



# How to Move Your Business From Digitally Distraught to Digital Determined

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# You are Building a New Business Model

## PERCENTAGE OF TOTAL EXPECTED BENEFITS ALLOCATED TO EACH MODEL



# You Are Building a New Set of Capabilities

## Data Management

67%

Enable an organization to turn internal data into insight by organizing, maintaining, and refining data sets and data processes

## Sensing & Learning

44%

Apply continuous sensing and collective learning to improve experience, efficiency and effectiveness.

## Data Monetization

43%

Take data and turn it in to insight, automation and/or a revenue stream for the organization.

## Experiential Engagement

40%

Create an immersive CX so the customer has an easy, frictionless, and pleasing experience with the organization.

## Scaled Digital Business

36%

Deliver hyper-personalized digital services at scale through autonomic processes.

# Organizations are Facing Challenges On Multiple Fronts



# It Takes Digital Determination to Survive



HARVARD BUSINESS REVIEW

## Why So Many High-Profile Digital Transformations Fail<sup>3</sup>

by Thomas H. Davenport and George Westerman  
March 9, 2018



INFORMATION AGE

...90% of digital projects fail to meet expectations and only deliver incremental improvements.<sup>1</sup>

# The Digitally Distraught v. Digitally Determined

54%

The Digitally Distraught

8%

## Impromptu DX

DX initiatives are tactical and disconnected from enterprise strategy

26%

## LOB DX

DX initiatives are initiated at the function or LOB level

20%

## Short Term DX

DX initiatives are tied to enterprise strategy but with short-term focus

46%

The Digitally Determined

29%

## Integrated Strategy

Integrated, continuous enterprise wide DX innovation is in place

17%

## DX is the Strategy

The enterprise strategy is to use DX to transform markets with new business models and services

# The Digital Determination Blueprint



**STRATEGY**  
A Single Strategy



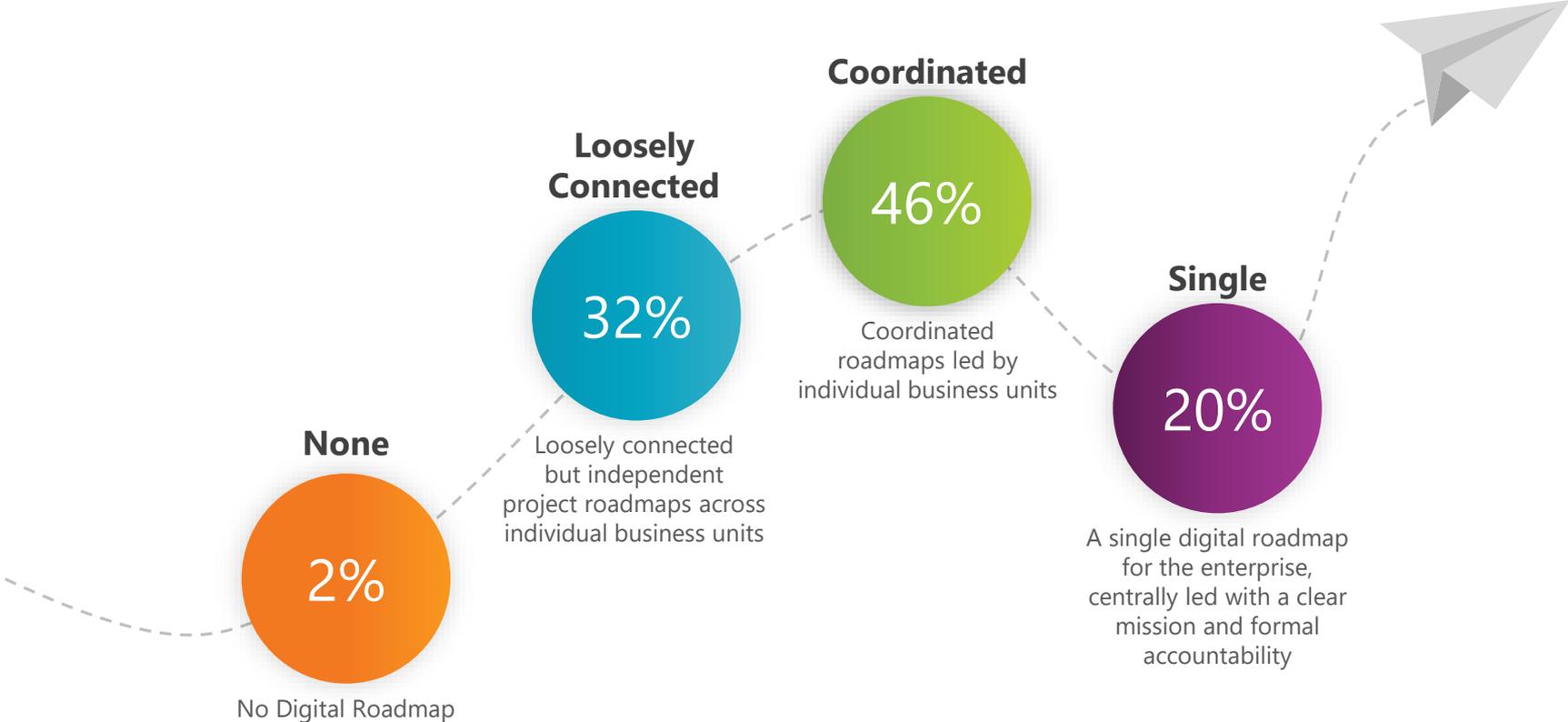
**FINANCIALS**  
Inherent Value



**PLATFORM**  
Integrated for Scale

**ORGANIZATIONAL STRUCTURE AND CULTURE**

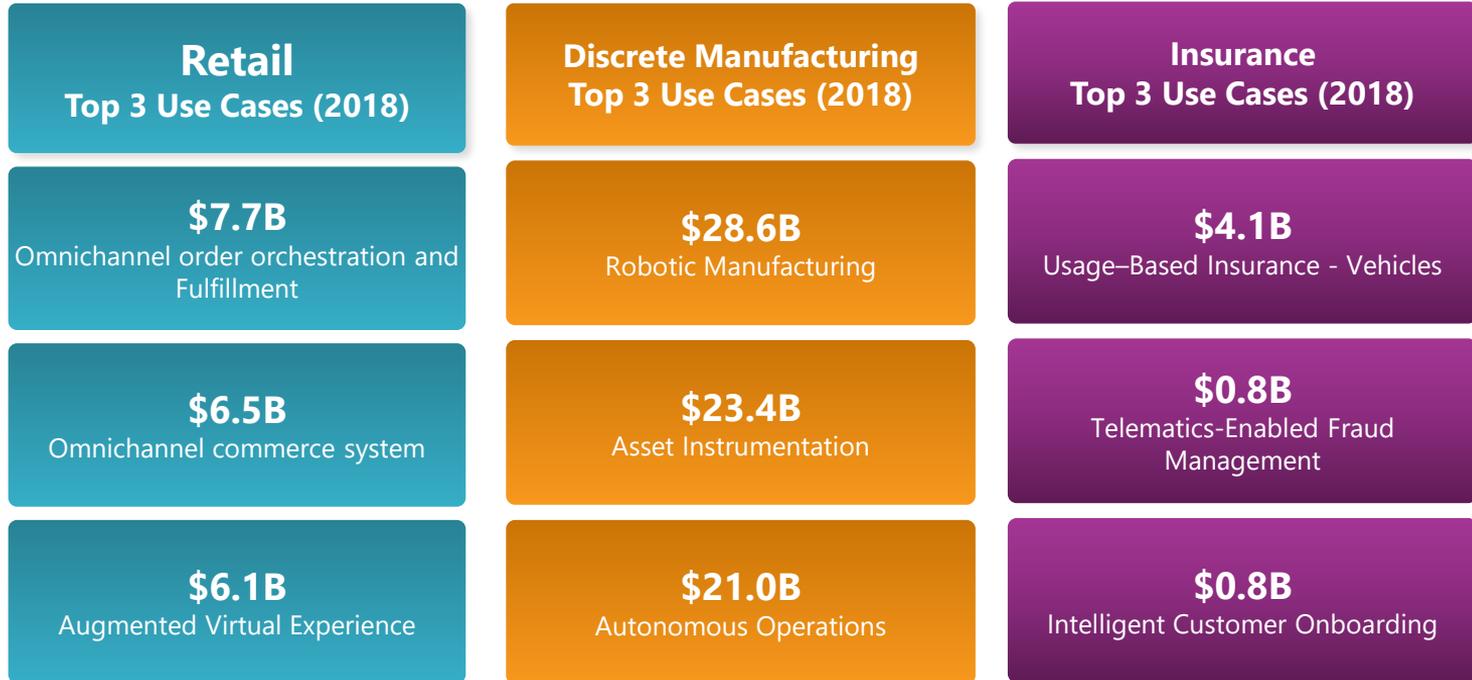
# Develop a Single Roadmap Tied to Digital Strategy



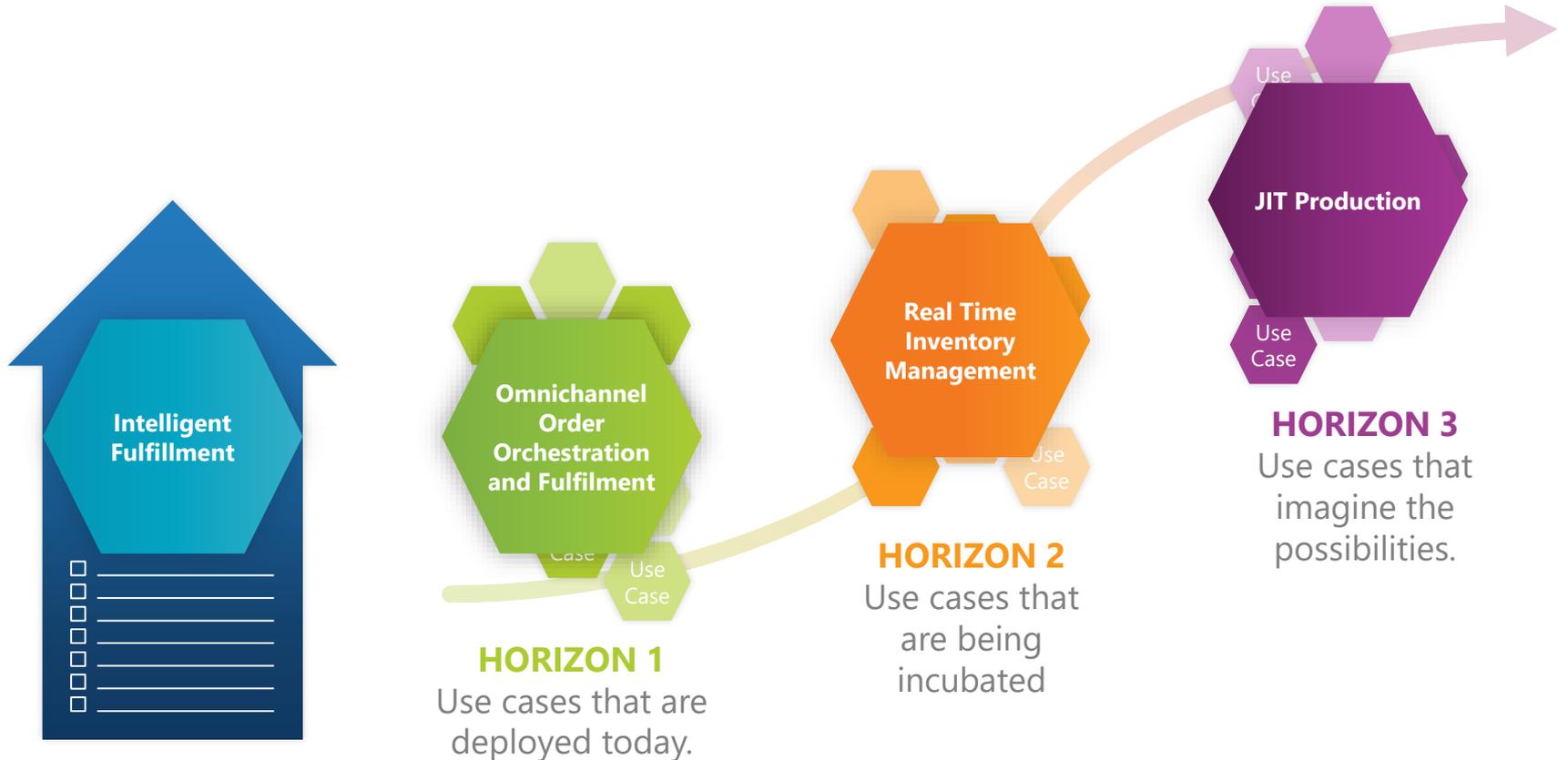
# Align Digital Budget to Strategic Priorities



# Prioritize Use Cases



# Break Digital Roadmaps into Horizons



# The Digitally Determined Strategy

**AcuityBrands.**  
Expanding the boundaries of lighting™



# The Digital Determination Blueprint



**STRATEGY**  
A Single Strategy



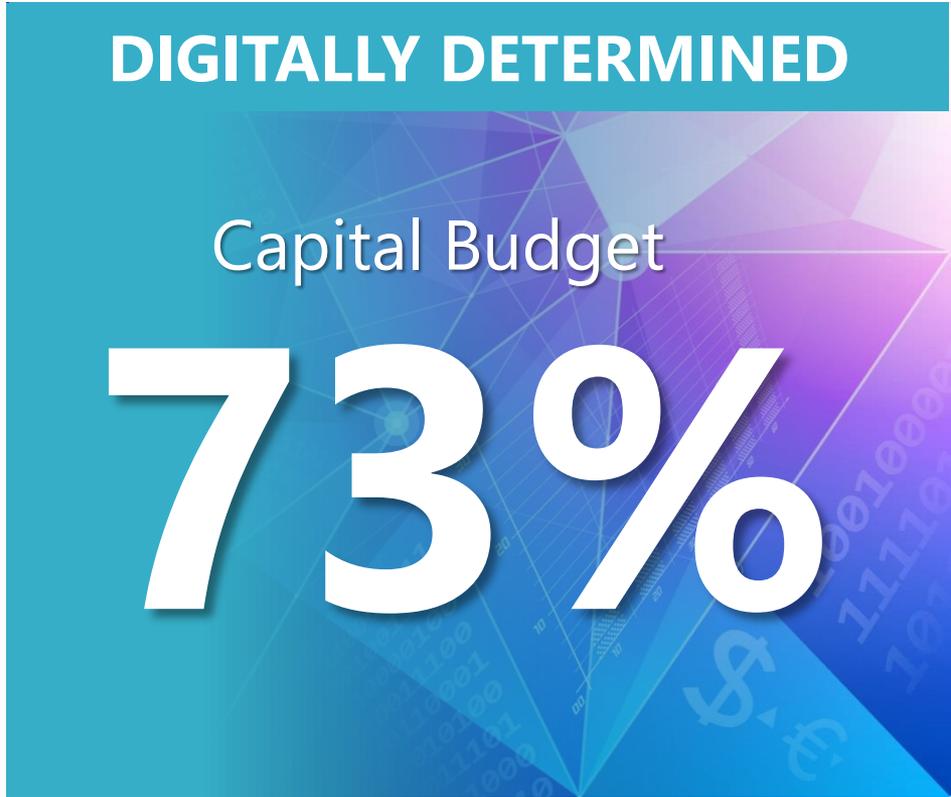
**FINANCIALS**  
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**ORGANIZATIONAL STRUCTURE AND CULTURE**

# Need Digital Funding Tied to Long Term Investments



# Demonstrate that Digital = Inherent Value

## THE FINANCIAL RETURNS OF DIGITAL

### Digitally Distraught Bank

Financials over 10-year period (\$M)



**43%**  
more in  
revenue and  
**\$1.3B**  
more in profit!

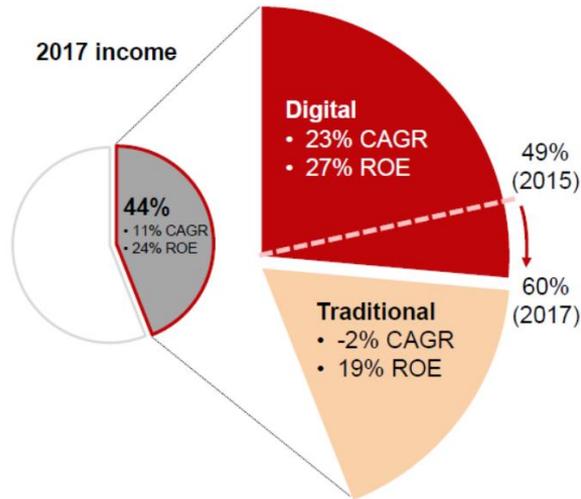
### Digitally Determined Bank

Financials over 10-year period (\$M)



# The Digitally Determined Financials

## First bank to develop methodology to measure digital value creation Consumer and SME (Singapore, Hong Kong)



### Two distinct segments based on customer behaviour

- Digital (D): predominantly **online / mobile interactions**
- Traditional (T): predominantly **offline interactions**

We have been **progressively helping our customers adopt Digital behaviours**

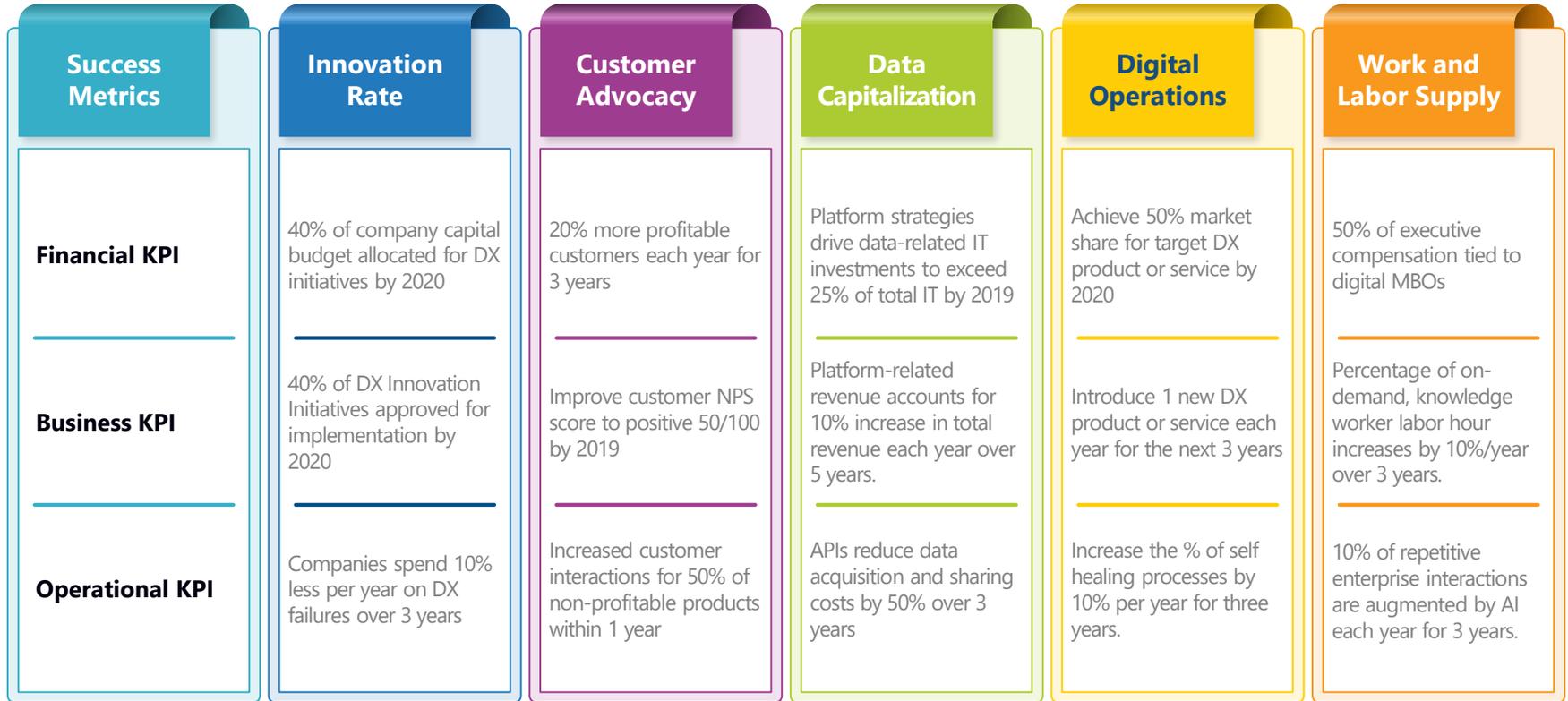
The Digital segment is **growing faster, with superior ROE**

2017 figures annualised based on 1H17, where applicable; CAGR refers to 2015-2017 income

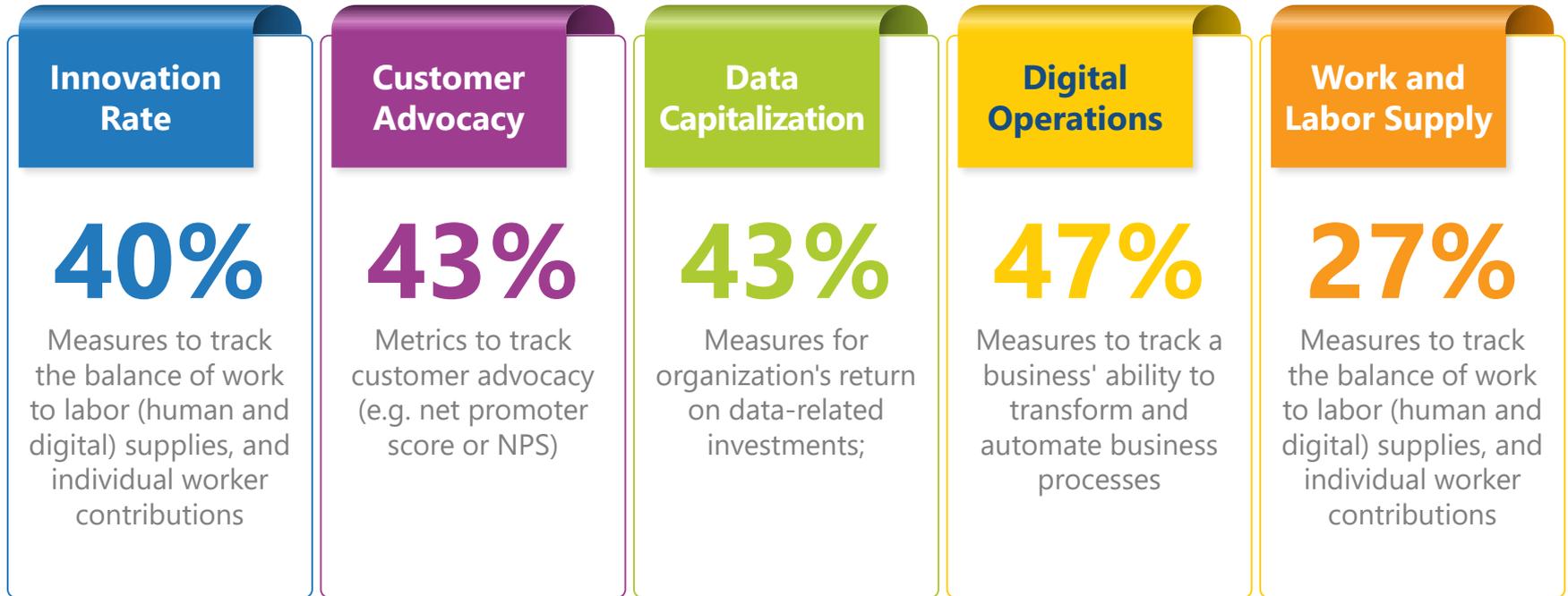


**39%** of organizations  
do not have  
digital KPIs

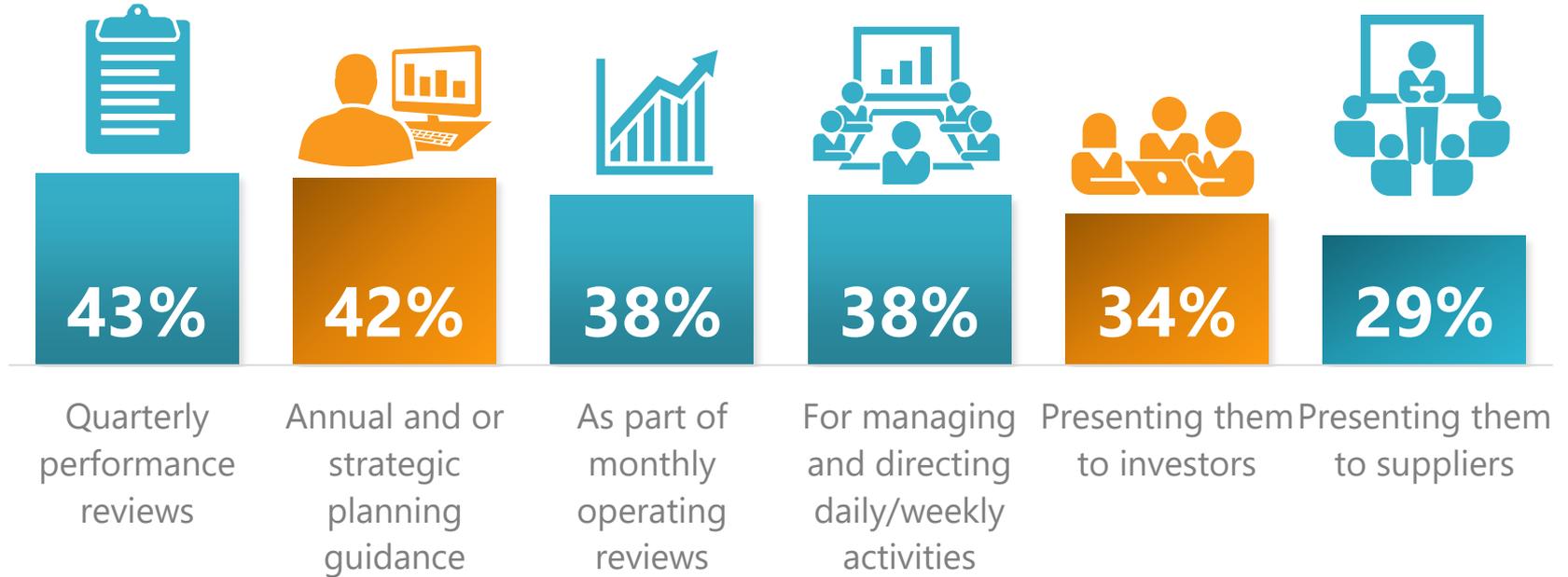
# The New Digital KPIs



# KPIs The Digitally Determined Are Using



# How the Digitally Determined Are Using KPIs



# The Digital Determination Blueprint



**STRATEGY**  
A Single Strategy



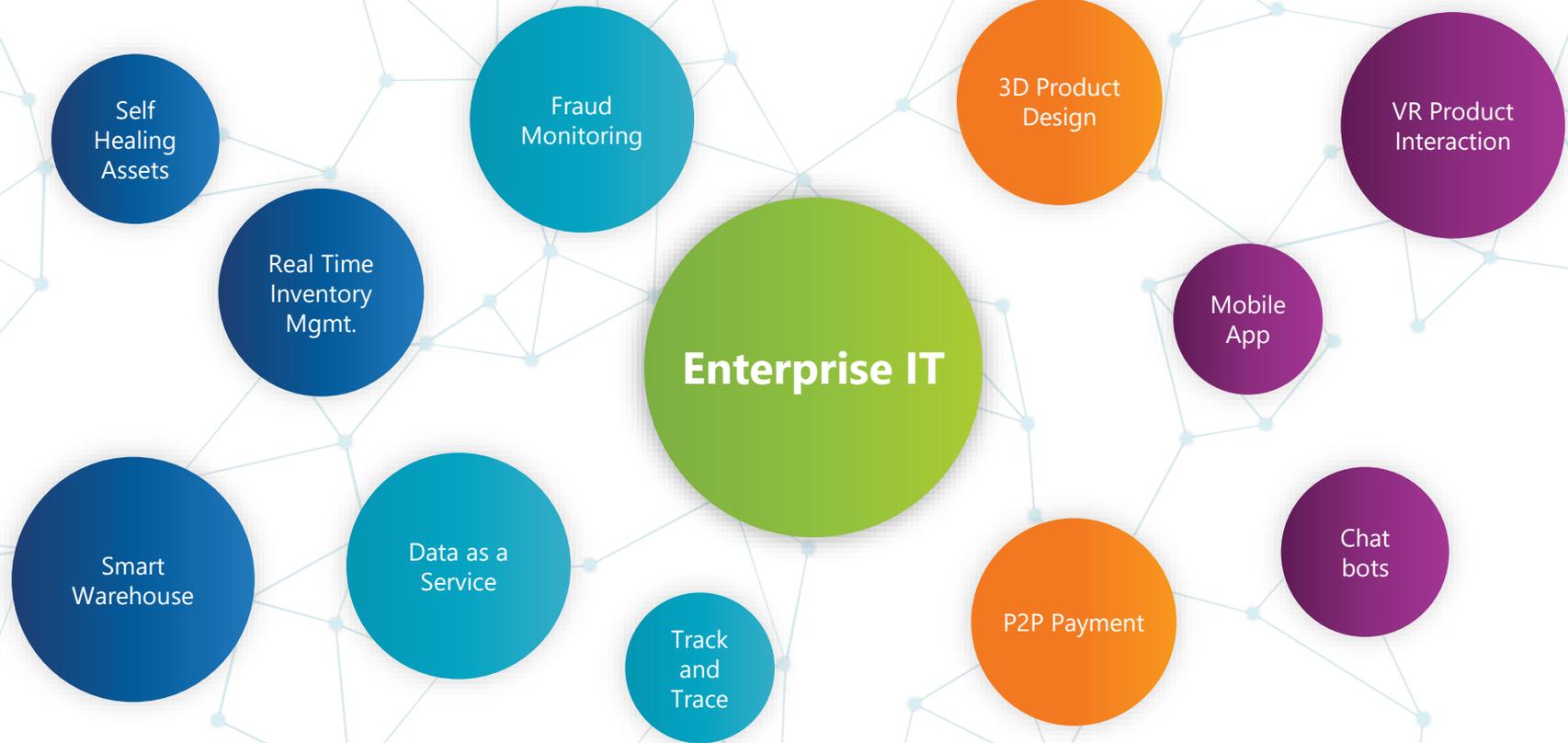
**FINANCIALS**  
Inherent Value



**PLATFORM**  
Integrated for Scale

**ORGANIZATIONAL STRUCTURE AND CULTURE**

# Islands of Innovation



# The Digitally Determined Platform Strategies

## The Sidecar

21%

We have two separate technology environments (one for the core IT platform and another for the digital innovation) which are connected by leveraging APIs



## The Standalone Platform

33%

We have an external facing digital platform serving a network of connected customers, partners and suppliers that use (and pay for) the information and services provided through the platform



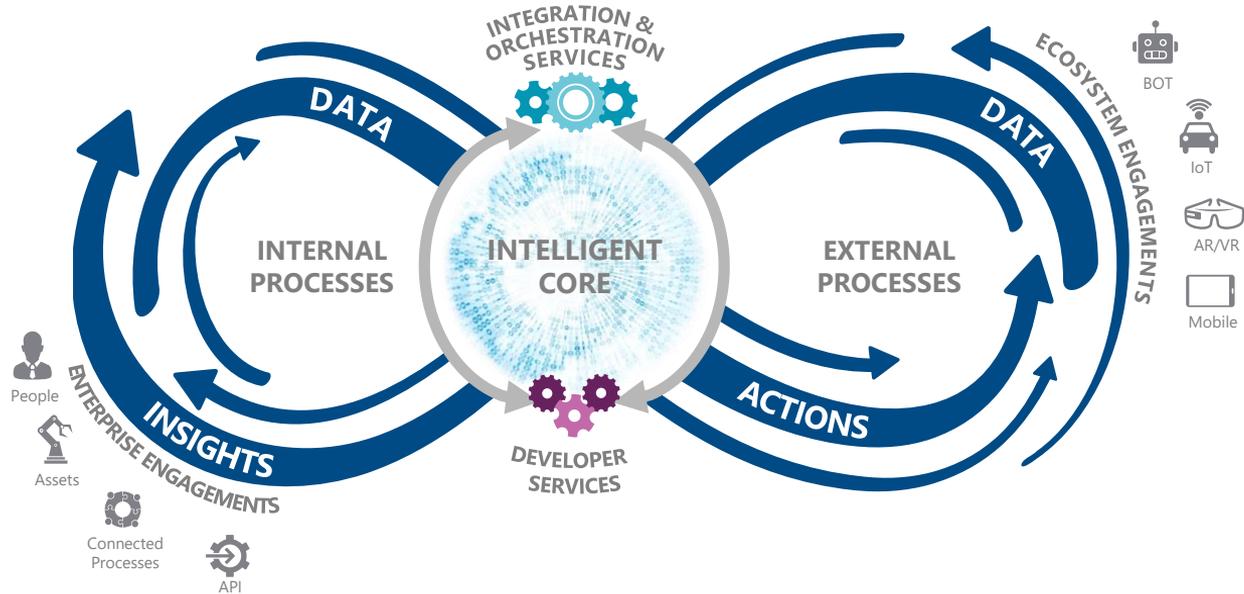
## The DX Platform

33%

We have a fully integrated enterprise-wide technology architecture enabling digital products, services, and experiences; while modernizing and integrating the internal IT environment.



# The Key Elements of a Digital Platform



1

Cloud-based API strategies that **orchestrate** exchange of data across your ecosystem

2

**Agile application architectures** on PaaS using microservices and containers

3

**New customer experience** technologies that fully support customer and ecosystem-facing business models

4

**An intelligent core** based on data management, cognitive, artificial intelligence, and machine learning

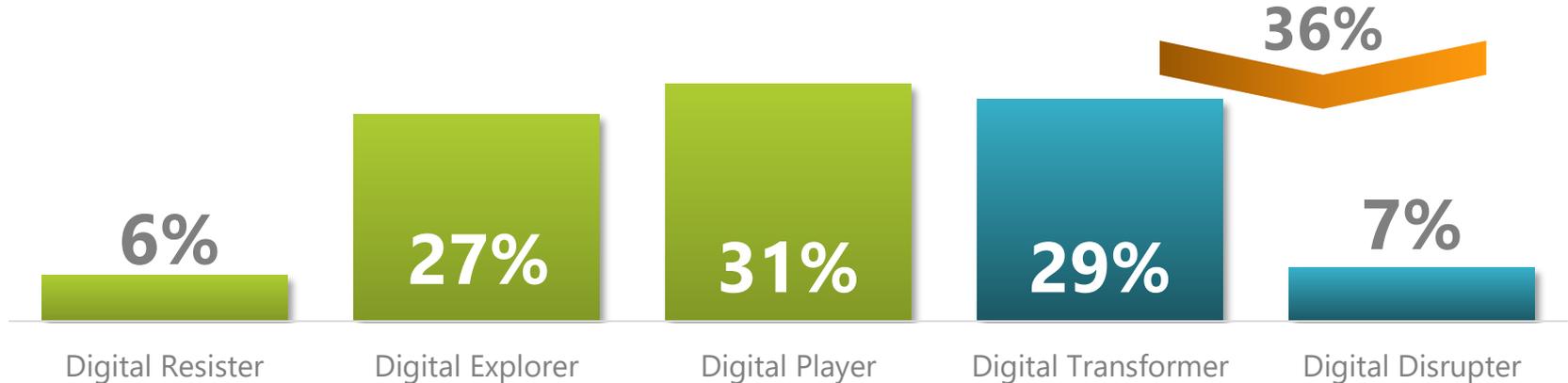
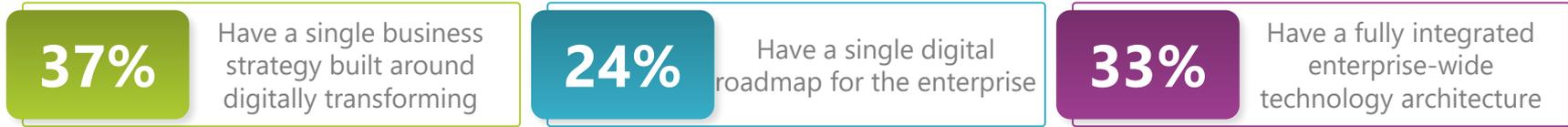
# The Digitally Determined Platform

ING is investing in EUR800 million in digital transformation initiatives through to 2021 as part of its Think Forward programme.

The primary focus is to move to a single integrated banking platform in the Netherlands and Belgium.

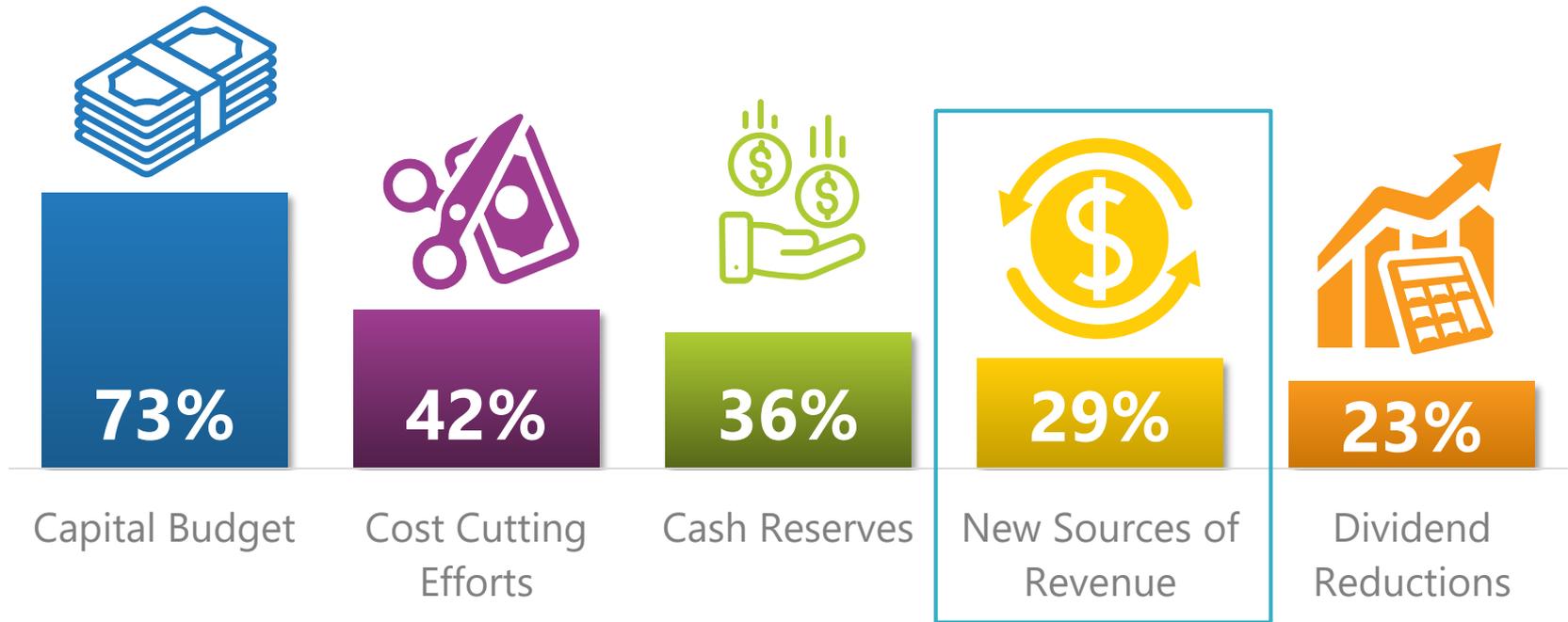


# Connecting the Numbers

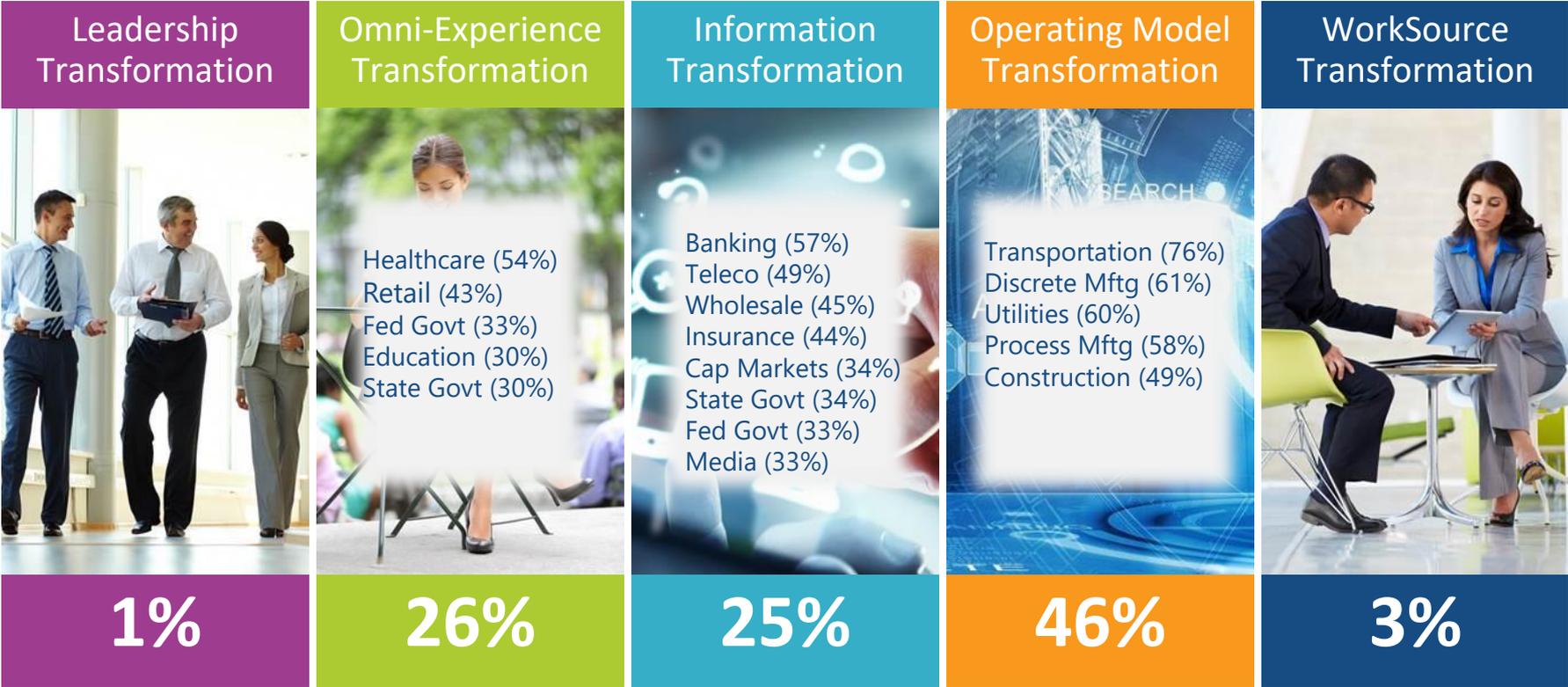


# DIGITAL BUDGET BENCHMARKS

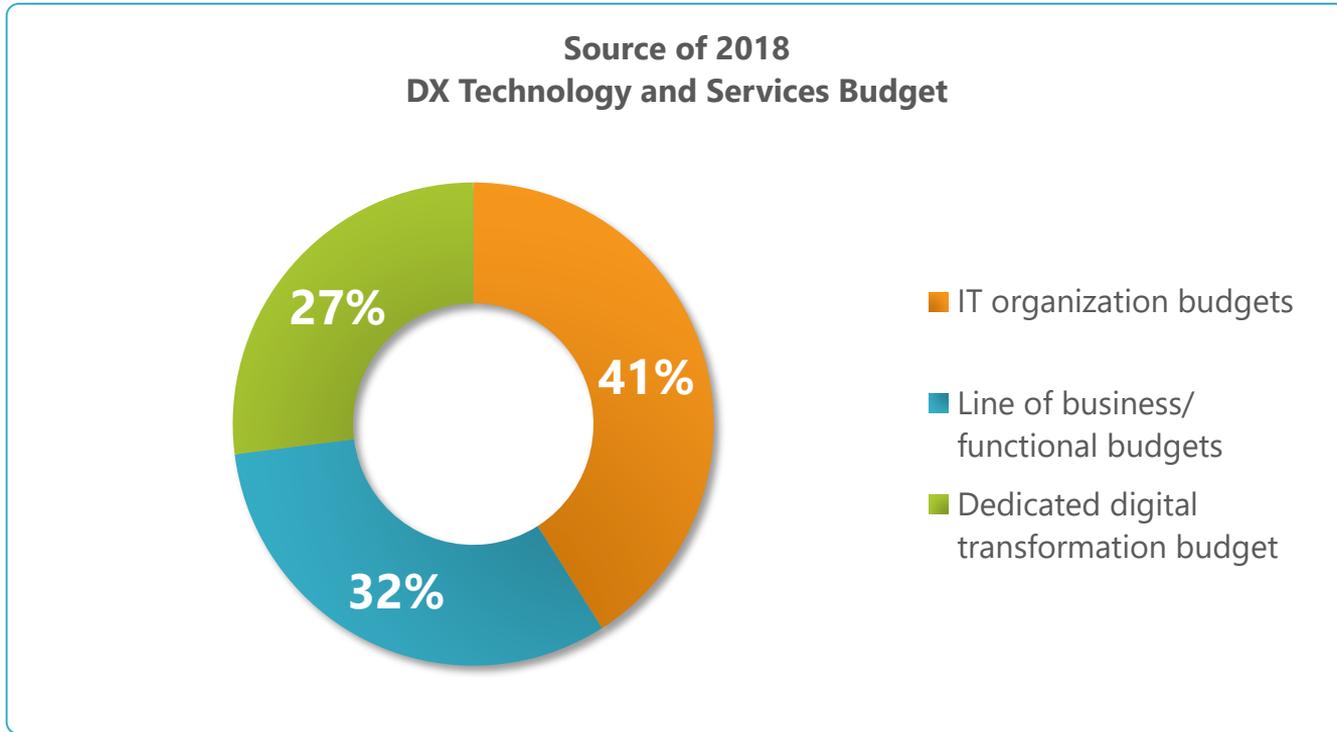
# Digitally Determined How Digital Initiatives are Funded



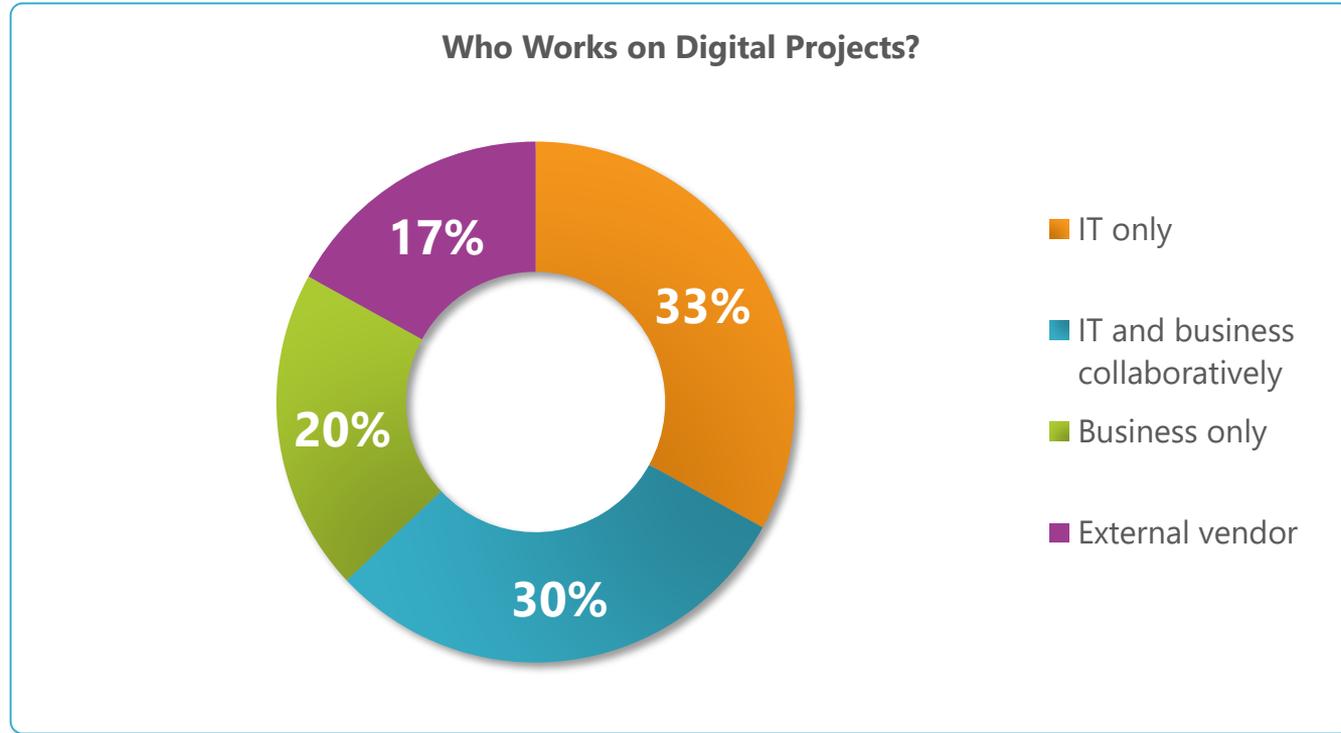
# 2018 U.S. Digital Transformation Tech Spending by Dimension



# Digitally Determined Sources of Digital Budgets



# Digitally Determined Partnering to Get the Job Done



# Digitally Determined Top Digital Tech Investment Areas

60%

## SECURITY

1. Security Analytics
2. Security and Vulnerability Management
3. Web Security

50%

## IT INFRASTRUCTURE

1. Networking Equipment
2. Servers
3. Infrastructure Software

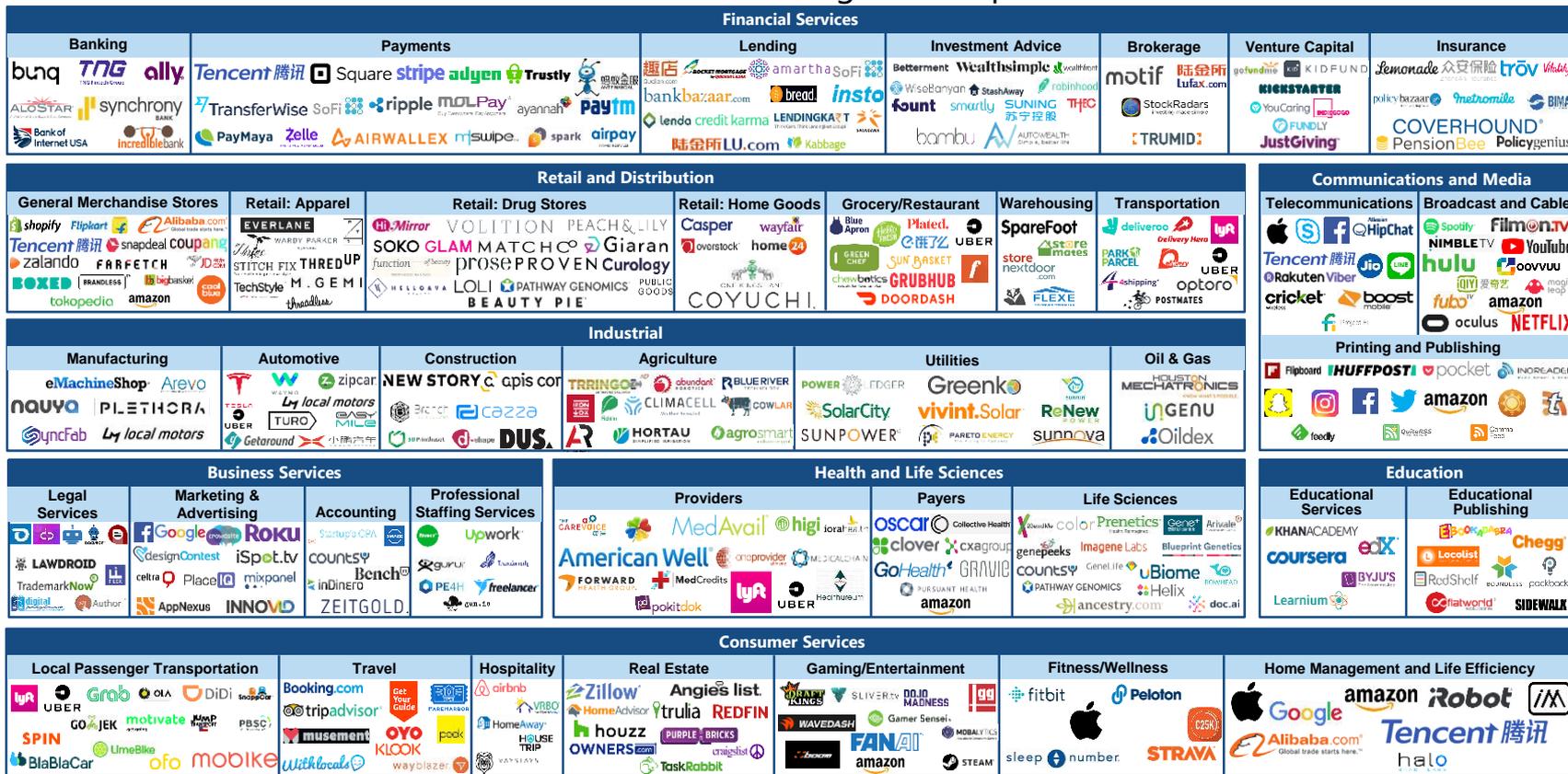
40%

## CLOUD

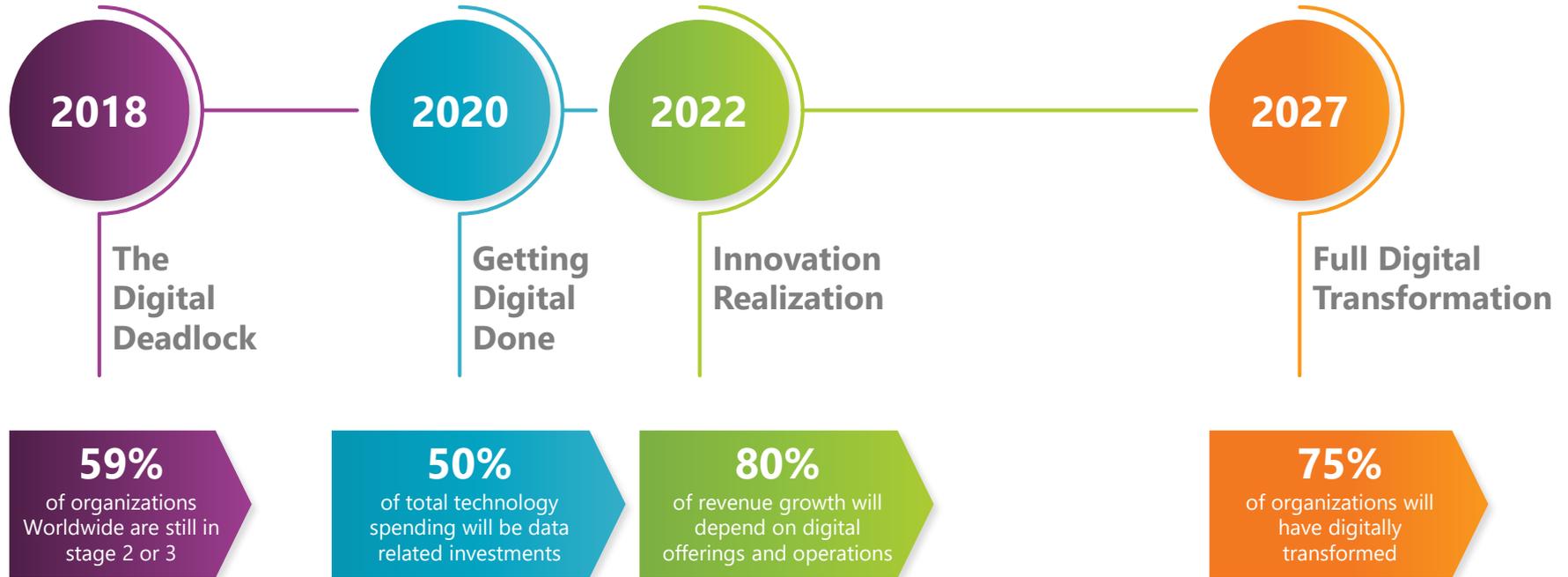
1. Analytics as a Service
2. IaaS
3. Private Cloud

# Not In My Industry (NIMI) Syndrome

## IDC Market Glance: Digital Disruptors



# Once Through the Challenges, You are Cleared to Digitally Transform



# de·ter·mi·na·tion

*noun*

1. firmness of purpose; resoluteness.
2. the process of establishing something exactly, typically by calculation or research.





Guidant is your **digital transformation partner**, offering the best of the CIO practitioner network with industry-defining technology advisory services from IDC.

To thrive in the digital economy, organizations must transform to treat technology and data as their lifeblood, embrace innovation, and digitally enhance the customer experience. Our fact-based research, leadership programs, and peer community provide the tools for success.

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Our research provides insights into the applications of emerging technologies while addressing foundational decisions around IT modernization, platforms, and digital security.

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