

DX MASTERCLASS

Orchestrating Digital Transformation

Max Theseira

Adjunct Faculty AGSM, UNSW

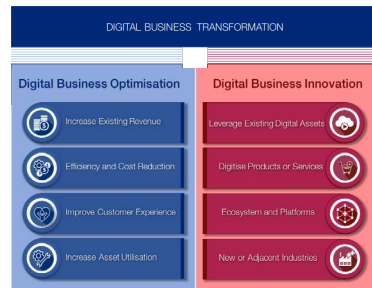
Co-founder Intagile

Objectives of this module:

- Introduce some useful frameworks for considering Digital Transformation
- Provide examples of how organisations have made DX work and how this relates to the DX canvas
- Introduce the Accelerate Participant Workbook
- Sign-post the Masterclasses for further learning

Working towards your Digital Roadmap

Digital Ambition Frmwk



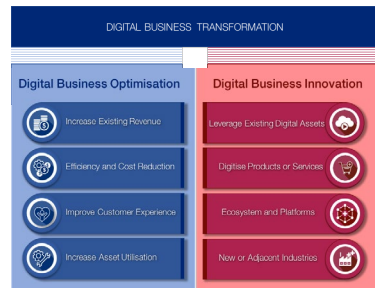
DX Maturity Assessment

DX Canvas

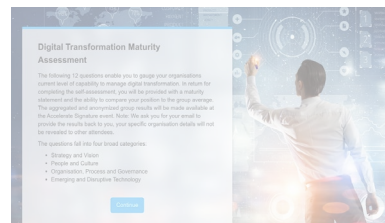


Working towards your Digital Roadmap

Digital Ambition Frmwk



Where are
you on your
digital
journey?

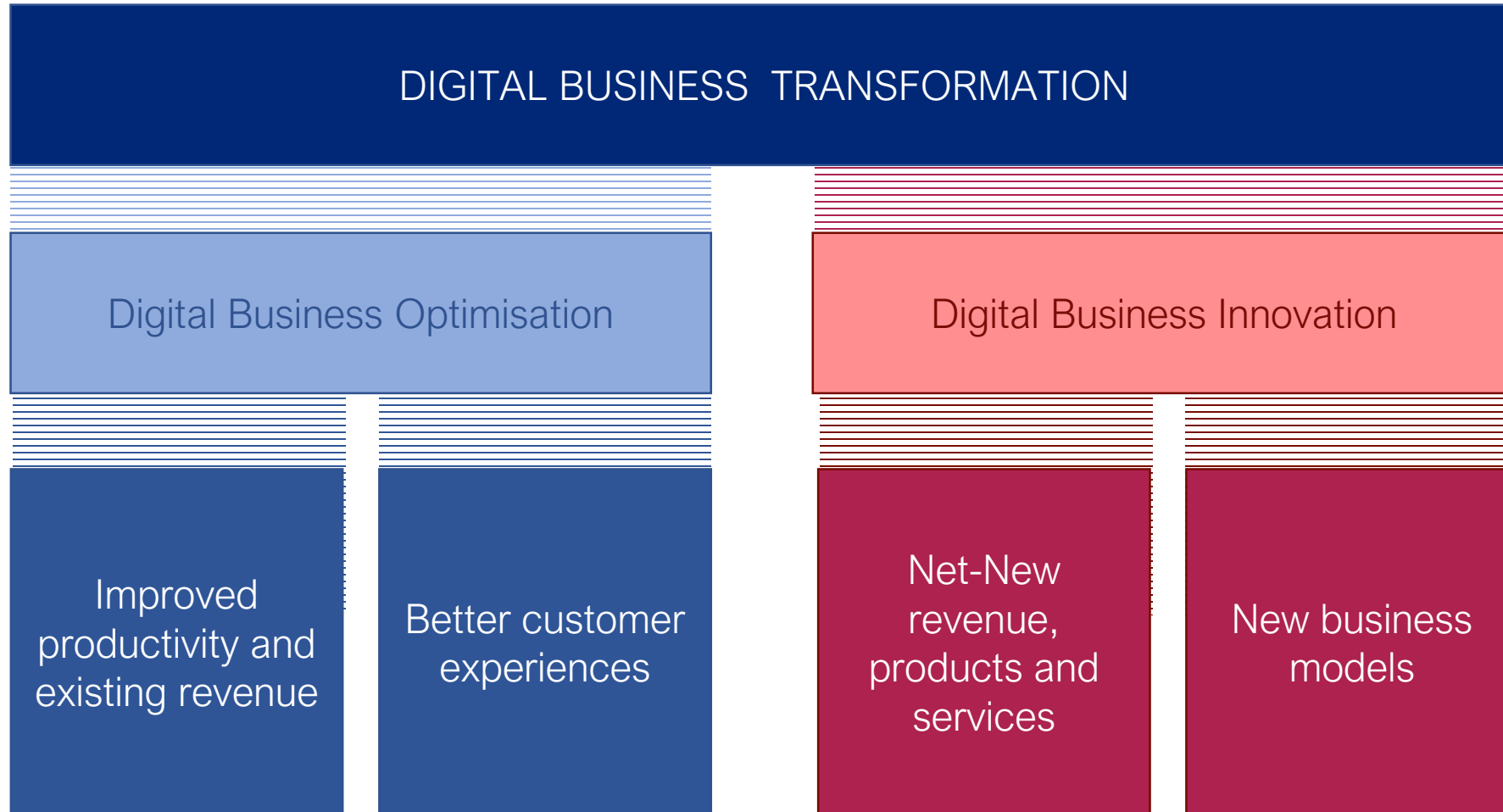


DX Maturity Assessment

DX Canvas



Are you mostly optimising or innovating?



Based on original concept from Gartner 2018

OPTIMISE



Increase Existing Revenue



Efficiency and Cost Reduction



Improve Customer Experience



Increase Asset Utilisation

Digital Business Optimisation.

Digital business technologies can be used to improve the enterprise without changing the business model.

Additional digital channels to market can increase revenue, robotic process automation and IoT can be used to streamline process and reduce operational cost or improve asset utilisation.

Most organisations focus on connecting with customers through digital channels. AI technologies are increasingly being used to transform the customer experience.

ACCELERATE

Digital Business Innovation.

Typically, digital innovation results in new revenue streams, new products or services and can lead to net new business models.

Companies need to think out of the box to leverage existing assets and monetise data.

Business ecosystems are emerging to offer better value propositions to the market. Platform businesses are maturing and API driven strategies are lowering the barriers to serve markets with unmet needs.

Agile businesses are able to spot opportunities in adjacent markets or create demand in new markets in many cases by combining the power of several emerging technologies.

INNOVATE

Leverage Existing Digital Assets



Digitise Products or Services



Ecosystem and Platforms



New or Adjacent Industries



Digital Business Optimisation



Increase Existing Revenue



Efficiency and Cost Reduction



Improve Customer Experience



Increase Asset Utilisation

Digital Business Innovation

Leverage Existing Digital Assets



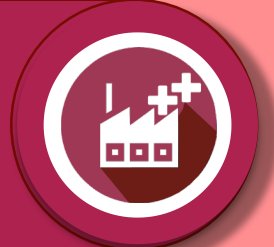
Digitise Products or Services



Ecosystem and Platforms



New or Adjacent Industries



DIGITAL INITIATIVE CAPTURE SHEET

Initiative title/Description: _____

Customer or Business outcome to be achieved:

Define the customer / business problem you seek to resolve and the anticipated outcome(s) when resolved

Internal challenges to be overcome to realise the opportunity:

List the internal challenges that need to be overcome to achieve the outcomes above

Potential technology (select all that apply):

SMAC:

- ☐ Social
- ☐ Mobile
- ☐ Analytics
- ☐ Cloud

EMERGING:

- ☐ Blockchain
- ☐ AI and/or ML
- ☐ IoT and/or M2M
- ☐ Cognitive Technologies

OTHER:

Tick all that apply:

DIGITAL OPTIMISATION

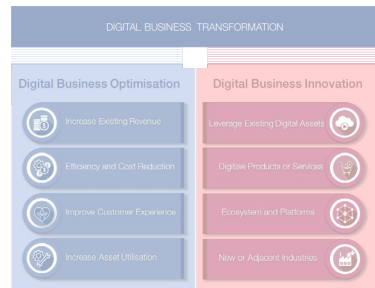
	Increase Existing Revenue	<input type="checkbox"/>
	Efficiency and Cost Reduction	<input type="checkbox"/>
	Improve Customer Experience	<input type="checkbox"/>
	Increase Asset Utilisation	<input type="checkbox"/>
	Other	<input type="checkbox"/>

DIGITAL INNOVATION

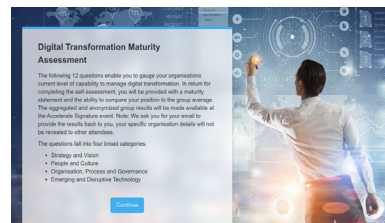
	Leverage Existing Digital Assets	<input type="checkbox"/>
	Digitise Products or Services	<input type="checkbox"/>
	Ecosystem and Platforms	<input type="checkbox"/>
	New or Adjacent Industries	<input type="checkbox"/>
	Other	<input type="checkbox"/>

Working towards your Digital Roadmap

Digital Ambition Frmwk



Where are
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DX Maturity Assessment

DX Canvas



Digital Transformation Maturity Assessment

The following 12 questions enable you to gauge your organisations current level of capability to manage digital transformation. In return for completing the self-assessment, you will be provided with a maturity statement and the ability to compare your position to the group average. The aggregated and anonymized group results will be made available at the Accelerate Signature event. Note: We ask you for your email to provide the results back to you, your specific organisation details will not be revealed to other attendees.

The questions fall into four broad categories:

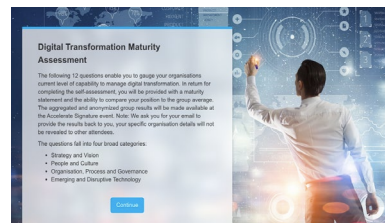
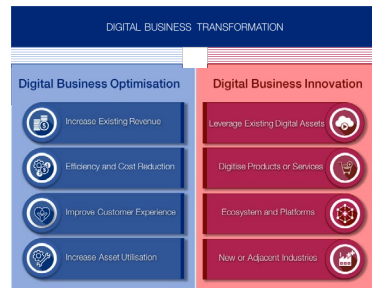
- Strategy and Vision
- People and Culture
- Organisation, Process and Governance
- Emerging and Disruptive Technology

Continue

- **Assess your DX maturity (3 levels)**
- **Identify strengths and weaknesses**
- **Compare against your peer average**

Working towards your Digital Roadmap

Digital Ambition Frmwk



DX Maturity Assessment

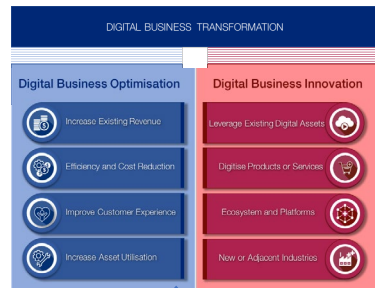
DX Canvas



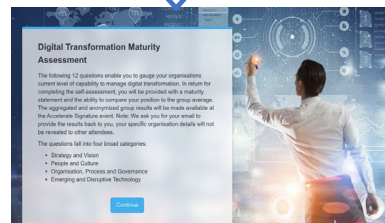
Working towards your Digital Roadmap

1

Digital Ambition Frmwk



Alignment?



DX Maturity Assessment

2

?

What are you seeking to achieve ?



?

What capabilities do you need ?

3

DX Canvas



- ?
- What do you need to know?
 - What are you already doing?
 - What do you need to do?

Digital Transformation Canvas

1. Customer Centricity

Customer obsessive organisations place a strong focus on customer orientation, personalised offers, digital communication and sales channels. They pride themselves in being able to detect weak signals in the market and are able to determine which one to pay attention to.

2. Emerging Technologies

The practical application of emerging technologies including artificial intelligence, machine language, internet of things, blockchain, platforms, and APIs to solve business problems.

4. Digital Business Development & Ecosystems

Organisations are providing new or extended products and services through innovation, new business models and alliances. Organisations that orchestrate Ecosystems will reap larger rewards

6. Digital Leadership

Adopting the right management and governance principles to lead a digital business in an always on environment.

3. Data & Information

The most important fuel for businesses now is data, including being able to harness it and understand the deep analytics behind it.

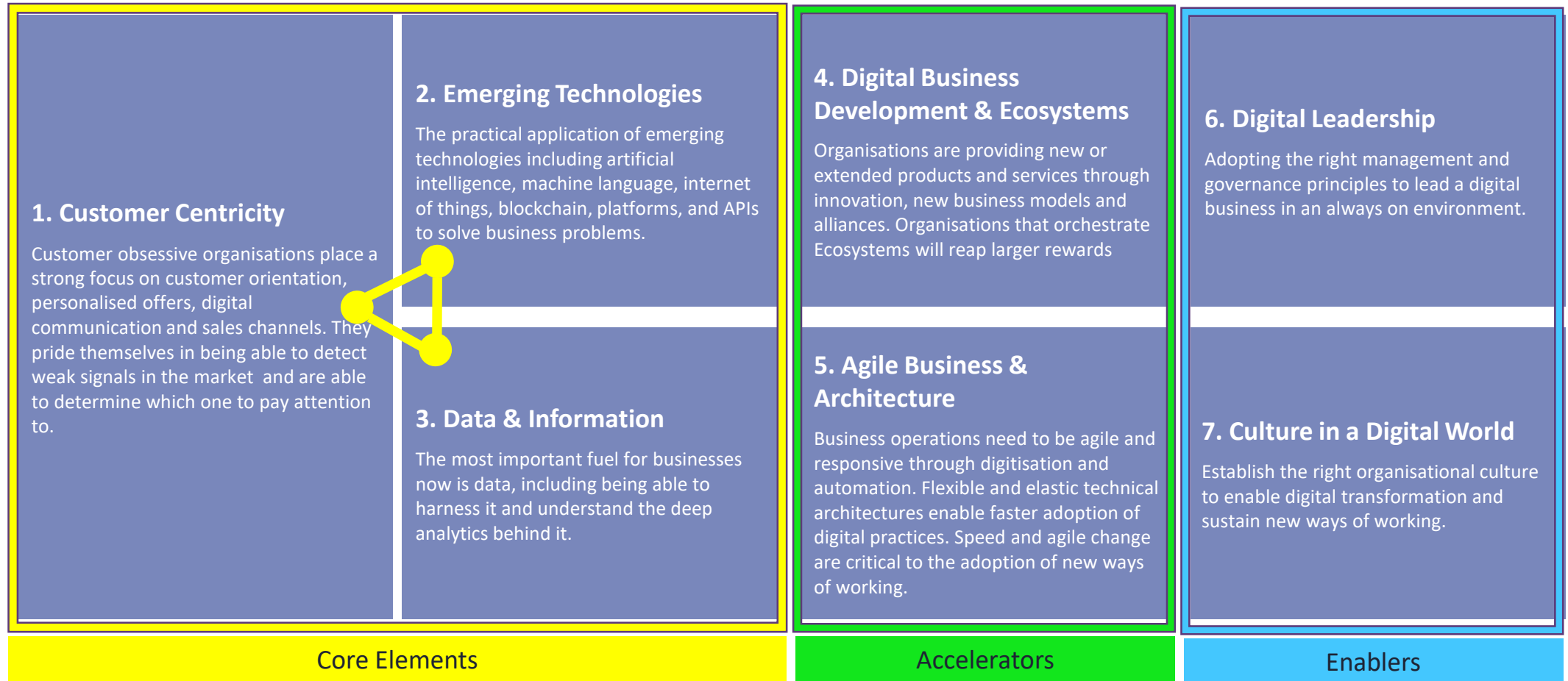
5. Agile Business & Architecture

Business operations need to be agile and responsive through digitisation and automation. Flexible and elastic technical architectures enable faster adoption of digital practices. Speed and agile change are critical to the adoption of new ways of working.

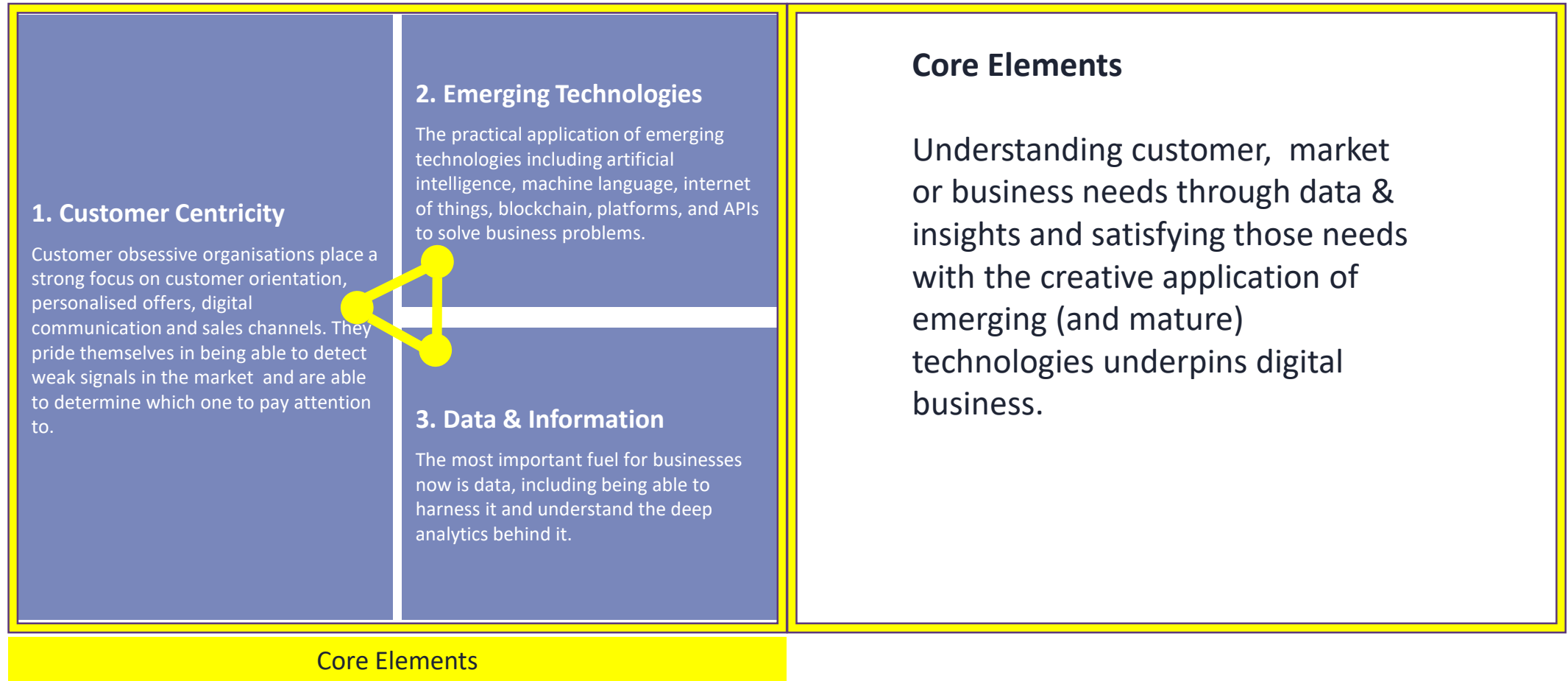
7. Culture in a Digital World

Establish the right organisational culture to enable digital transformation and sustain new ways of working.

Digital Transformation Canvas



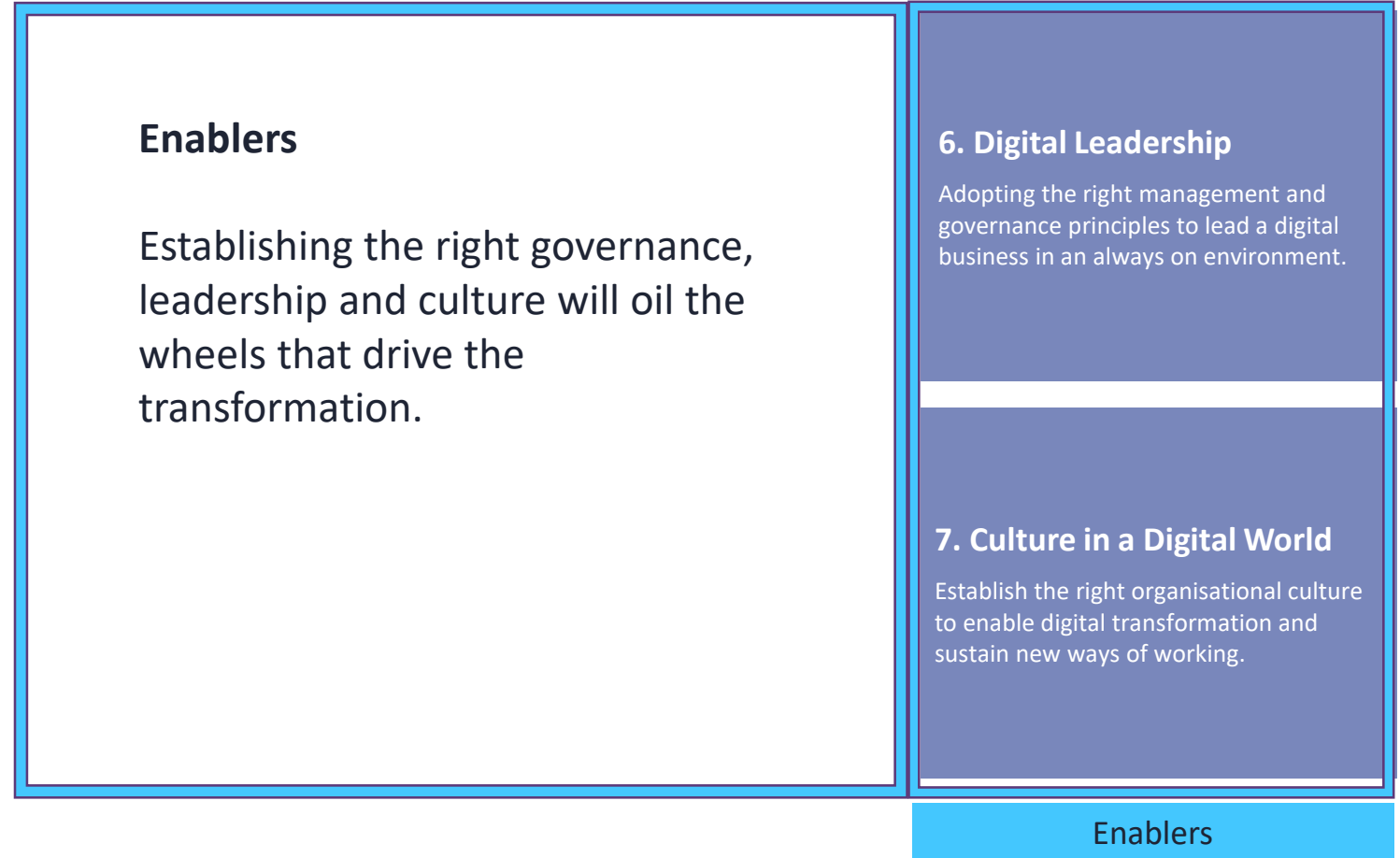
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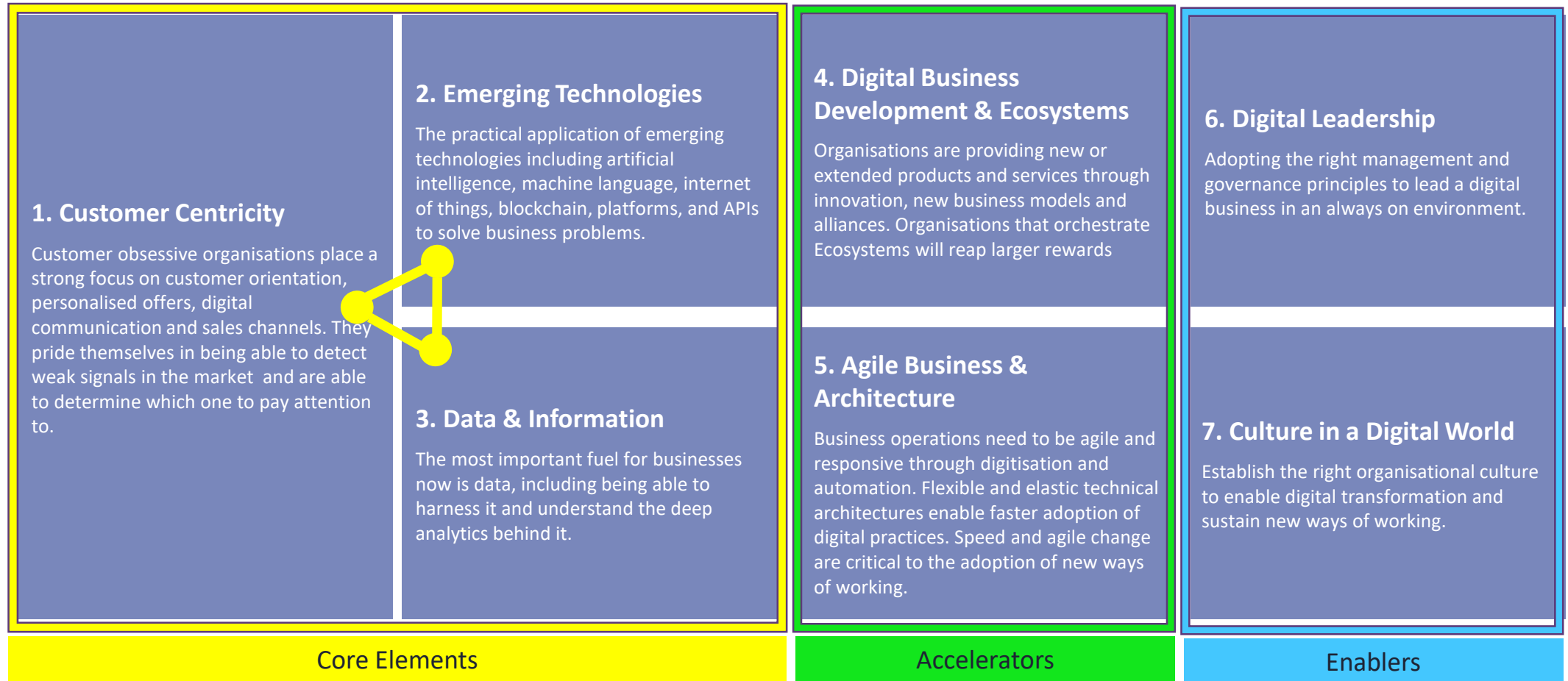
Digital Transformation Canvas



Digital Transformation Canvas



Digital Transformation Canvas

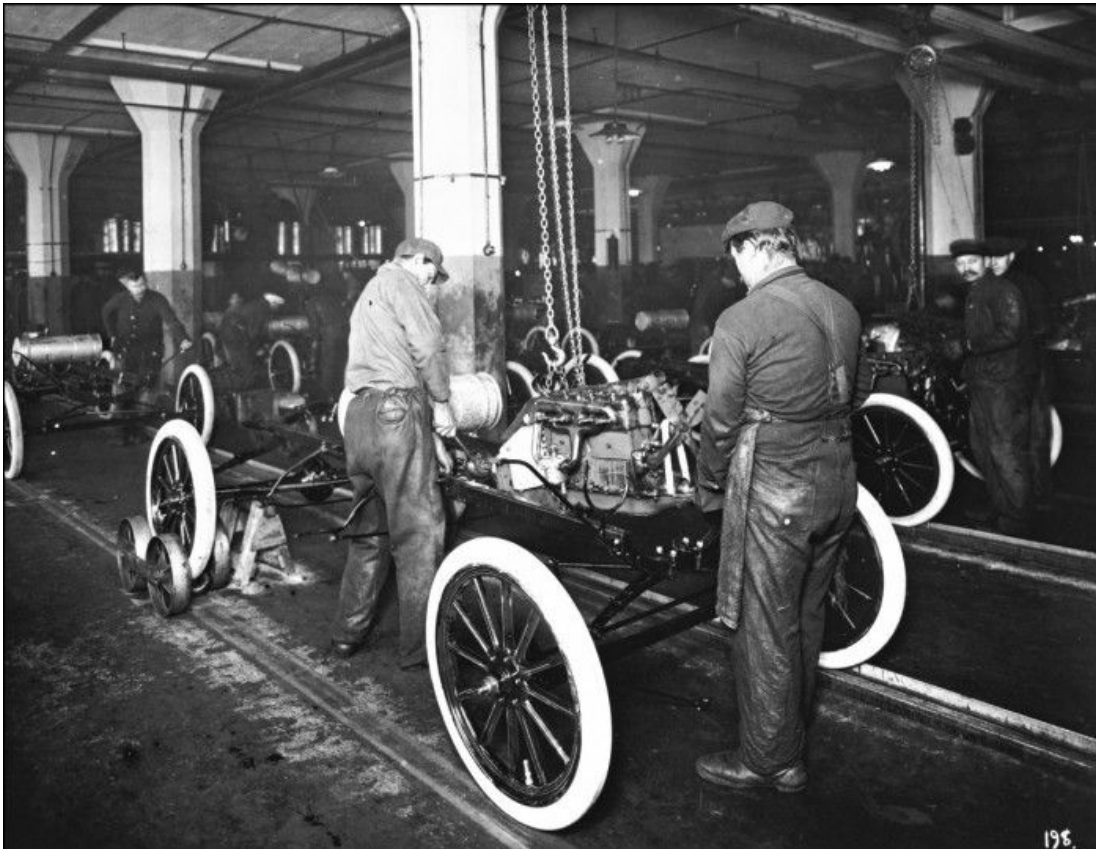


DIGITAL TRANSFORMATION CANVAS

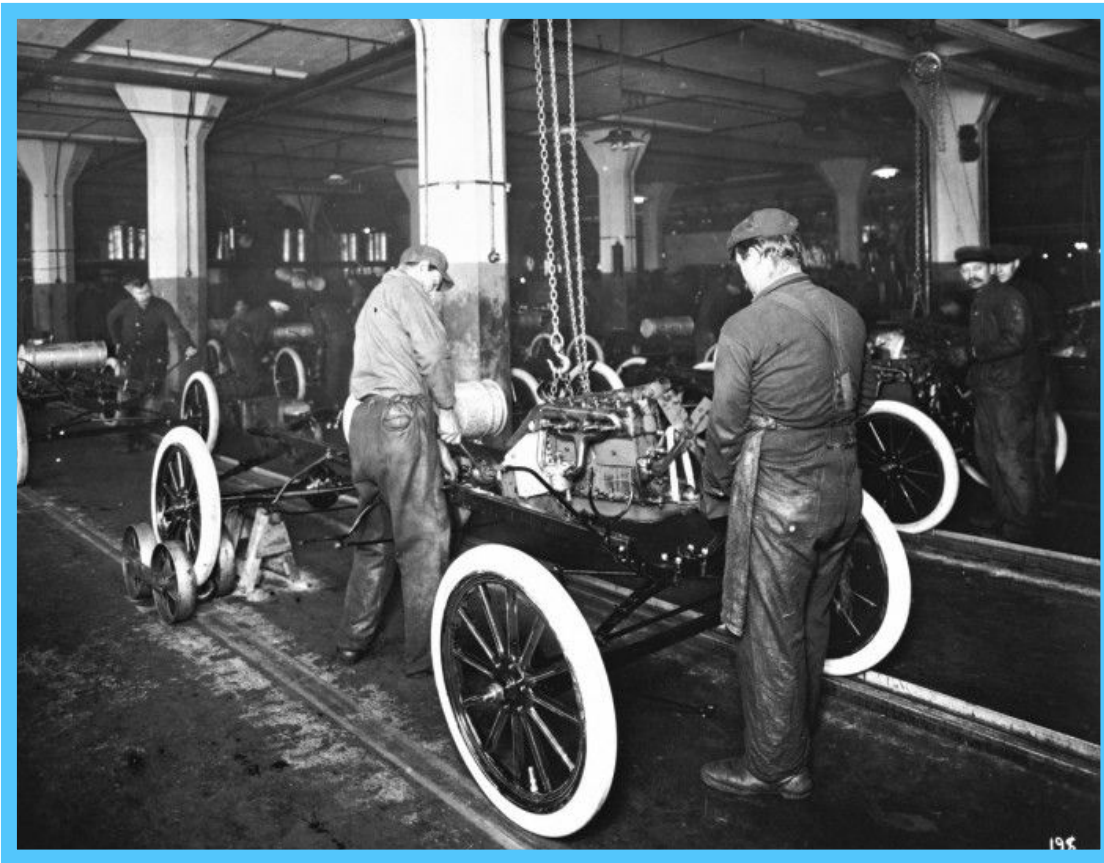
7 key areas to consider in your digital transformation journey

<p>1. Customer Centricity</p> <p>Customer obsessive organisations place a strong focus on customer orientation, personalised offers, digital communication and sales channels. They are able to detect and act on weak signals in the market.</p> <ul style="list-style-type: none">• What customer problems are we solving?• What data is available or must be collected to better understand our customers?• Do we employ personas and empathy maps to better understand our customers?• Do we map our interactions with our customers through journey maps to understand the opportunities to remove friction and add value?• Which target segments have the highest potential for digital business?• What are the core customer needs per segment?• Do our core processes meet these customer needs? If not, what must be changed?• Which components of our marketing mix (product, price, communication, distribution, additional services) do we need to modify?• Which personalised offers (services/products) do we want to offer in the future?• What additional digital channels do we want to offer?• Are our physical and digital customer experiences integrated, harmonised and aligned to our brand promise?• Which customer facing systems and processes will we have to adapt?• What are our quick-wins to immediately achieve a stronger customer orientation and satisfaction?• Are we actively monitoring the market for weak signals that may become the next customer need or experience expectation?	<p>2. Emerging Technologies</p> <p>The practical application of emerging technologies including artificial intelligence, machine language, internet of things, blockchain, platforms, and APIs to solve business problems.</p> <ul style="list-style-type: none">• What are the new technologies available today and in the future, and what potential do they have for our customers and to our organisation?• How do these emerging technologies actively support our value propositions and processes?• What use cases are being applied in our industry and adjacent industries?• How will these technologies develop and how will they be used in the future?• Which emerging capabilities have we/ should we develop experience and capabilities around?• How do these technologies feature in our infrastructure roadmap for the next 5 to 10 years?• How are we preparing our legacy IT infrastructure to integrate with emerging technologies?• Are we actively monitoring the market for weak signals that may become the next wave of disruption?	<p>4. Digital Business Development</p> <p>Organisations are providing new or extended products and services through innovation, new business models and alliances. Organisations that orchestrate Ecosystems will reap larger rewards.</p> <ul style="list-style-type: none">• How sustainable and futureproof is our current business model?• What are the components of our value chain: which services/products drive (digital) customer benefits, which services/products can be offered separately?• What ecosystems and partnerships would enable us to reach our target markets and offer increased value to our customers?• Should we orchestrate ecosystems or just be part of one or more?• Which platforms, products, cooperation models and channels have the potential to increase/multiply our market potential?• What other innovations can we leverage to increase/expand/redefine our market offering?• Is our IT architecture elastic and responsive? How do we manage legacy and emerging technology?• Have we considered open stack or API driven approaches?	<p>6. Digital Leadership</p> <p>Adopting the right management and governance principles to lead a digital business in an always on environment.</p> <ul style="list-style-type: none">• Do we actively cultivate learning agility and the art of critical thinking?• Is our digital strategy clear? Do we set an inspiring vision for our employees?• Do we have the right governance, funding and management structures in place for digital transformation?• Which new management principles and organisational forms are important in a digital business?• How do we develop the foundations for digital leadership and ensure we have the right digital talent to succeed?• Do our leaders understand what it takes to lead an origination from 'engaging in digital' to 'being digital'?• How do we lead our employees through the change process?
	<p>3. Data & Information</p> <p>The most important fuel for businesses now is data, including being able to harness it and understand the deep analytics behind it.</p> <ul style="list-style-type: none">• Do we understand how data drives value in our organisation?• How do we leverage structured and unstructured data to make informed decisions?• Are we scaling data collection, visualisation and dissemination across our organisation?• Are we able to monetise the data that we collect in an ethical way?• Are our IT security and data management processes set up for digital business?• Do we monitor emerging legislation and ethical considerations in the field of data protection, privacy, analytics, AI and PSYOPS?• Are we prepared as individuals and as an organisation to manage cyberattacks and misinformation?• Have we analysed the future potential of solutions in the cloud and intelligent data?	<p>5. Agile Business</p> <p>Business operations need to be agile and responsive through digitisation and automation. Flexible and elastic technical architectures enable faster adoption of digital practices. Speed and agile change are critical to the adoption of new ways of working.</p> <ul style="list-style-type: none">• Do we create customer and workforce value through digitisation and agile approaches?• Are our teams collaborating across functions? Do we collaborate effectively across companies?• How do we navigate complexity in our business environment?• How do we manage a dual speed organisation to deliver BAU as well as drive adoption of our new digital initiatives?• Do we apply agile principles across our business?• Do we have agile change capabilities embedded across our business?• Which processes should we digitise and automate, and how?• What are our quick-wins to improve and simplify processes?• Do we actively look outside our organisation to adopt business practices from successful digital native organisations?	<p>7. Culture in a Digital World</p> <p>Establish the right organisational culture to enable digital transformation and sustain new ways of working.</p> <ul style="list-style-type: none">• Do we understand how our culture needs to evolve to be truly digital?• What does customer centricity mean in this always-on connected world?• Do we apply an outside-in rather than inside-out mentality to everything we do?• Do we work effectively across internal silos and with external parties?• Have we created a working environment that supports creativity and innovation?• Have we established an environment of disciplined experimentation and minimum viable products?• Do we understand how to embrace risk with a tolerance for failure but no tolerance for incompetence?• How much autonomy do staff need to be agile?• How do we link <u>brand</u>, <u>value</u> and <u>trust</u> to grow our business?

Lets look at a couple of case-studies



Lets look at a couple of case-studies



Volkswagen



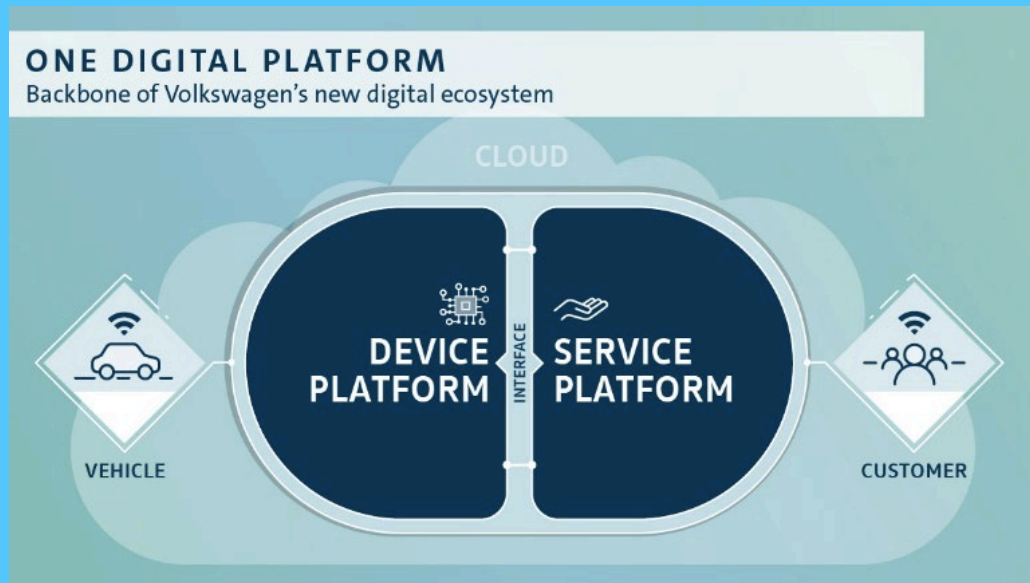
VolkswagenWe Digital Ecosystem

- *“We have a clear vision: we will continue to build vastly superior vehicles. But going forward, our Volkswagens will increasingly become digital devices on wheels”, Jürgen Stackmann, Volkswagen Brand Board Member for Sales.*
- Investing €3.5Bn by 2025
- Already in play in Berlin and expanding into major cities in Germany and later Europe
- <https://www.volkswagen-we.com>

Lets take a deeper dive

The Platform

1. Customer Centricity	2. Emerging Technologies	4. Digital Business Development & Ecosystems	6. Digital Leadership
	3. Data & Information	5. Agile Business & Architecture	7. Culture in a Digital World



- Mobility services company
- Device platform
- Service platform
- Ecosystem players for added value

Volkswagen will be bundling all digital services and apps on the 'Volkswagen We' services platform. The result is an innovative matrix of Volkswagen mobility services.

The Services

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- WeShare
- WePark
- WeDeliver
- WeExperience
- WeCharge



The Campus

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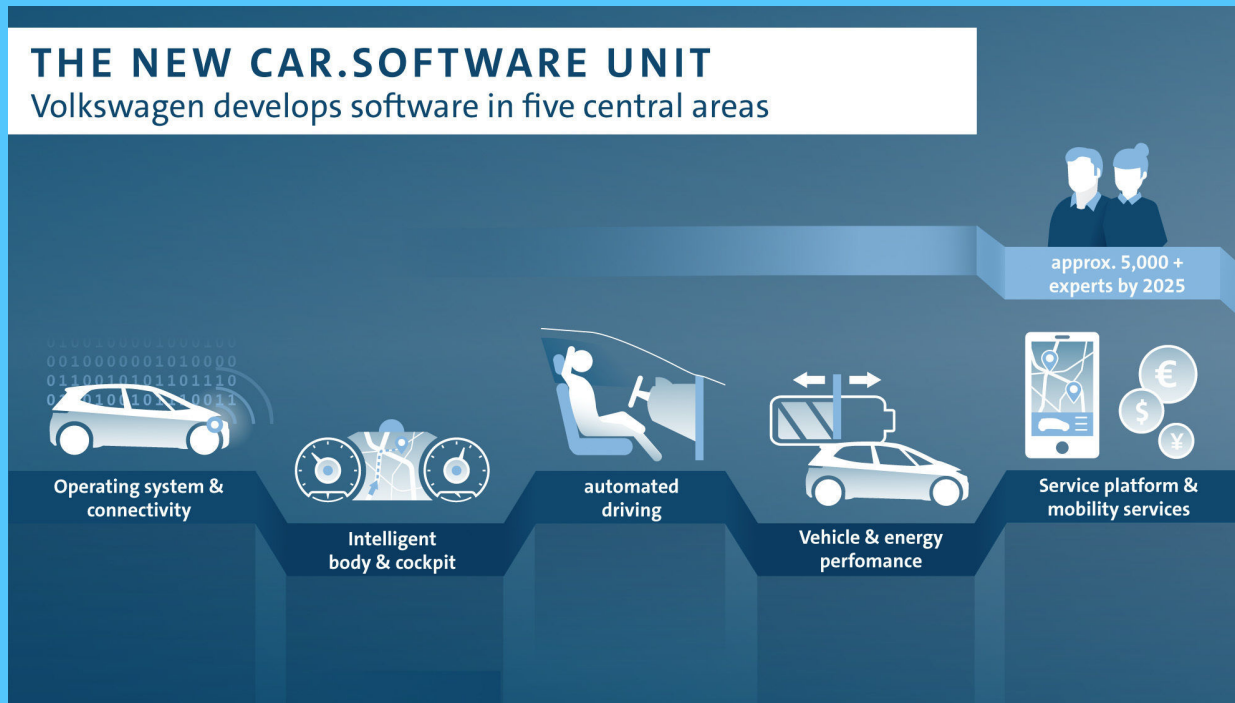
- Launched July 2019 in Berlin with 900 staff focused on VW We
- Agile Teams
- Multi Disciplines
- Ecosystem players
- New management styles
- Culture of collaboration

The Software

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“Software must be a core competence for the car manufacturer of tomorrow”

Christian Senger, Boardmember VW Digital Car and Services



- Car.Net
- WeConnect
- VW car.software unit
- Ecosystem tech players eg. AI capabilities

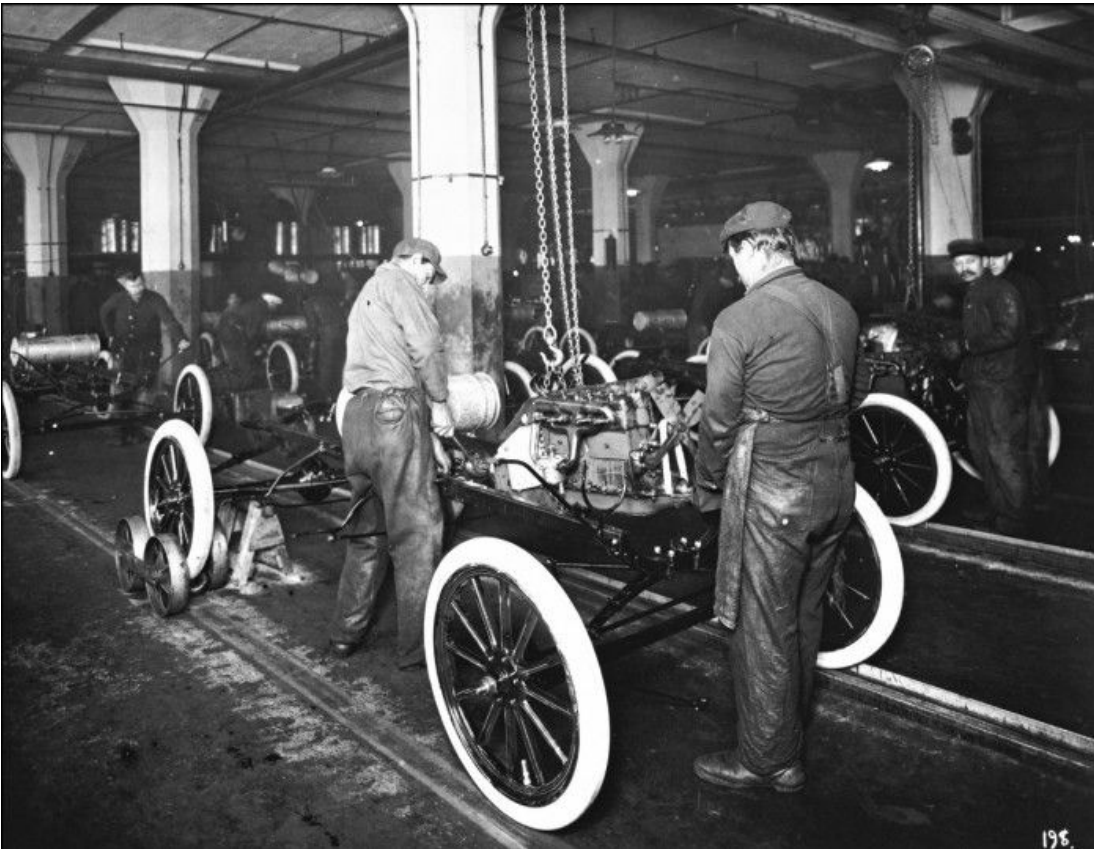
Summary

Volkswagen



- Invested in all 7 levers of the DX Canvas
- Digital platform and ecosystem play is a central theme
- Already in Europe with some Apps
- Big play into the future – barriers to entry
- Consider the multiplier impact across the group (VW, Porsche, Audi, Seat, Lamborghini, Bentley, etc)

Lets look at a couple of case-studies





Live more,
Bank less

digital
~~Development~~
Bank of Singapore

Additional material on this case: <https://www.dbs.com/innovation/dbs-innovates/dbs-cio-david-gledhill-on-transforming-a-bank-by-becoming-digital-to-the-core.html>



Leading Financial Services Group in Asia

Headquartered in Singapore, with a growing presence in Greater China, South East Asia and East Asia

Best Digital Bank 2018 in the world

Best SME Bank in the world

Safest Bank in Asia 'AA' rating

- 22,000 Start-Up future ready workforce
- S\$482 Billion in assets
- S\$11.5Billion in income



Over 280 branches across 18 markets

Source: DBS Website

From GAFA to GANDALF

1. Customer Centricity	2. Emerging Technologies	4. Digital Business Development & Ecosystems	6. Digital Leadership
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Being the D in



**REIMAGINE BANKING
... LIVE MORE, BANK LESS**

“ ... you have to be willing to
re-architect your
fundamental technology to
be like a tech firm ”

*Piyush Gupta, DBS CEO
CNBC, 13 March 2018*





**Become Digital
to the Core**



**Embed Ourselves in the
Customer Journey**

Make DBS 'Invisible'

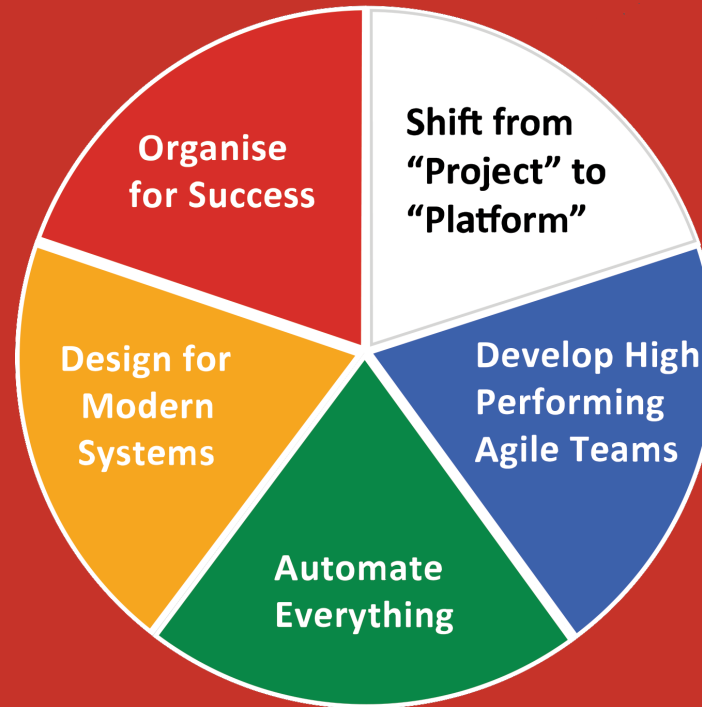


**Create a 22,000
Start-up**

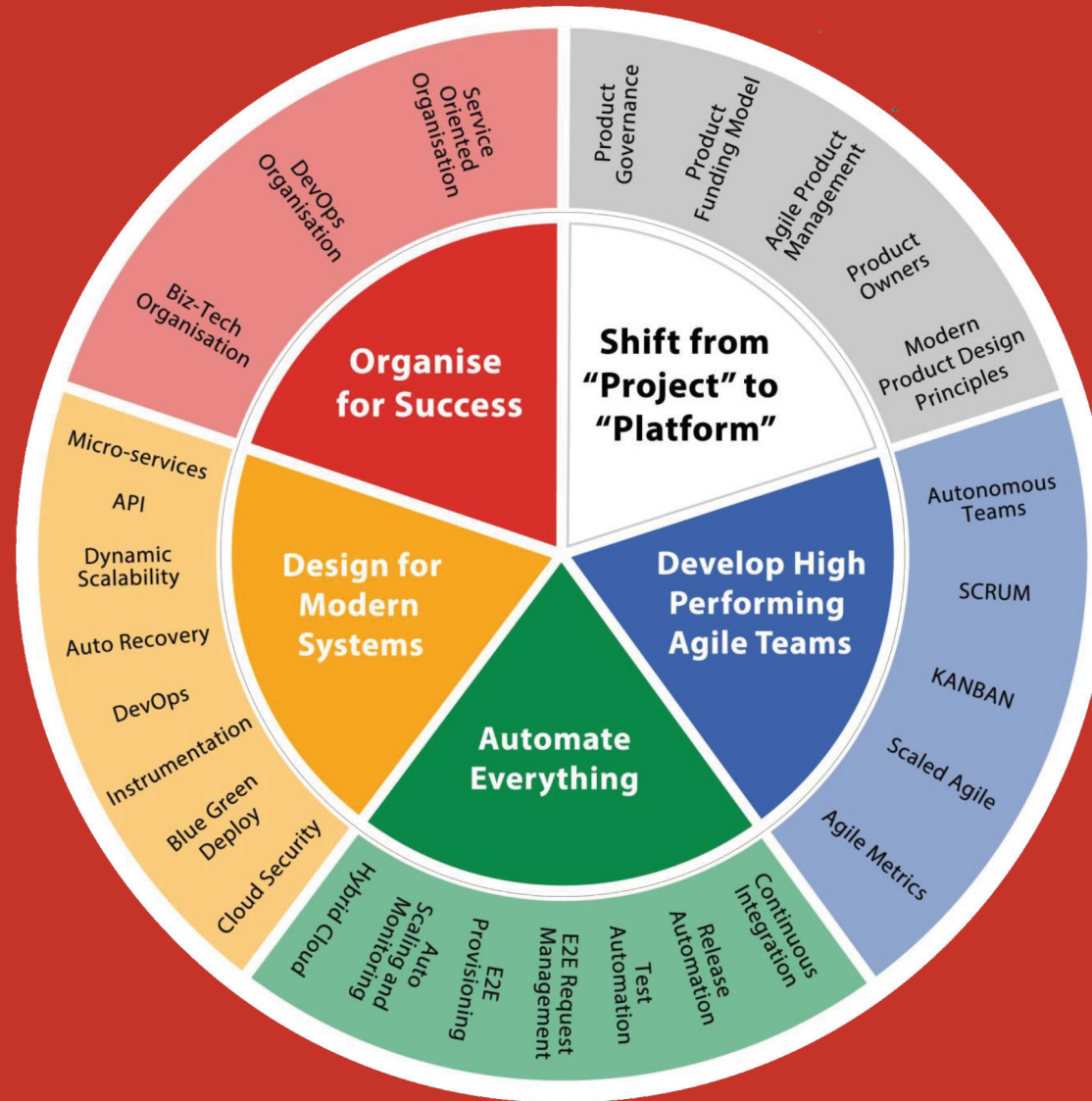
Source: DBS Investor Day presentations, Nov 2017
<https://www.dbs.com/investorday/index.html#agenda>

They changed the way they worked

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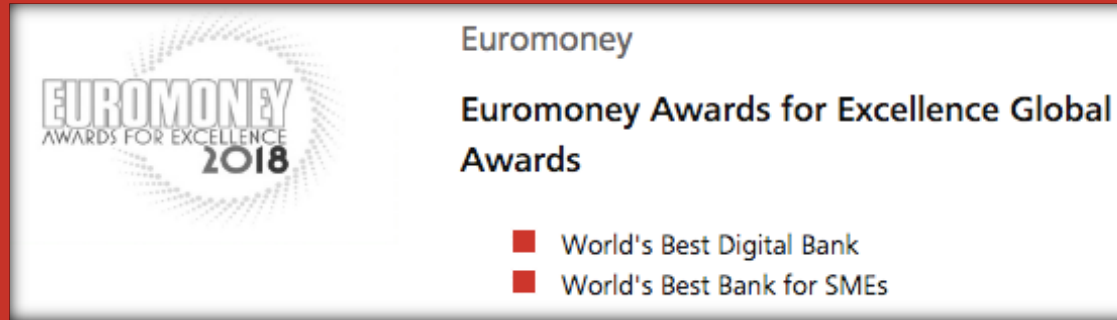


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Business Outcomes



- Lower cost to acquire
- Higher absolute cost to serve but lower as a % of income (Growth)
- More engagement (transactions) x 16 for consumer x6 for SME
- Greater share of wallet
- Longer relationship - renewals and extensions

In Summary

- DBS an organisation with significant legacy infrastructure applied a whole of organisational approach to becoming a digital-first business.
- To ensure their legacy IT infrastructure was not going to slow them down they become 'digital to the core'.
- They become customer obsessive by ensuring they were invisibly embedded in the customer journey
- They learned from digital natives and became a 22,000 person start-up
- They relentlessly measured their progress every step of the way
- In 2018 they were awarded awarded the title of the best digital bank in the world.



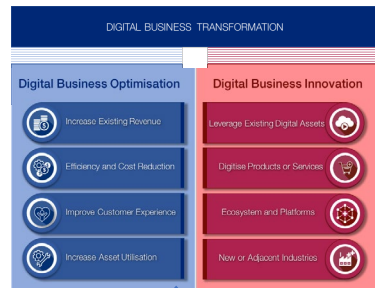
So what now?

How can you make the most of the Accelerate 2019

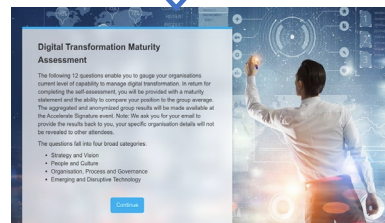
Working towards your Digital Roadmap

1

Digital Ambition Frmwk



Alignment?



DX Maturity Assessment

2

What are you seeking to achieve ?



What capabilities do you need ?

3

DX Canvas



- What do you need to know?
- What are you already doing?
- What do you need to do?

Consider the masterclasses that follow

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SIGNATURE EVENT MASTERCLASSES	<p>Masterclass A:</p> <p><i>From Enterprise to Ecosystem</i></p>
	<p>Masterclass B:</p> <p><i>Digital Agility through OPEN Organisation</i> <i>A bottom up & Top down transformation</i></p>
	<p>Masterclass C:</p> <p><i>Demystifying IOT and AI (security and trust)</i></p>
	<p>Masterclass D:</p> <p><i>Building Adaptive Leadership and Cultures</i></p>



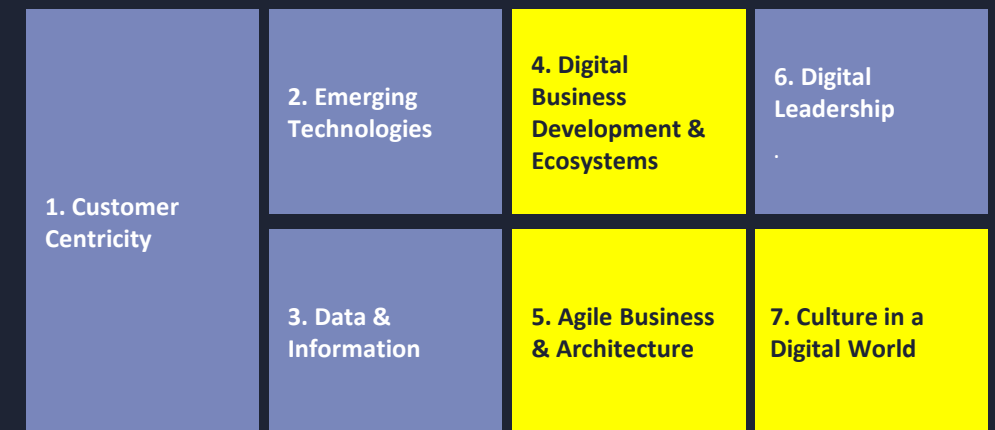
David Gram, Lego Ventures



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Arash Dadras, Andreas Spanner Red Hat



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David Goad, UNSW



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Rosamund Christie, Julie Ahern UNSW



DIGITAL TRANSFORMATION CANVAS

7 key areas to consider in your digital transformation journey

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REMINDER
:

Assess your organisations DX Maturity



