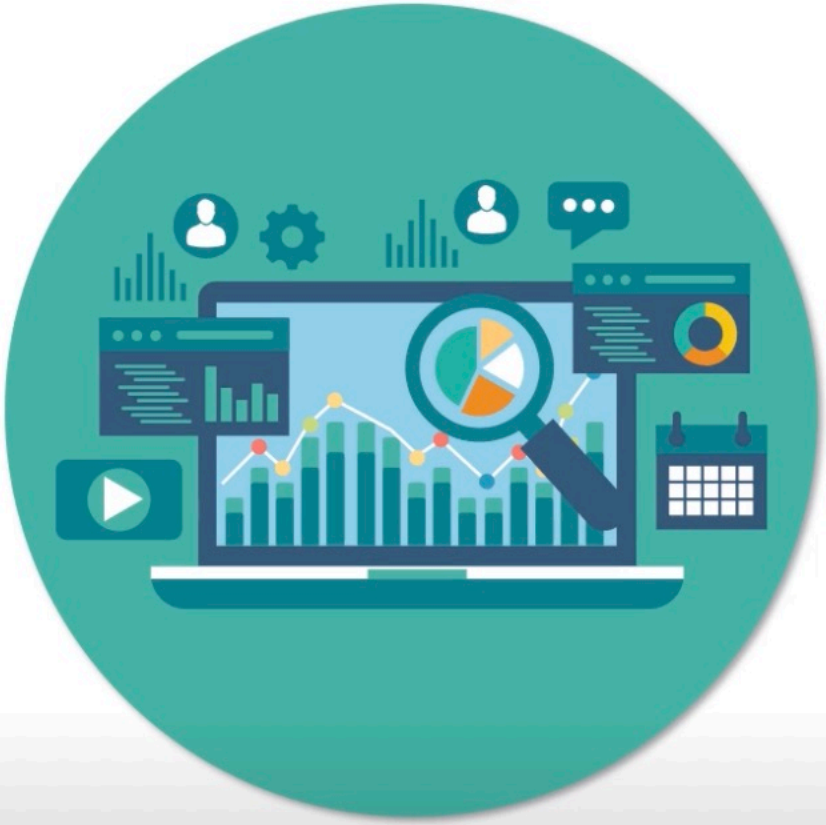
Society: Indicates the expenditure of the consumer

Key Indicators: Understanding Competitor Activities

DIGITAL BUSINESS

Competitor Activities

Provides insights into the digital transformation initiatives



Competitor Activities

- Most phones use Android
- iPhone continues to keep its premium and robust operating system
- Google tried to compete with Apple, launching its premium flagship phone, Google Pixel
- Great indicator of digital transformation

Template to Capture Competitor's Transformation Initiatives

1. **Business transformation:**
   Indicates business plans or initiatives of the competitor

2. **Technological transformation:**
   Indicates technological plans or initiatives of the competitor

3. **Industrial transformation:**
   Indicates industrial plans or initiatives of the competitor

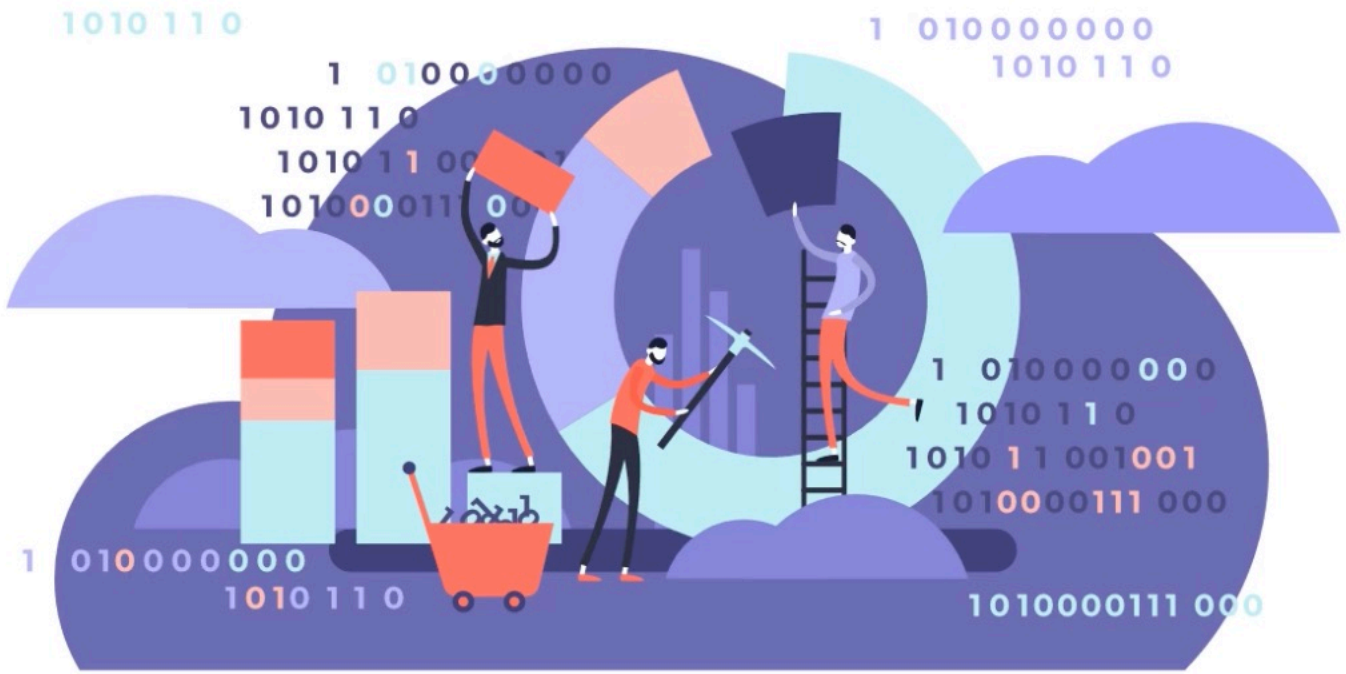
4. **Social transformation:**
   Indicates marketing or communication plans or initiatives of the competitor

Key Indicators: Data Mining

DIGITAL BUSINESS

Data Mining

The most important indicator of digital transformation



Data Mining

Finds correlations and patterns in data

Identifies customers' choices

Data Mining

Uses customer data

To recommend content

NETFLIX

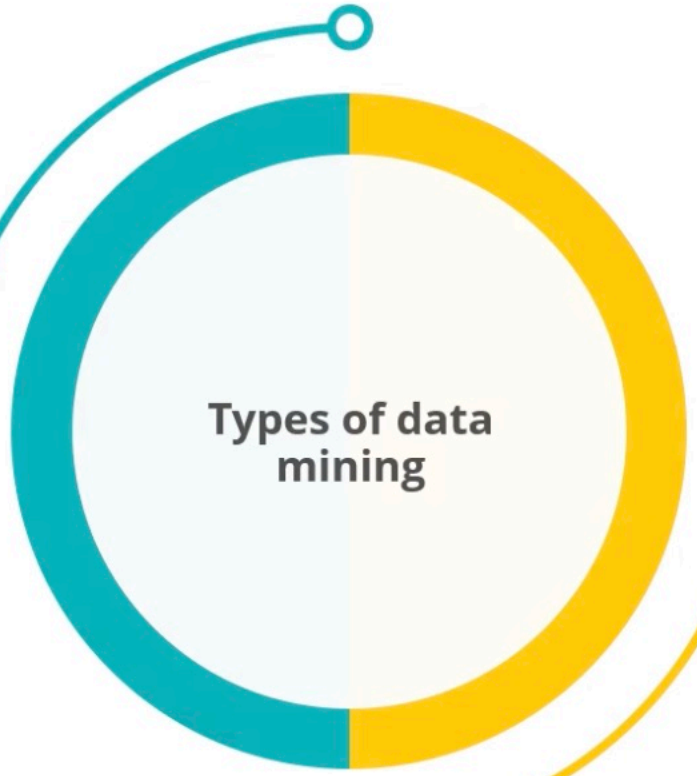
To create new content

Produces and acquires content

Data Mining

Internal data mining:

Making patterns from the internal data and providing insights about customer needs and dissatisfaction



External data mining:

Making patterns from external data and identifying potential transformative initiatives

Data Mining

TERADATA

ORACLE®
BUSINESS INTELLIGENCE

Can be integrated with your existing database to allow mining on your data ecosystem

Digital Disruption and Strategies for Digital Transformation

Prioritizing Digital Transformation Strategy

DIGITAL BUSINESS

Learning Objectives

Anna will know how to prioritize the digital transformation strategies and select a suitable one for her organization.

Digital Transformation Strategy

DIGITAL BUSINESS

Digital Transformation Strategy

Digital transformation strategy should prioritize and focus on creating market advantage using scale of disruption, reach of service, or richness of experience.

Scale of disruption

Reach of service

Richness of experience

Why Prioritize Digital Initiative?

Prioritizing digital initiative is important as organizations have limited resources and need to achieve all their objectives.

Role of Digital Initiative

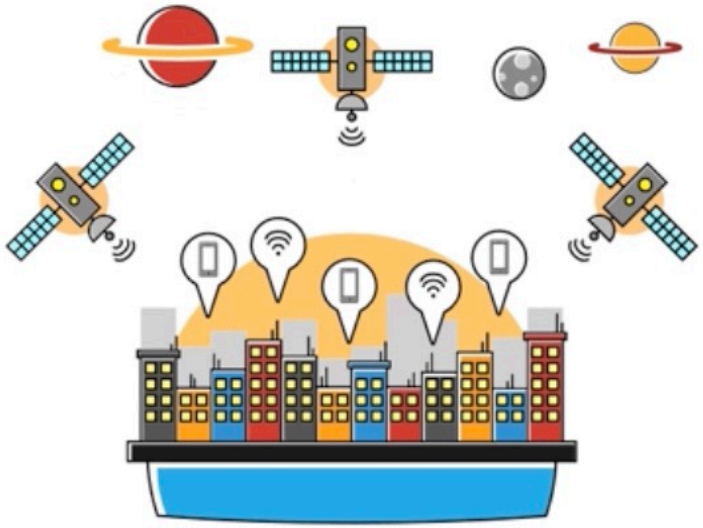
Digital transformation initiatives should:

- Focus on creating a competitive advantage for the organization
- Define measures and steps to enhance the speed, quality, and changes in the product or business
- Strive continuously toward refreshing the business and uplifting the organization's importance in the market

Digital Initiative: Example

No service contract

Digital Initiative: Example



Digital Initiative: Example

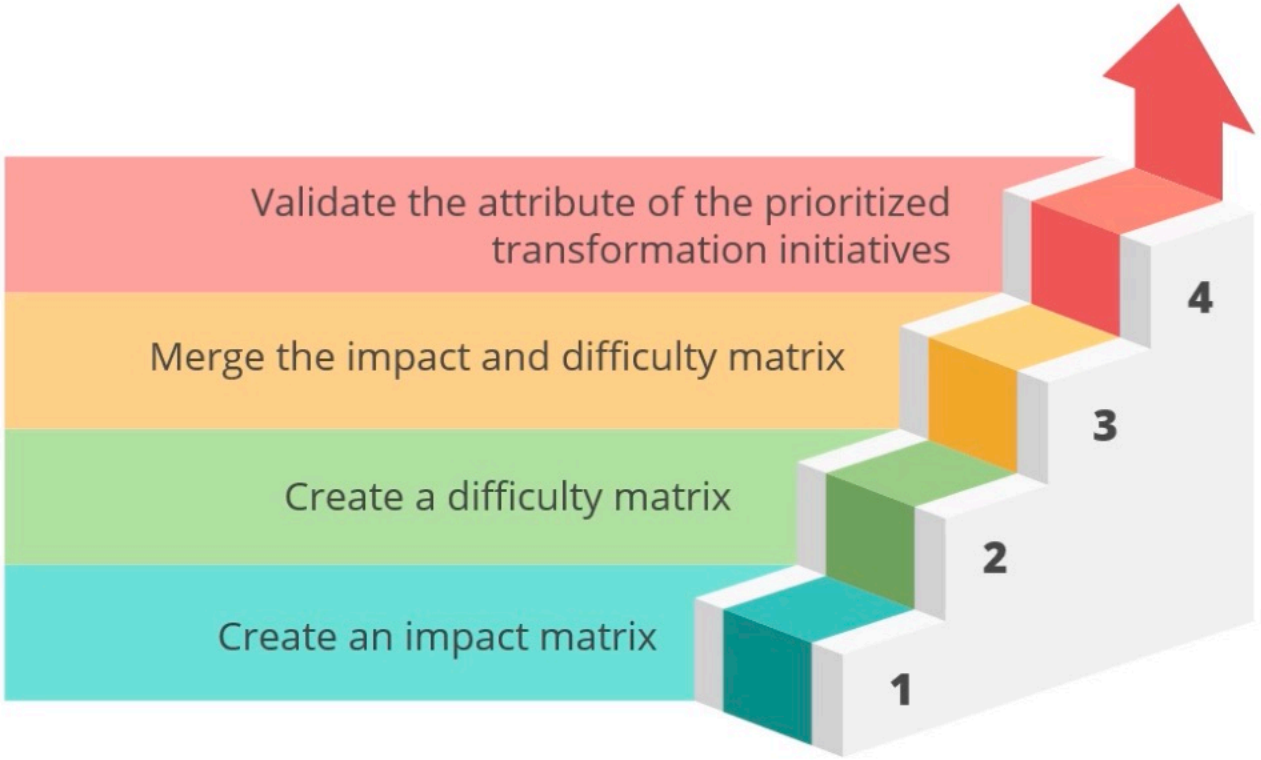
The Un-carrier program made T-Mobile the fastest growing telco company in North America.

Prioritizing Digital Transformation Strategy

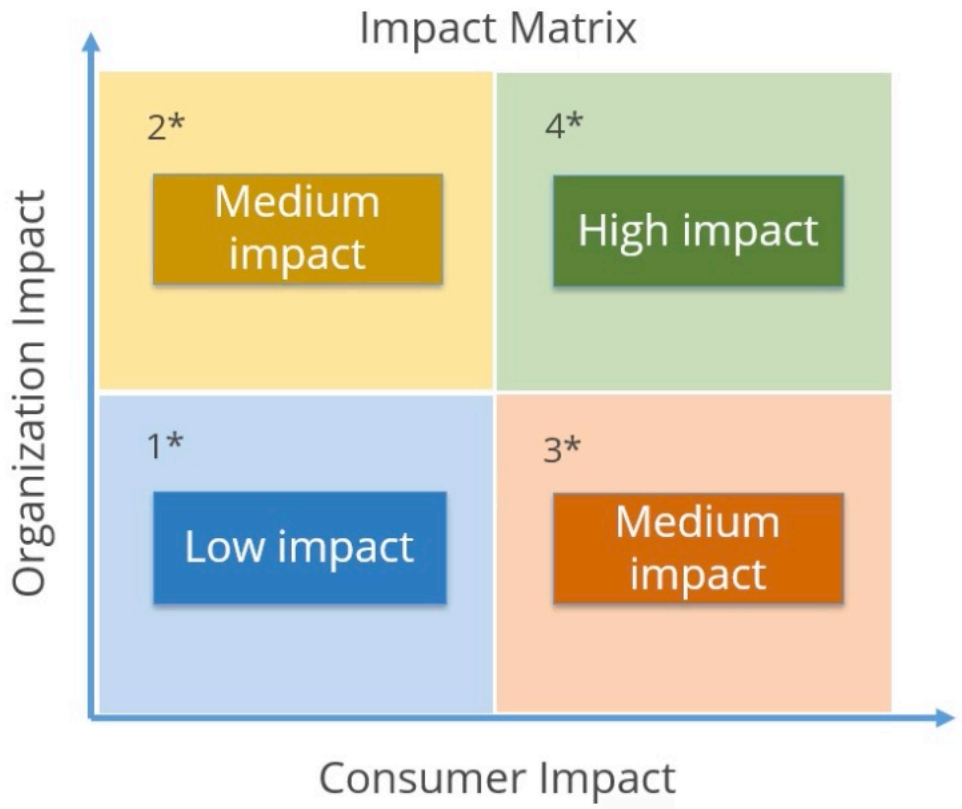
DIGITAL BUSINESS

How to Prioritize the Digital Strategy?

Prioritizing digital strategy is a four-step process.

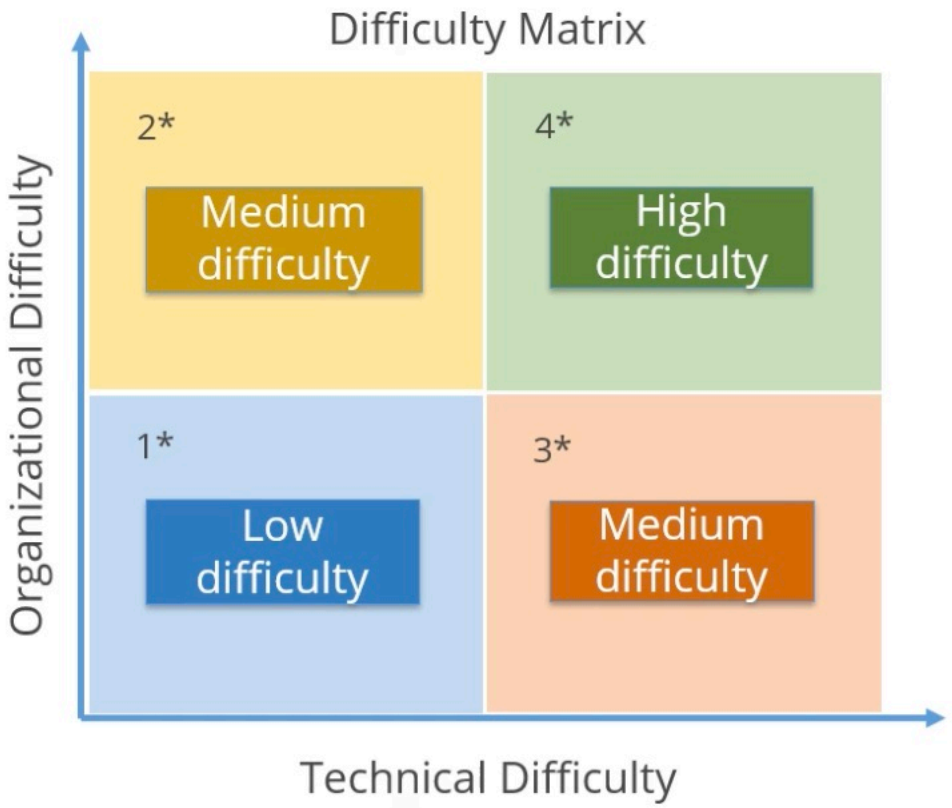


Step 1: Create an Impact Matrix



1*- First Transformation initiative
2*- Second Transformation initiative
3*- Third Transformation initiative
4*- Fourth Transformation initiative

Step 2: Create a Difficulty Matrix



1*- First Transformation initiative
2*- Second Transformation initiative
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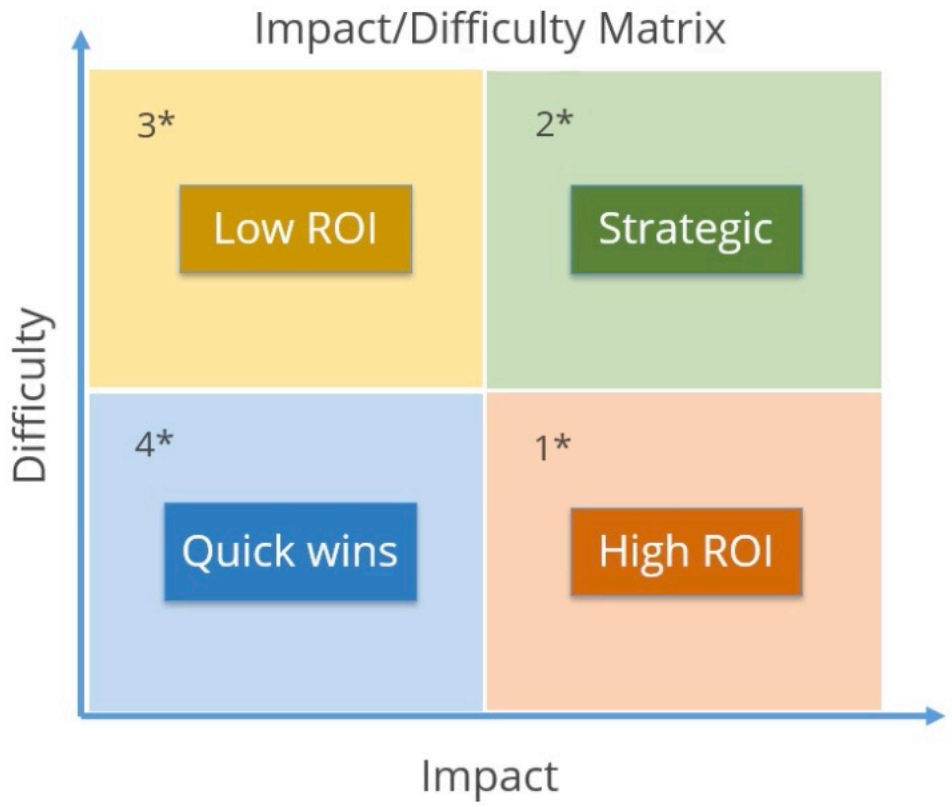
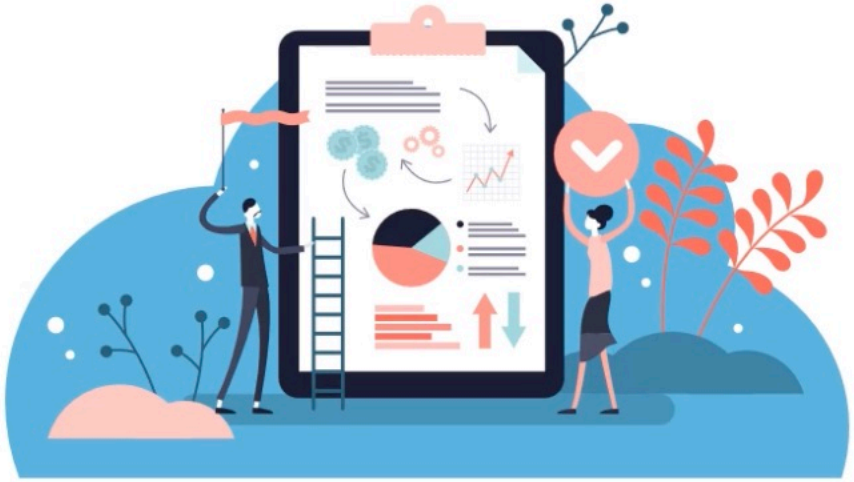
4*- Fourth Transformation initiative

Step 3: Merge Both the Matrices



1*- First Transformation initiative
2*- Second Transformation initiative
3*- Third Transformation initiative
4*- Fourth Transformation initiative

Step 4: Validate the Prioritized Digital Initiative



Validate the digital transformation initiatives across these four attributes:

- Create market advantages
- Have a high scale of disruption
- Achieve high reach
- Create new and richer experience for consumers

Step 4: Validate the Prioritized Digital Initiative

Validate the digital transformation initiatives across these four attributes:

- Create market advantages
- Have a high scale of disruption
- Achieve high reach
- Create new and richer experience for consumers

Any digital initiative with one or more of these attributes will become the most significant digital transformation initiative.

Scale of Disruption, Reach, and Richness of Experience

DIGITAL BUSINESS

Market Advantage

Market advantage refers to factors that allow a company to generate more sales or superior margins compared to its competing rivals.

Toys"R"Us: An Example

Organizations that did not upgrade their business have become irrelevant.

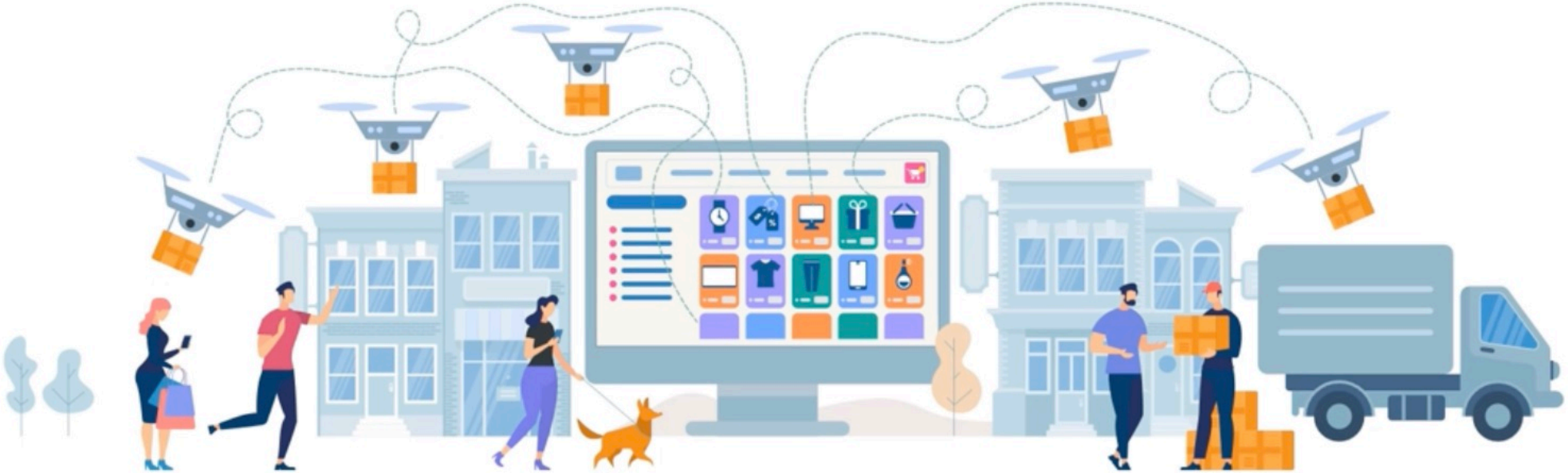
Bankrupted in 2017

Large supply chain

Right audience

Toys"R"Us: An Example

Organizations that did not upgrade their business have become irrelevant.



Create Market Advantage

Scale of Disruption

Reach

Richness of Experience

Scale of Disruption

Organizations create market advantage by scaling up their digital disruption plan.

This helps companies to continuously innovate.

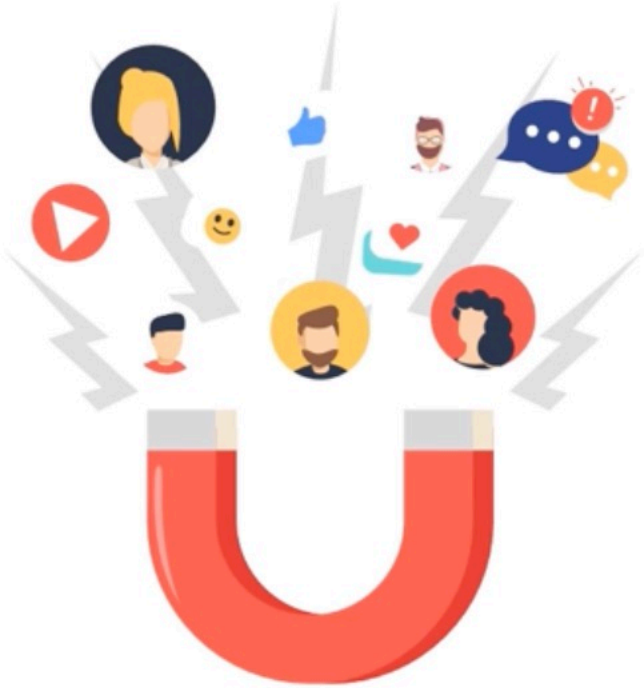
Scale of Disruption

amazon

- Uses data for its supply chains
- Scales up its digital initiative to leverage data in order to optimize its warehouse inventory
- Uses data to promote specific products to specific users

Reach

Expanding reach is a good way to create market advantage.



The organization must ensure that it does not lose its value in the process.

Reach

amazon

- Has advantage over its competitors as it has gone global
- Expands its reach and leverages its existing technology stack to create economies of scale
- Uses reach in several countries to optimize supply chain costs

Richness of Experience

Richness of experience helps an organization create loyalty among its consumers and gain market advantage.

Richness of Experience

Apple

Apple's experience has created market advantage for it.

It has the most human-centered design for products.

Digital Disruption and Strategies for Digital Transformation

Key Industrial Sectors

DIGITAL BUSINESS

Learning Objectives

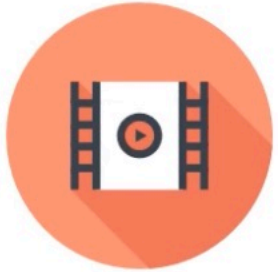
Digital transformation is a worldwide phenomenon.

Learning Objectives

Anna needs to understand the key industrial sectors

Retail

Banking



Media and Entertainment

Telecom

Digital Transformation: Retail and Banking Industries

DIGITAL BUSINESS

Digital Transformation: Retail

Traditional retail industry has adopted a digital strategy and created significant changes in it

Digital Transformation: Retail

Top three digital transformations impacting retail:

- IoT
- Social shopping
- Data-driven transformation

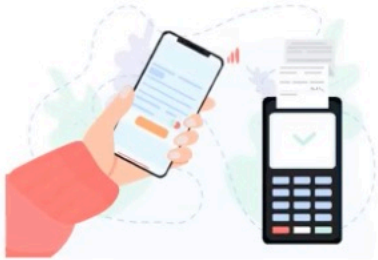
Digital Transformation: Retail

Top three digital transformations impacting retail:

- IoT
- Social shopping
- Data-driven transformation

- Created retail 4.0 transformation plan
- Powered by edge computing

Video surveillance



Smart checkout

Digital Transformation: Retail

Top three digital transformations impacting retail:

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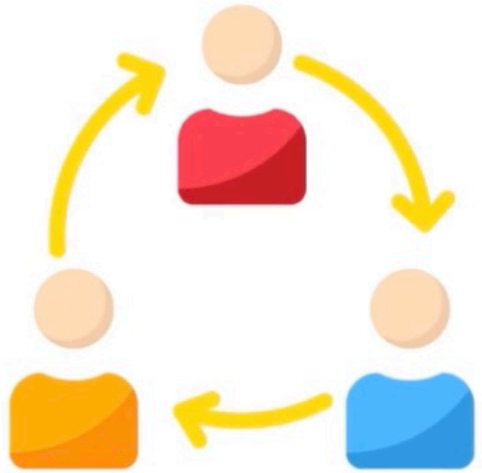
- Social shopping
- Data-driven transformation



Digital Transformation: Retail

Top three digital transformations impacting retail:

IoT

Social shopping

Data-driven transformation

- Retail involves a lot of data
- Transformation happening in the industry driven by data

Wawa®

Digital Transformation: Banking

Banking has been one of the primary industries to adopt technology

Digital Transformation: Banking

Top three digital transformative trends in banking:

- Digital Banking
- Artificial Intelligence
- Blockchain

Digital Transformation: Banking

Top three digital transformative trends in banking:

Digital Banking

Artificial Intelligence

Blockchain

- Increase in online banking
- Need access to all services through apps, websites, and other digital channels

Digital Transformation: Banking

Top three digital transformative trends in banking:

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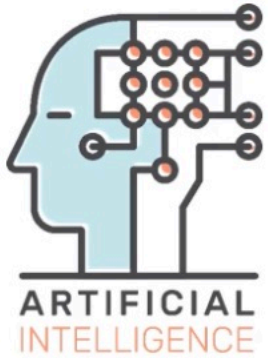
- Artificial Intelligence
- Blockchain

Deutsche Bank



Google

Digital Transformation: Banking

Top three digital transformative trends in banking:

- Digital Banking
- Artificial Intelligence
- Blockchain

Deutsche Bank

- Loan management process
- Filtering out fake people

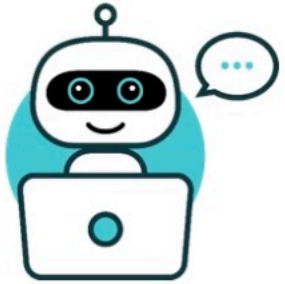
Digital Transformation: Banking

Top three digital transformative trends in banking:

Digital Banking

Artificial Intelligence

Blockchain



Chatbots

Voice Assistance

Digital Transformation: Banking

Top three digital transformative trends in banking:

Digital Banking

Artificial Intelligence

Blockchain

- Protection to banks from cybercrimes
- Banks are investing in blockchain

BLOCKCHAIN

Digital Transformation: Banking

Top three digital transformative trends in banking:

Digital Banking

Artificial Intelligence

Blockchain

- Protection to banks from cybercrimes
- Banks are investing in blockchain

citibank

Ethereum Blockchain Platform

Digital Transformation: Media and Telecom Industries

DIGITAL BUSINESS

Digital Transformation: Media

Increase in digital consumption has transformed the media and entertainment industry

Digital Transformation: Media

The three key digital transformations happening in the media industry are:

- Streaming technology
- AR/VR
- Ad personalization and monetization

Digital Transformation: Media

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Significant increase in streaming technology

prime video NETFLIX Disney+ hotstar

Digital Transformation: Media

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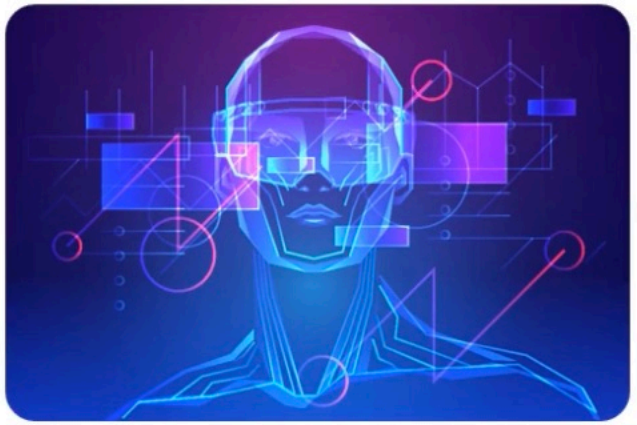
The growth of AR/VR is higher in the media and entertainment industry



Digital Transformation: Media

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- AR/VR
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The growth of AR/VR is higher in the media and entertainment industry

HBO

otoy

Digital Transformation: Media

The three key digital transformations happening in the media industry are:

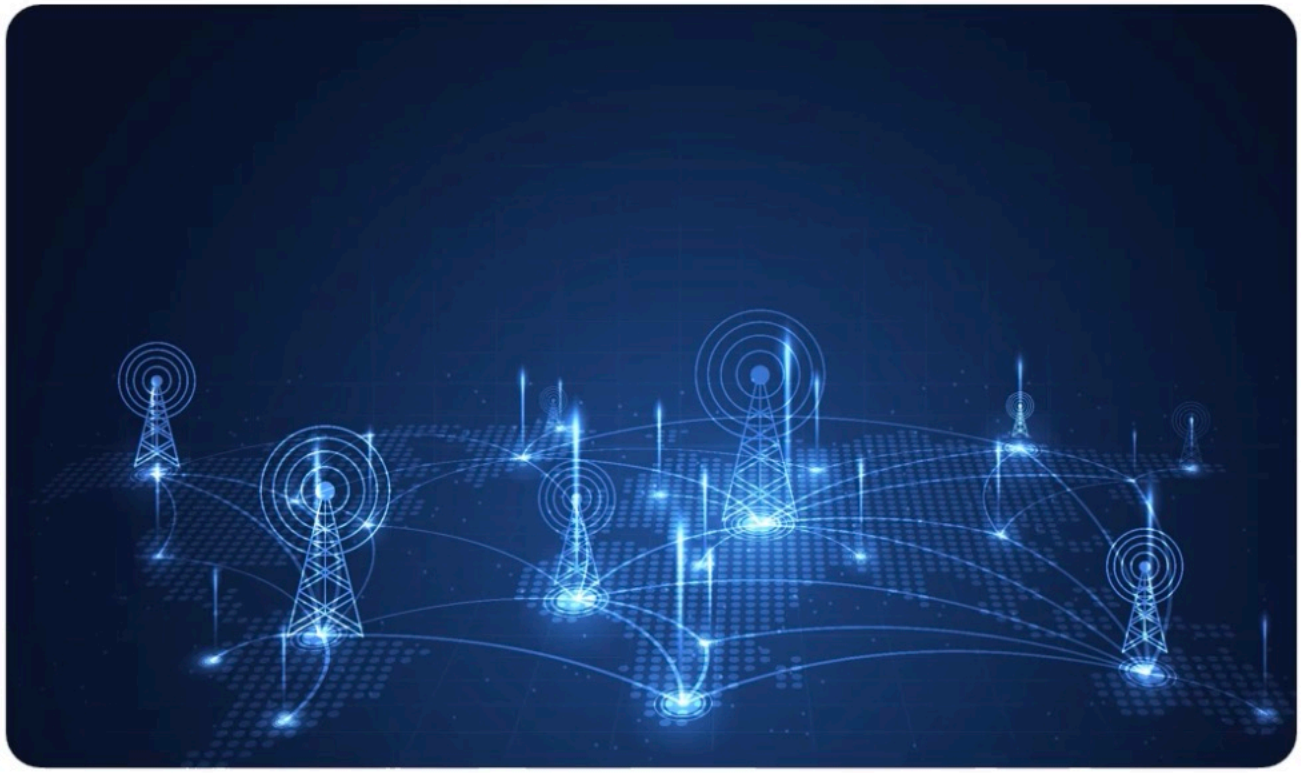
- Streaming technology
- AR/VR
- Ad personalization and monetization

YouTube hulu

Focus on creating an ad-based model by providing hyperlocal ads

Digital Transformation: Telecom

The telecom industry has seen several challenges, but it has been continuously adapting and transforming itself.



Digital Transformation: Telecom

The top three digital transformations that are impacting the telecom industry:

- Digital service expansion
- Multi-channel consumer touchpoints
- Business agility

Digital Transformation: Telecom

The top three digital transformations that are impacting the telecom industry:

Digital service expansion

Multi-channel consumer touchpoints

Business agility

New digital services:

- Payment wallet
- Loan management services
- Antivirus services

Digital Transformation: Telecom

The top three digital transformations that are impacting the telecom industry:

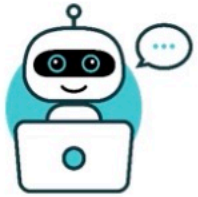
Digital service expansion

Multi-channel consumer touchpoints

Business agility

- New channels of interaction:

Digital store



Chatbots

Intelligent IVR

Digital Transformation: Telecom

The top three digital transformations that are impacting the telecom industry:

Digital service expansion

Multi-channel consumer touchpoints

Business agility

- New channels of interaction:

Alexa

Google Home

Digital Transformation: Telecom

The top three digital transformations that are impacting the telecom industry:

Digital service expansion

Multi-channel consumer touchpoints

Business agility

- Known for monolithic architecture
- Verizon is planning an overhaul of its technology

Key Areas of Digital Disruption: Marketing and Distribution

DIGITAL BUSINESS

Digital Disruption: Marketing and Distribution

Marketing and distribution has been one of the key areas of digital transformation.

Digital Disruption: Marketing and Distribution

The key elements of marketing and distribution transformation are:

- Interactive Marketing
- Smart Marketing
- Consumerization of B2B Business:

Digital Disruption: Marketing and Distribution

The key elements of marketing and distribution transformation are:

- Interactive Marketing
- Smart Marketing
- Consumerization of B2B Business:

Changes based on the input of the user

TULLY LUXURY TRAVEL
Luxury Defined by You

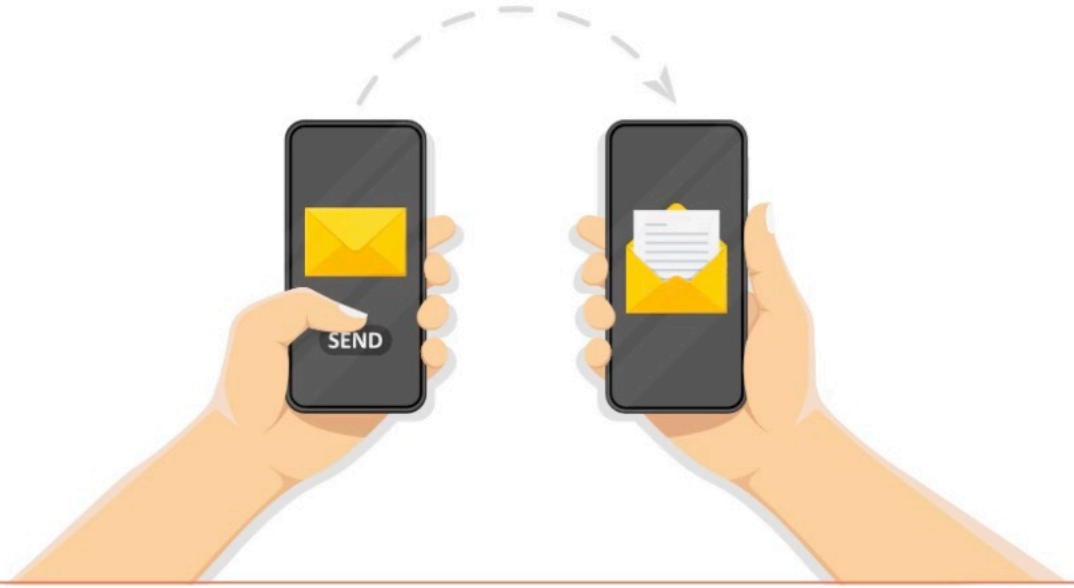
Allows users to create their travel plans

Digital Disruption: Marketing and Distribution

The key elements of marketing and distribution transformation are:

- Interactive Marketing
- Smart Marketing
- Consumerization of B2B Business:

AI identifies timing and content



Digital Disruption: Marketing and Distribution

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Key Areas of Digital Disruption: Products and Services

DIGITAL BUSINESS

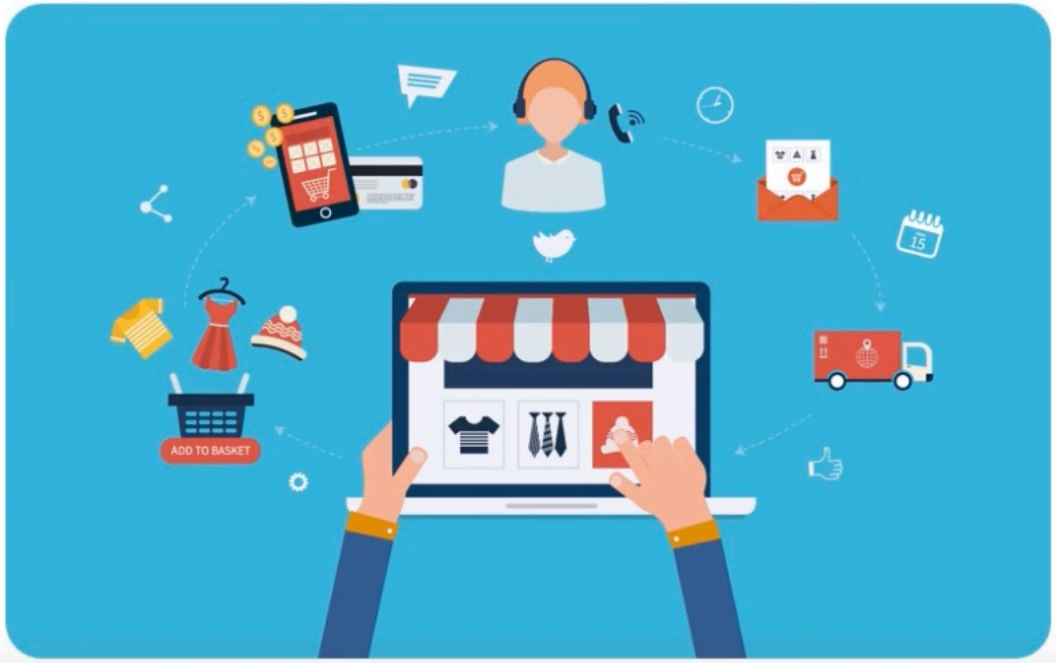
Digital Disruption: Products and Services

The key elements of product and service transformation are:

- Personalized products
- Digitized products
- Industrialized products and services

Digital Disruption: Products and Services

Most of the digital transformation happening today is around products and services.



Digital Disruption: Products and Services

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Digital Disruption: Products and Services

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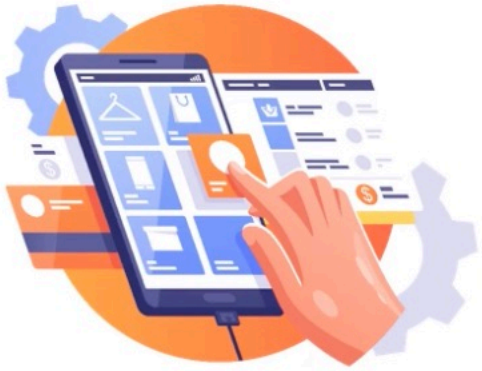
Personalize a product per the consumer requirement



Digital Disruption: Products and Services

The key elements of product and service transformation are:

- Personalized products
- Digitized products
- Industrialized products and services

NETFLIX — Increased online streaming service

amazon kindle — Significant impact on book sales on Amazon

Digital Disruption: Products and Services

The key elements of product and service transformation are:

- Personalized products
- Digitized products
- Industrialized products and services

Digital Disruption: Products and Services

The key elements of product and service transformation are:

- Personalized products
- Digitized products
- Industrialized products and services

aws

- Provides cloud services
- Provides industry-specific cloud-native service

Key Areas of Digital Disruption: Processes

DIGITAL BUSINESS

Digital Disruption: Processes

Process transformation allows organizations to improve agility.

Digital Disruption: Processes

The key elements of process transformation are:

Digitizing the Process

AI and Automation

Improves experience and creates savings for the organization

acko

Provides a truly digital insurance claim process

Digital Disruption: Processes

The key elements of process transformation are:

Digitizing the Process

AI and Automation

- Plays a significant role in process transformation
- Provides businesses with a unique opportunity

Key Areas of Digital Disruption: Ecosystems

DIGITAL BUSINESS

Digital Disruption: Ecosystems

Ecosystem-based transformation is about leveraging players in your ecosystem to create new digital transformation opportunity.

Digital Disruption: Ecosystems

Every organization derives value from its ecosystem.

Digital Disruption: Ecosystems

All the players and stakeholders together create an ecosystem.

Digital Disruption: Ecosystems

The key elements of ecosystem transformation are:

- Creating a new market
- Expanding to adjacent markets
- Protecting the ecosystem

Digital Disruption: Ecosystems

The key elements of ecosystem transformation are:

- Creating a new market
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NTT docomo DANA

To create a social gaming platform that allows its entry into an entirely new segment

Digital Disruption: Ecosystems

The key elements of ecosystem transformation are:

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Digital Disruption: Ecosystems

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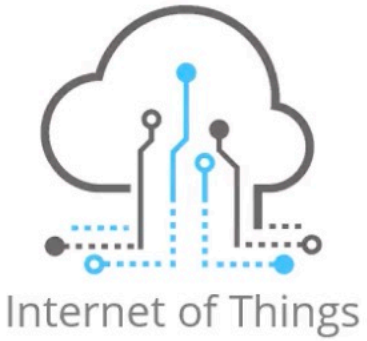


Created an ecosystem of partners to provide end-to-end smart city solutions

Digital Disruption: Ecosystems

The key elements of ecosystem transformation are:

- Creating a new market
- Expanding to adjacent markets
- Protecting the ecosystem

Organizations can protect themselves from changes in industrial regulations

Telco

Telco organizations always have a say against changes in regulation by telecom regulatory authority.

Key Areas of Digital Disruption: Supply Chains

DIGITAL BUSINESS

Digital Disruption: Supply Chains

Supply chain-based transformation leverages supply chains to create differentiation, which leads to growth in the market share.

SUPPLY CHAIN

Digital Disruption: Supply Chains

The key elements of supply chain transformation are:

- New business model creation
- New service
- Experience transformation
- Service or product utility optimization

Digital Disruption: Supply Chains

The key elements of supply chain transformation are:

- New business model creation
- New service
- Service or product utility optimization
- Experience transformation

Supply chains can drive business disruption by creating a new business model.

prime

Amazon prime can offer delivery within a day for its prime users.

Digital Disruption: Supply Chains

The key elements of supply chain transformation are:

- New business model creation
- New service
- Service or product utility optimization
- Experience transformation

Supply chains can also help create new services.

Flipkart

Walmart

Digital Disruption: Supply Chains

The key elements of supply chain transformation are:

- New business model creation
- New service
- Service or product utility optimization
- Experience transformation

Supply chains can also improve the cost of an organization by improving the utility of its services.

Digital Disruption: Supply Chains

The key elements of supply chain transformation are:

- New business model creation
- New service
- Service or product utility optimization
- Experience transformation

Supply chains can also create new experiences.

- Consumer driving
- Customer satisfaction
- Sales

The critical industrial sectors of digital transformation are:

Retail

Banking

Media and Entertainment

Telecom

The key areas of digital disruption and their essential elements are:

Marketing and distribution

- Interactive marketing
- Smart marketing
- Consumerization of B2B business

Products and services

- Personalized products
- Digitized products
- Industrialized products and services

Processes

- Digitizing the process
- AI and Automation

Ecosystems

- Creating a new market
- Expanding to adjacent market
- Protecting the ecosystem

Supply chains

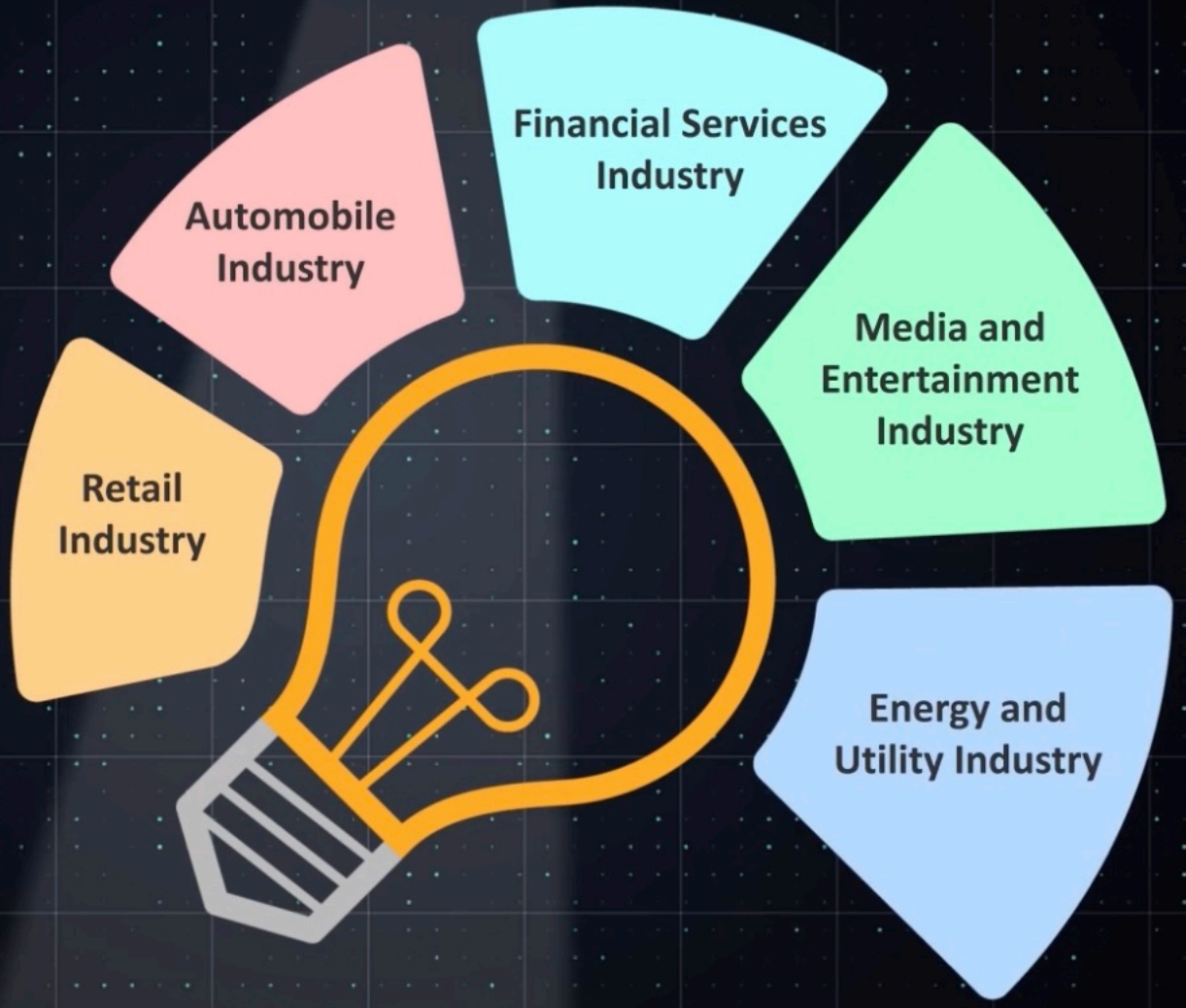
- New business model creation
- New service or product utility optimization and experience transformation

DEEP-DIVE INTO DIGITAL DISRUPTION

Digital disruption is an impact or effect caused by digital technologies and emerging business models.

- An unstoppable force
- Better to embrace digital disruption

Digital disruption has impacted:



Digital Disruption →

- How is your industry getting digitally disrupted?
- What digital technologies are adopted?
- What is the organization's digital culture?
- What type of digital disruptions are the market analysts projecting?

Digital Native Disruptors

Google

amazon

Uber

Facebook

NETFLIX

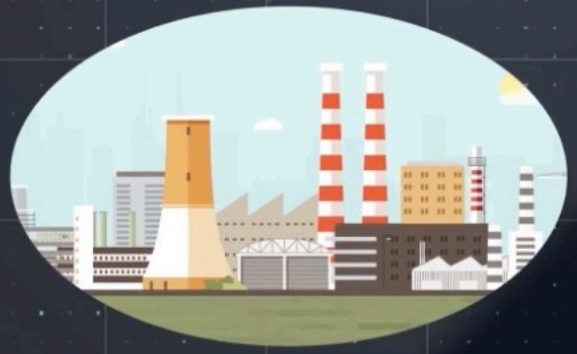
airbnb

- Focus on customer experience
- Interact and transact with the customers
- Build reliable services
- Understand customer needs
- Establish brands having high market share
- Keep an eye on changing customer landscape
- Do not own the capital expenditure or product essentials

Key Elements of Digital Disruption:

Business

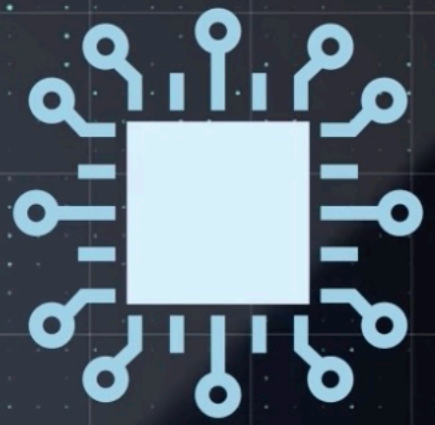
Technology



Industry

Society

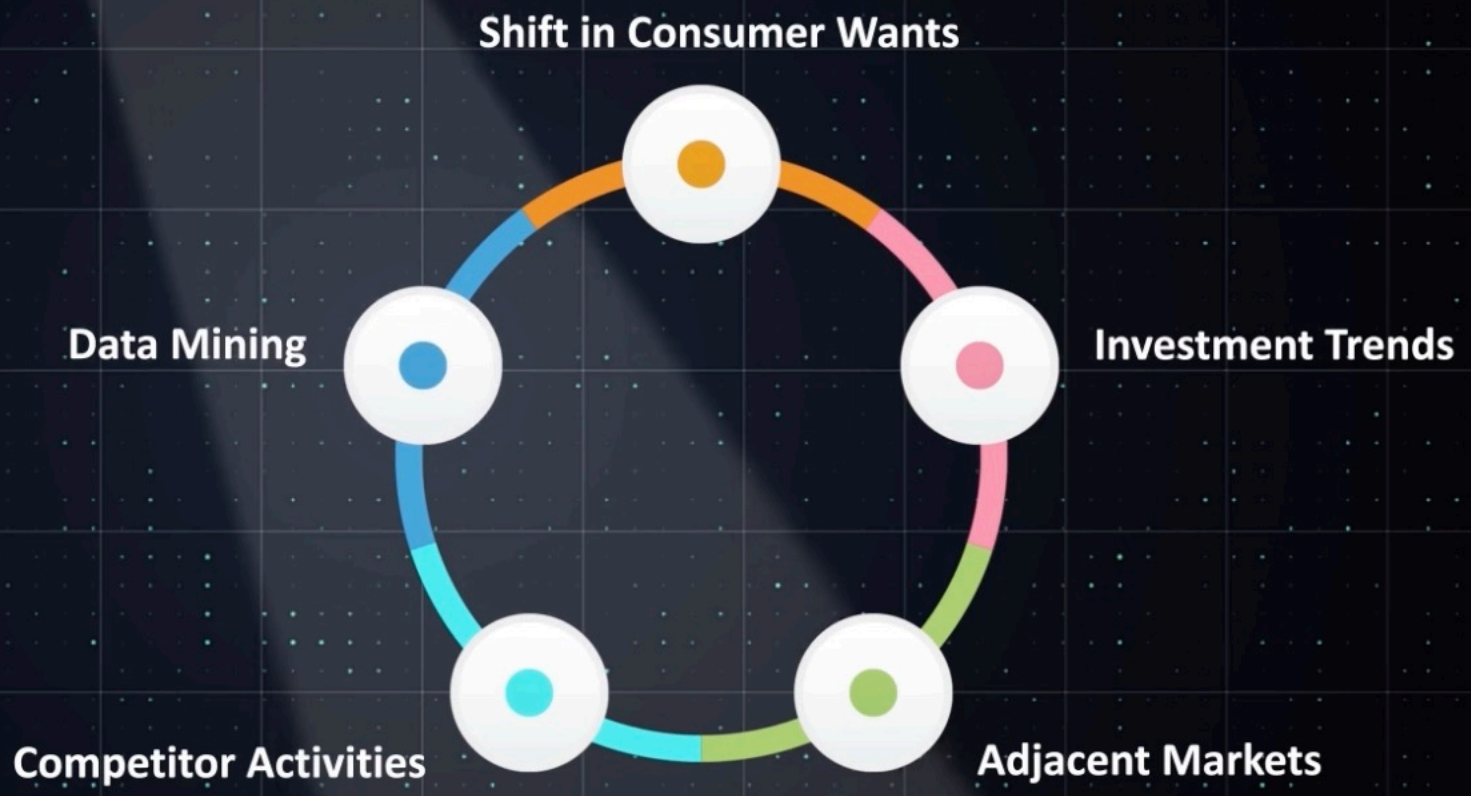
Describes a person growing up in the digital age



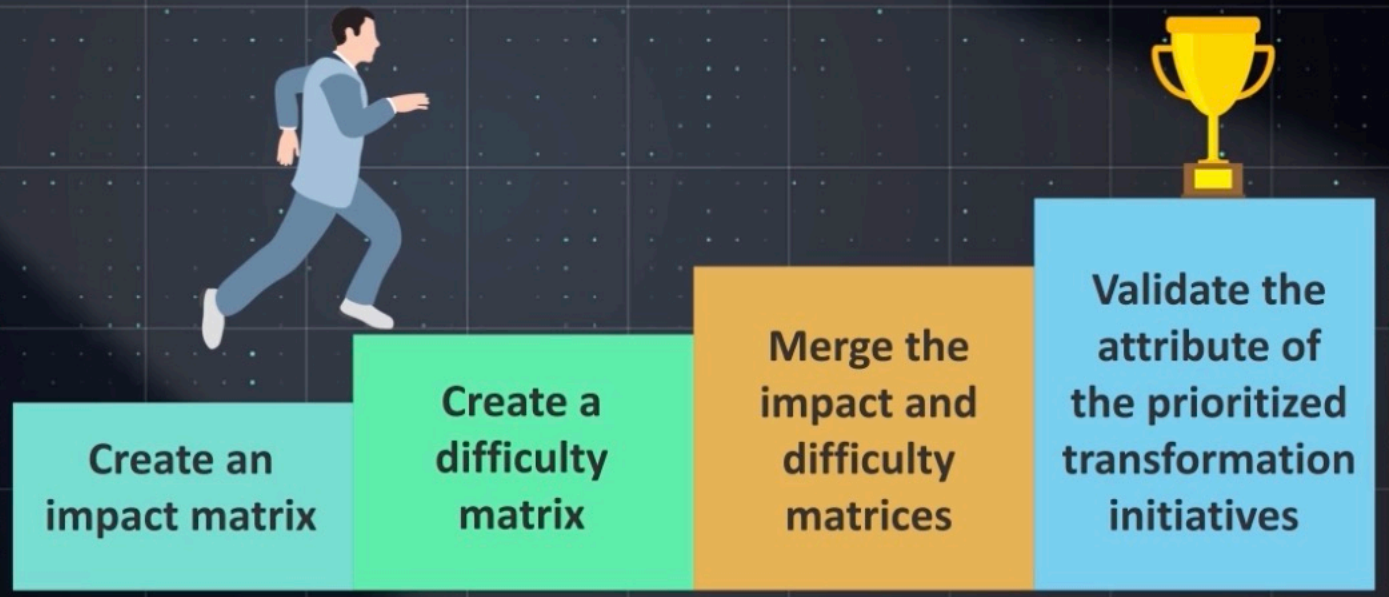
Influences the four elements of digital disruption: Business, Technology, Industry, and Society

Fads are short-lived, temporary

Trends are continuous; they may evolve


Shift in Consumer Wants
Investment Trends
Adjacent Markets
Competitor Activities
Data Mining

Prioritizing a digital strategy is a four-step process.



Digital transformation is a worldwide phenomenon.

The critical industrial sectors of digital transformation are:

Retail

Banking

Media and entertainment

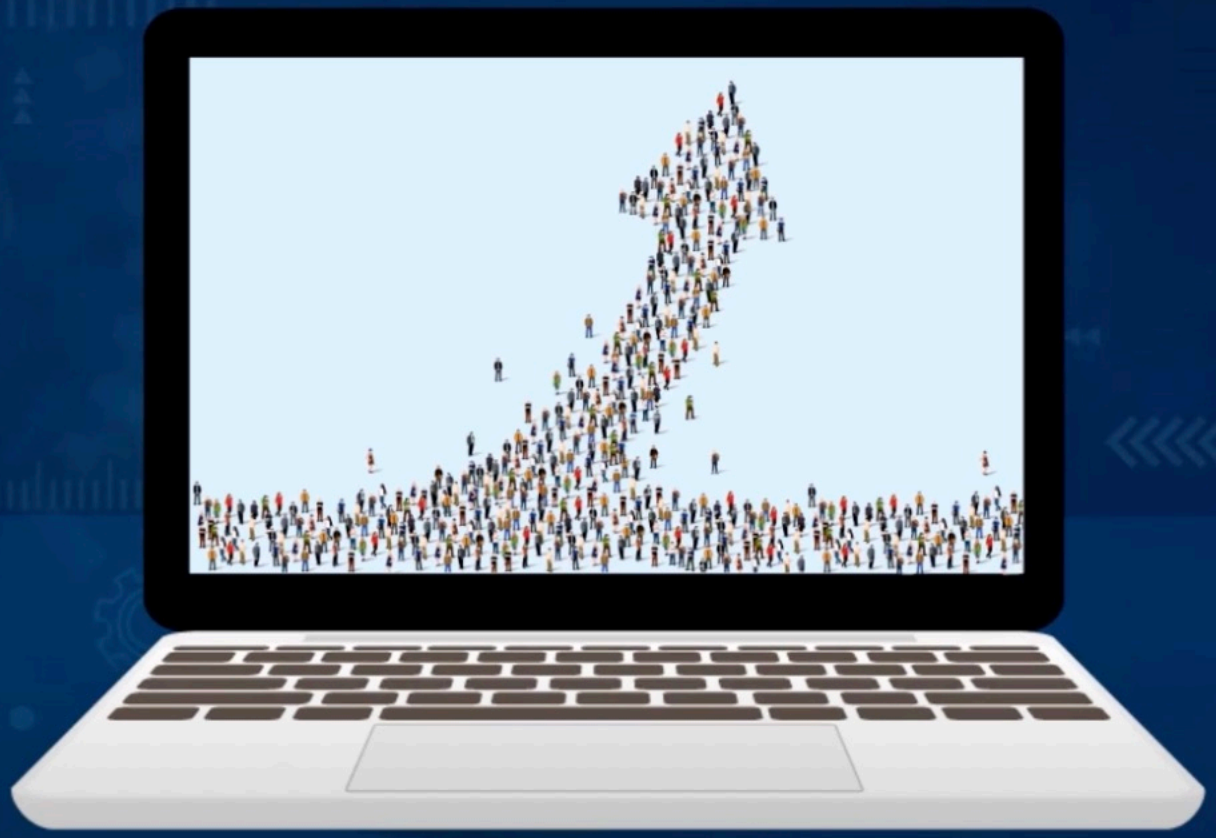
Telecom

What Are Digital Transformation and Disruption?

Systemic change to integrate digital technologies and processes

What Are Digital Transformation and Disruption?

Transformation happens with the disruption of the current products and services

Need for Digital Disruption

The digital modes of operation lead to much shorter turnaround times and extraordinary possibilities in scalability.