

Digitalisation is not a new phenomena...

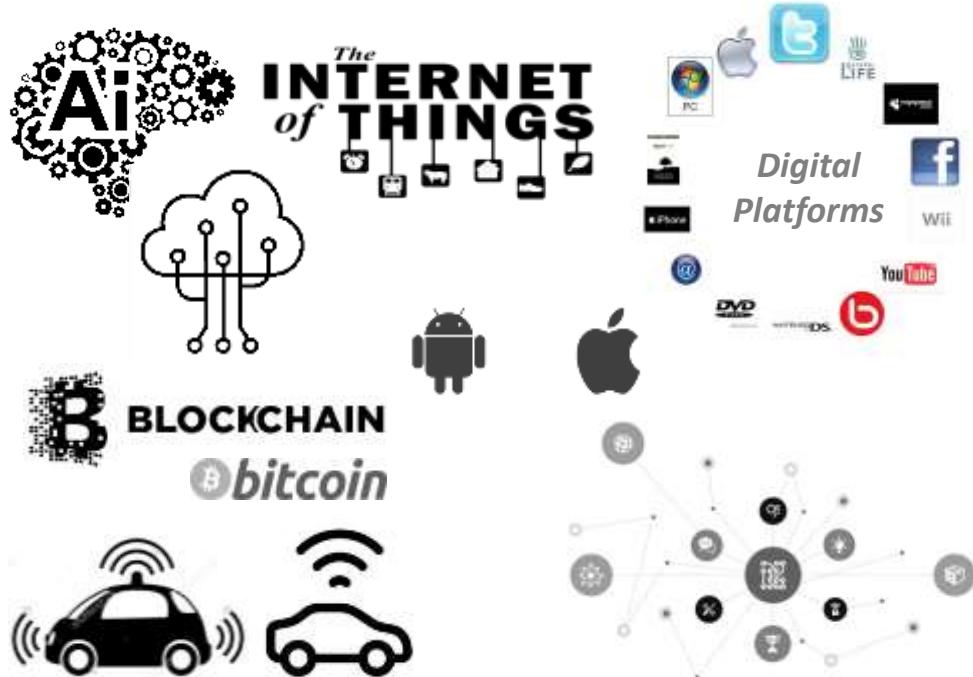
Digitalization is the **use of digital technologies** to change a **business model** and provide **new revenue** and **value-creation opportunities**; it is the process of moving to a digital business.

www.gartner.com

Two focuses of digitalisation:

- **Company/ organisation perspective:**
 - Informatisation and automation, Industry 4.0, IoT, big data and data analytics
- **Customer perspective:** digital services and new business & operations models

- **New technologies** as enablers of digitalisation...



Artificial Intelligence, IoT, digital platforms, cloud services, mobile, ecosystems, shared economy, token economy and blockchain technology, connected cars and autonomous vehicles, etc.

- ...which make digitalisation even more certain, important, influential and fast pace developing

Some parallels with ICT sector: in late 90's and at the beginning of new millennium the sector is dominated by strong and profitable incumbents...

2004



IBM
lenovo



Microsoft
NOOKIA
Connecting People



BB
BlackBerry

Nokia was dominating the mass market of the emerging and rapidly growing global industry of cell phones...
...and being presented and recognised as an extraordinary example of strategic transformation ("breaking out by shifting shape")

BlackBerry created its sweet spot in the niche market...
...by offering own design of cell phones in combination with corporate (push) mail services (BIS)...
...the best mobile mailing and messaging system

Introduction of smart phones enabled market entry to newcomers... ...which completely redefined the traditional competitive landscape

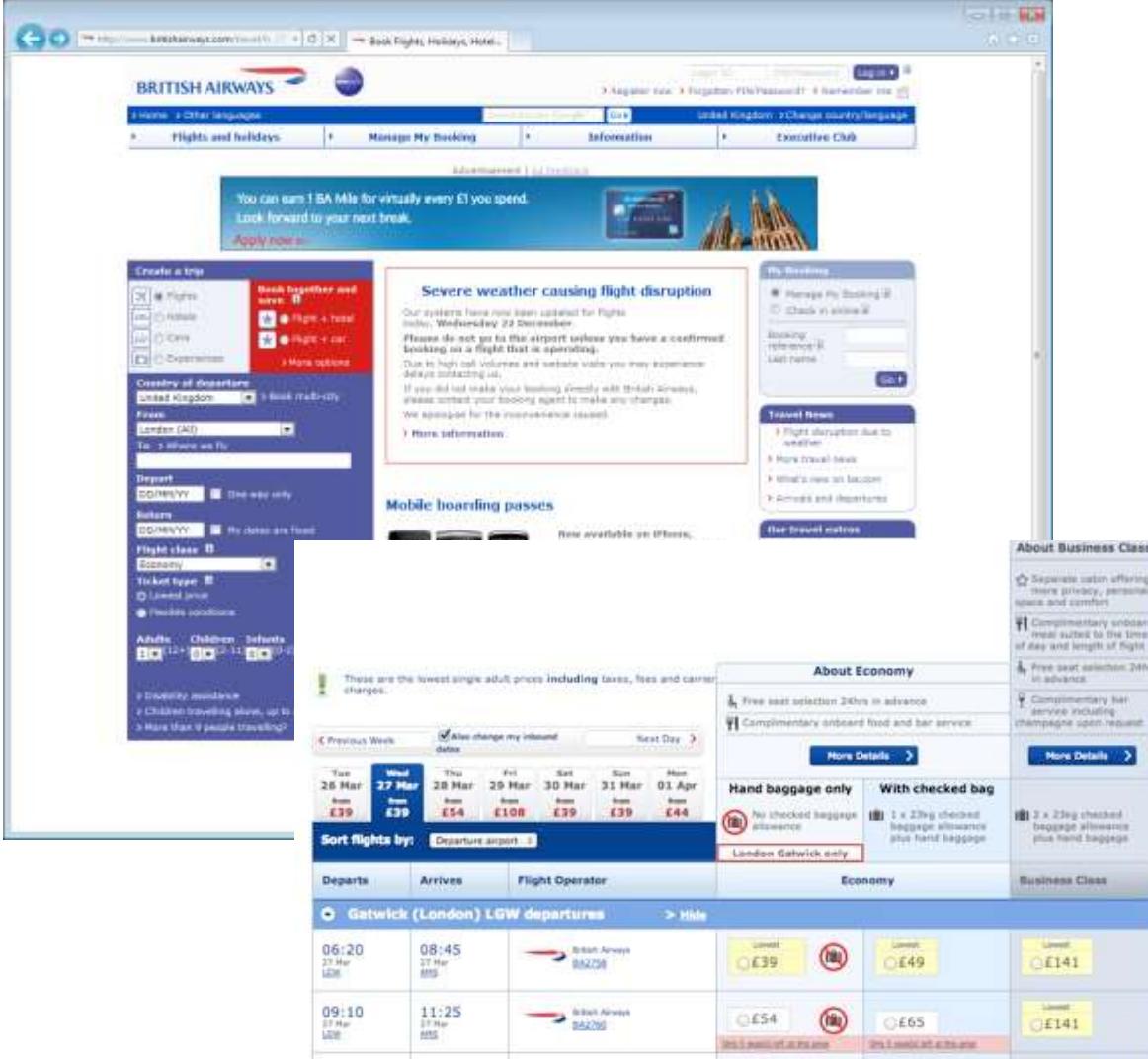
2004



2017



Investigating, considering and buying flight tickets online...



The screenshot shows the British Airways website interface. On the left, there's a sidebar for 'Check in a trip' with options like 'Flights', 'Flight + hotel', 'Flight + car', and 'Express'. The main content area has a banner for BA Miles. A central box displays a 'Severe weather causing flight disruption' notice, stating that flights to and from London on Wednesday 28th March are affected. It advises passengers to check in online and contact their booking agent. Below this is a 'Mobile boarding passes' section. To the right, there's a 'My Booking' section with travel news and an 'About Business Class' box. The bottom half of the page shows a flight search results table for 'LGW departures' on 28 Mar, with columns for 'Departs', 'Arrives', 'Flight Operator', and price options (e.g., £39, £49, £141).

Portfolio of digital services:

- Checking flight timetables and availability
- Checking & comparing prices
- Buying tickets (paying online)
- Receiving e-mail notifications, updates, complementary information and offers (accommodation and rent-a-car)
- Managing my user account which consists of all details needed (name, address, credit card information, passport information, etc.) to make my journey easy

What are your expectations and what is your experience with a tradition retail format?

Time consuming & poor shopping experience



Automated cashier systems don't help tremendously to improve poor cashier/shopping experience



Amazon introduced Go, a brick-and-mortar concept store that uses technologies like digital, mobile, geo-location and artificial intelligence to eliminate the need for cashiers

How it works

1 Download Amazon app and enter store



Weight sensors Cameras



2 Store's surveillance system identifies the customer and tracks them as they shop. Shelf cameras and weight sensors detect when an item has been removed or put back

Fast

Simple

Frictionless

3 The item is added to your virtual cart within the app



4 When you leave the technology adds up your virtual cart and charges your Amazon account



2004



**Disruptions can happen much faster
and in a much more dramatic way
than we anticipate...
...even in highly traditional industries
and businesses!**



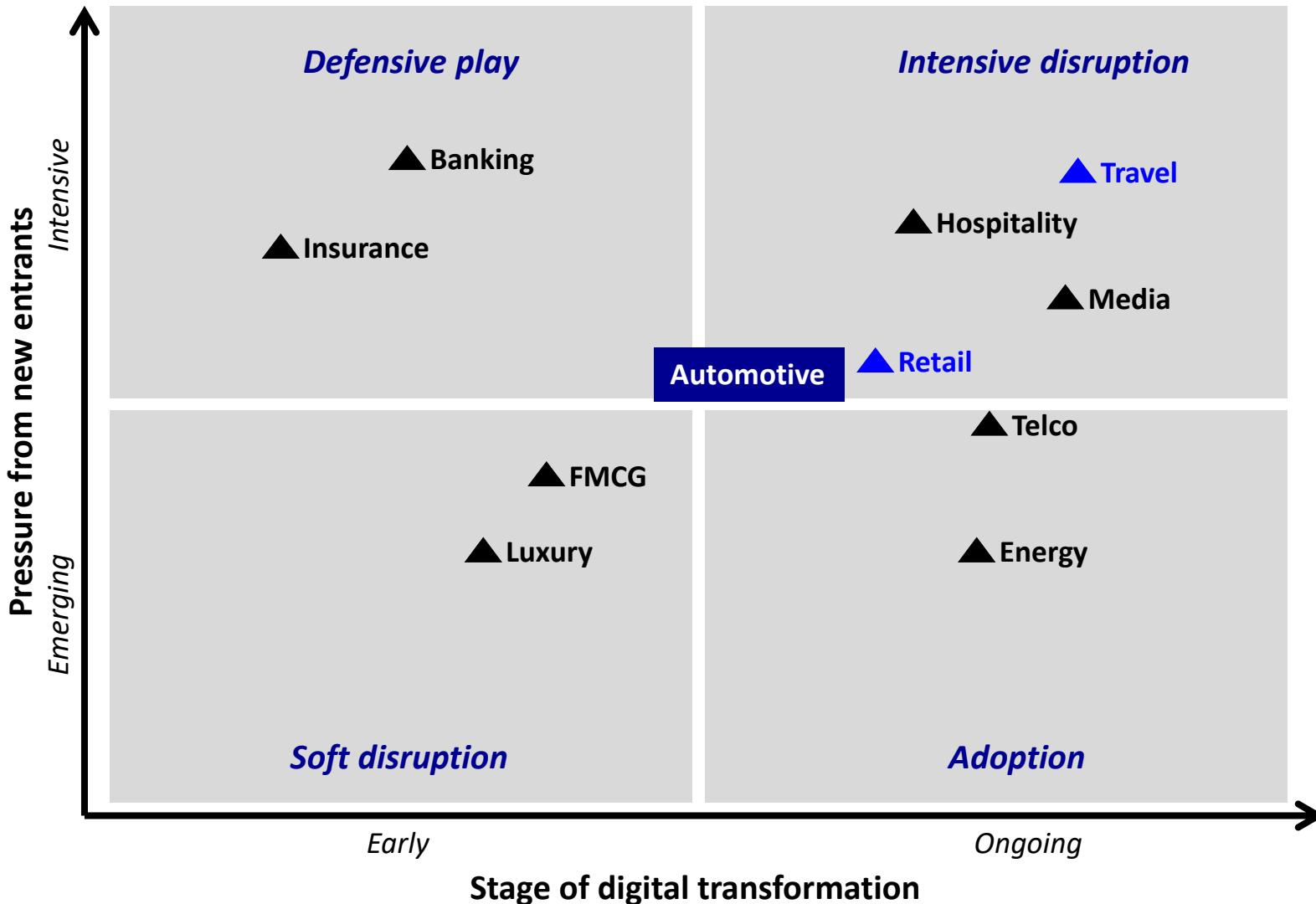
2017



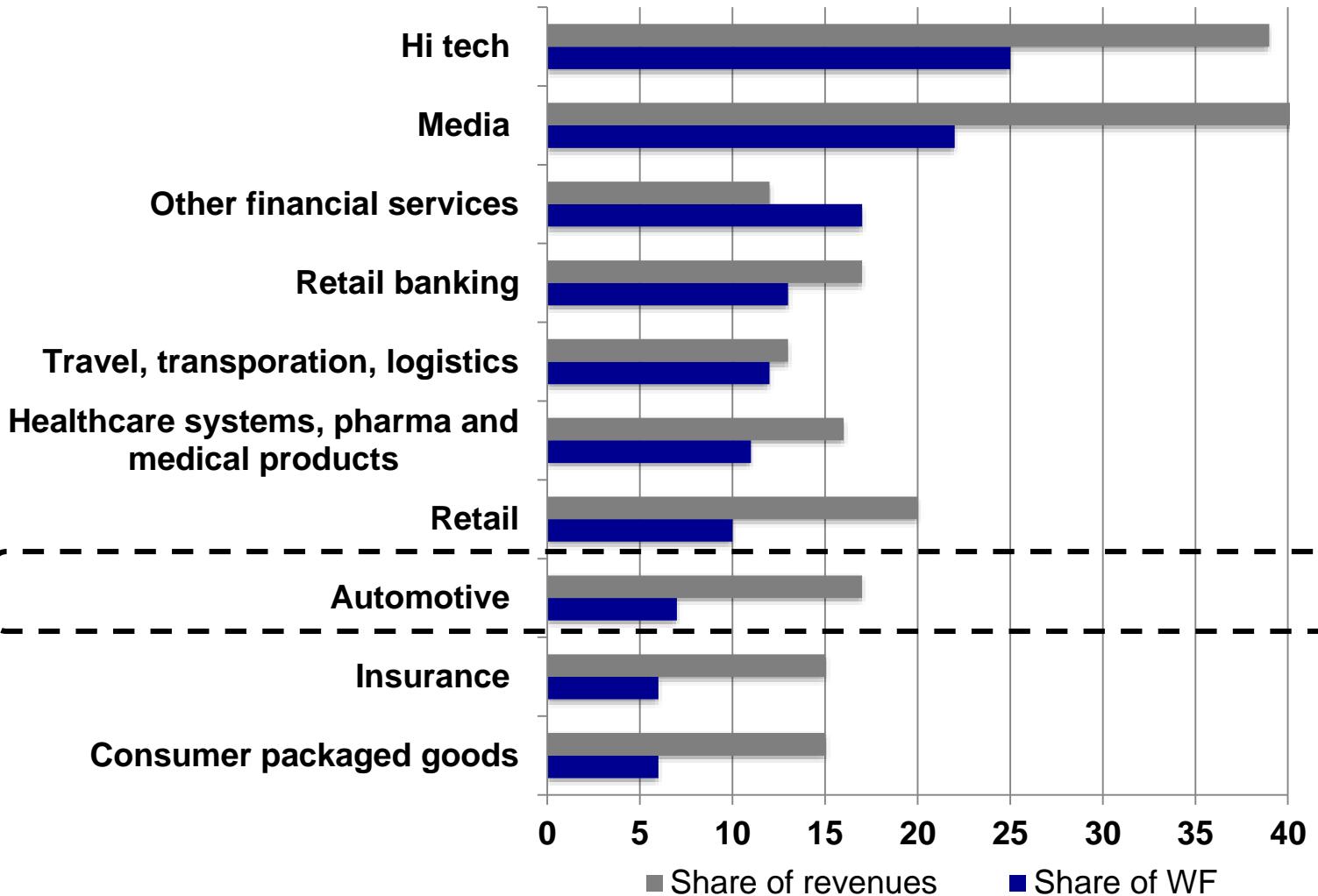
One app does not make your company digital - the illusion of being digital: “digital lipstick”



Pressure from new entrants forces incumbents to accelerate their digital journey



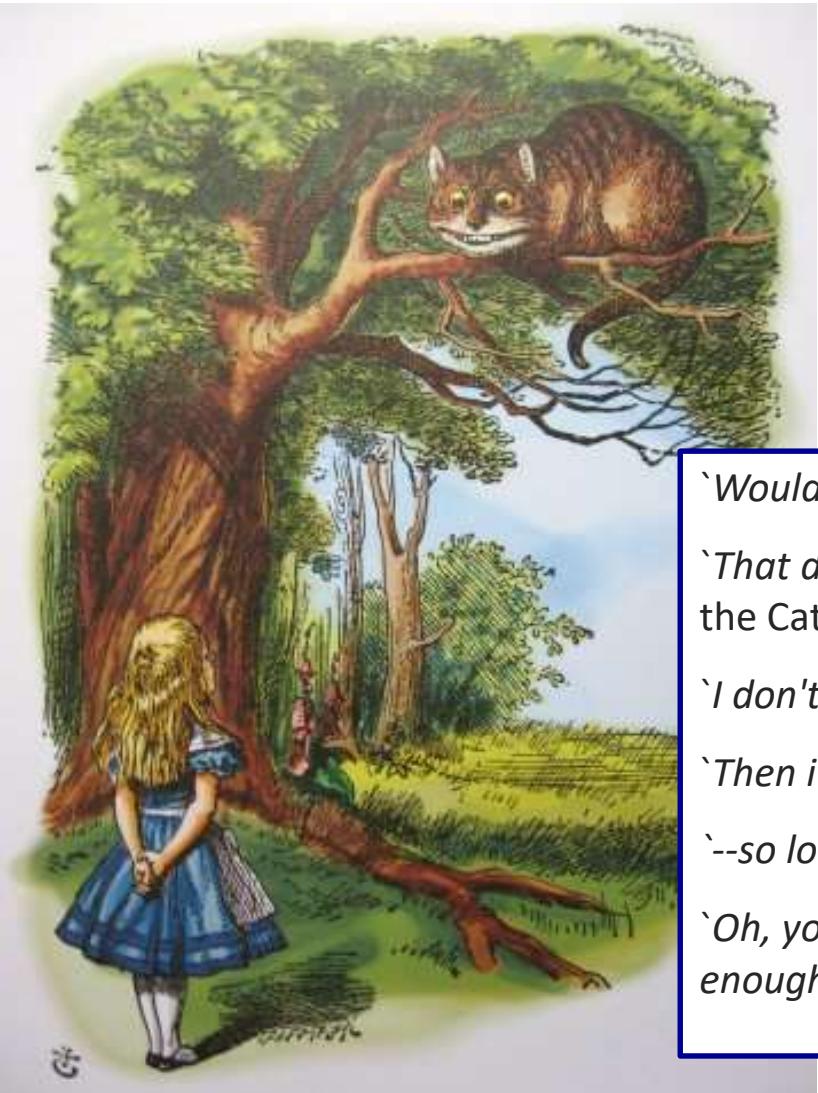
Significant differences in the share of budgets (annual revenues spent on digital initiatives in the past 3 years) and people (WF dedicated to digital initiatives) companies invest in digitalisation



Companies should raise awareness of:

- **Digital as a change driver (disruption) and its importance** (also in traditional industries/ products)
 - What is digital? Why is it important for us? and How?
 - Understanding of **generic rules and principles of the digital economy**
 - **Best practices** from the automotive and other industries
- **Traditional products (services) and businesses are rapidly changing due to digitalisation** – new space for (disruptive) innovation
- **Digitalisation is about services enabled by technology**
- **Our current degree of digitalisation** (our current practices & initiatives)
- **Need for dramatic increase of investments in digitalisation**

What is our way to Digital Wonderland?



'Would you tell me, please, which way I ought to go from here?'

'That depends a good deal on where you want to get to,' said the Cat.

'I don't much care where--' said Alice.

'Then it doesn't matter which way you go,' said the Cat.

'--so long as I get somewhere,' Alice added as an explanation.

'Oh, you're sure to do that,' said the Cat, 'if you only walk long enough.'