



**Booth Alumni Roundtable**

# **Digital Business**

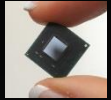
October 24, 2013



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# Digital is the strongest macro force driving business and societal change in our era



**30 billion** devices connected to the internet by 2020



**35%** of consumers' shopping time is spent on e- and m-commerce (A.T. Kearney)



**77%** of retail banks have either already launched or have plans to launch an e-wallet solution (A.T. Kearney)



**2012** saw more mobile traffic than all preceding years combined – **66% CAGR** predicted through 2017 (A.T. Kearney, GSMA)



**Crowd-funding** market grew **81%** in 2012 (\$2.7B); est. to double to ~\$5.1bn in 2013 (EventStir)



**Almost half** of companies expect to have a CIO on the board in 2020 (A.T. Kearney)



It is tempting to focus sharply on the technologies...

**Technology Drivers**

**Core technology innovations**



**CPU / Processing**



**Storage**



**Network**



**Device & UI innovations**



**Sensors**

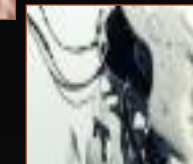
**Application innovations**

**Mobility**



**Augmented reality**

**Crowd sourcing**



**AI / Machine learning**

**Gamification**



**Social media**

**3D printing**



**Cloud computing**

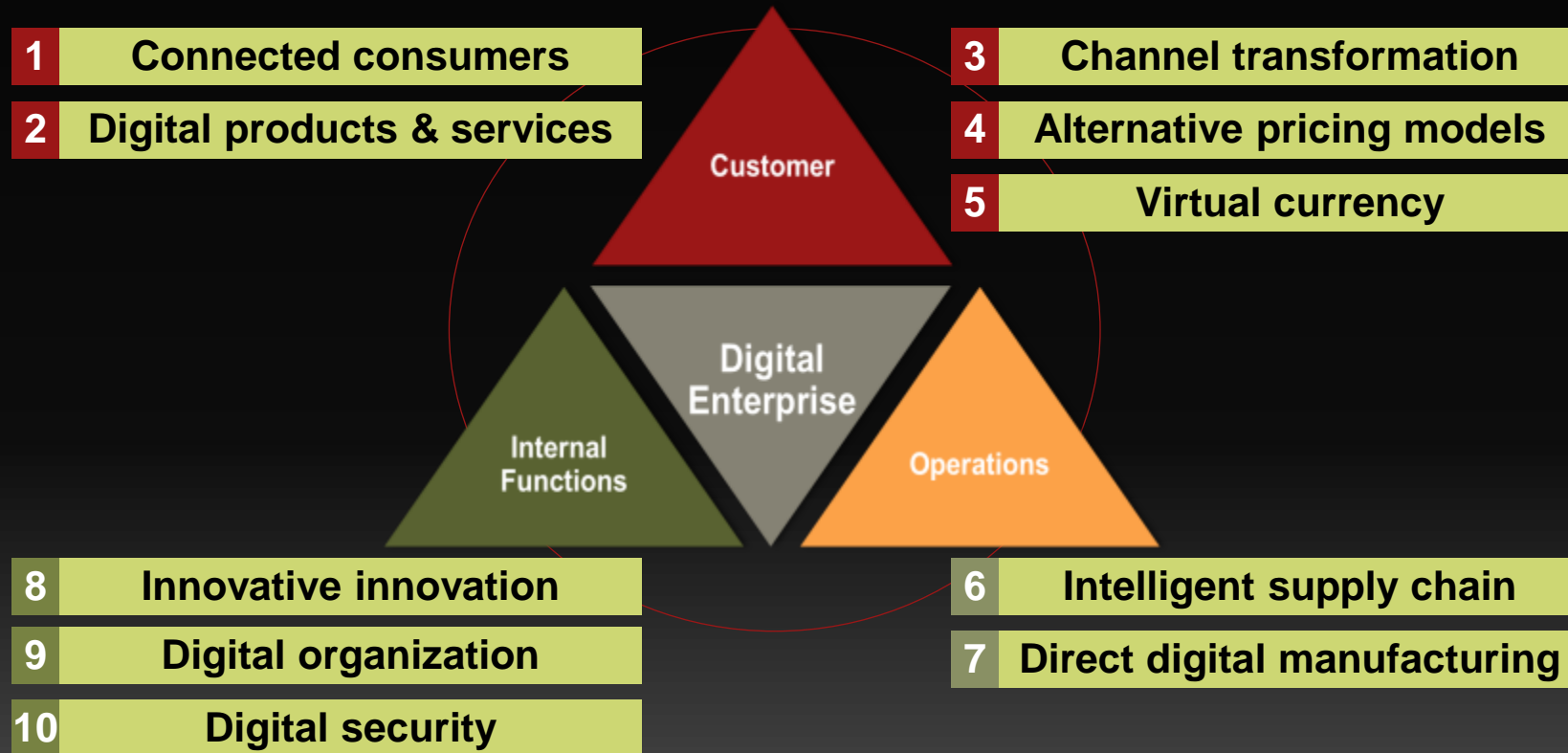
**Natural language processing**



**Wearable computing**

... but essential to step-back and take stock of *business* disruptors

**Digital Business Disruptors**





# Modern products and service must consider digital aspects

- 1** Connected consumers
- 2** Digital products & services



# AT Kearney

Consumers research / acquire products across physical and digital channels, with instant pricing, and purchase with digital assets



3 Channel transformation

4 Alternative pricing models

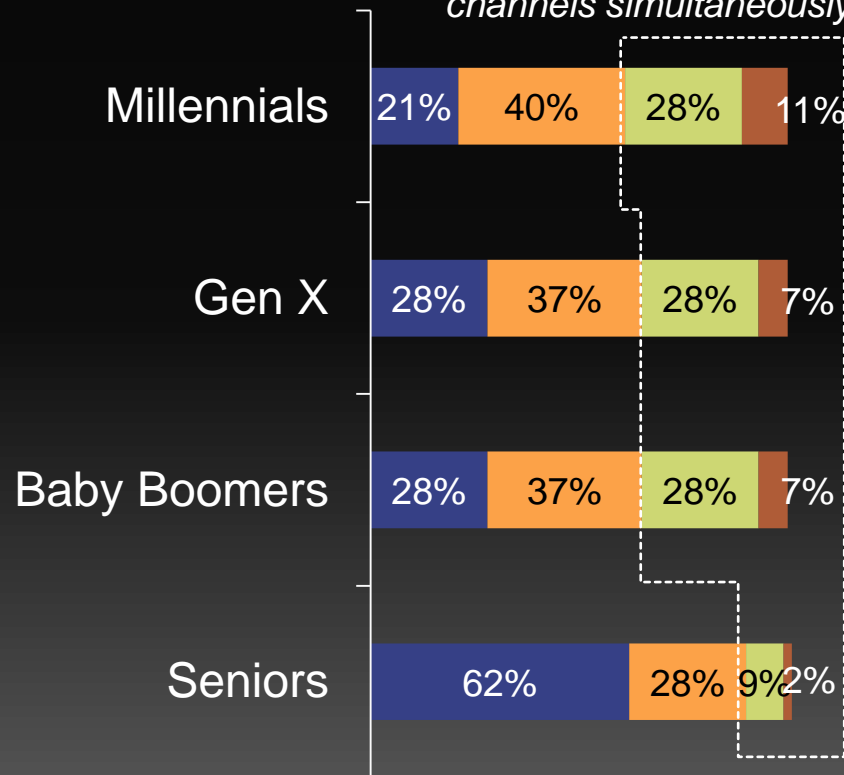
5 Virtual currency



# Consumers research / acquire products across physical and digital channels, with instant pricing, and purchase with digital assets

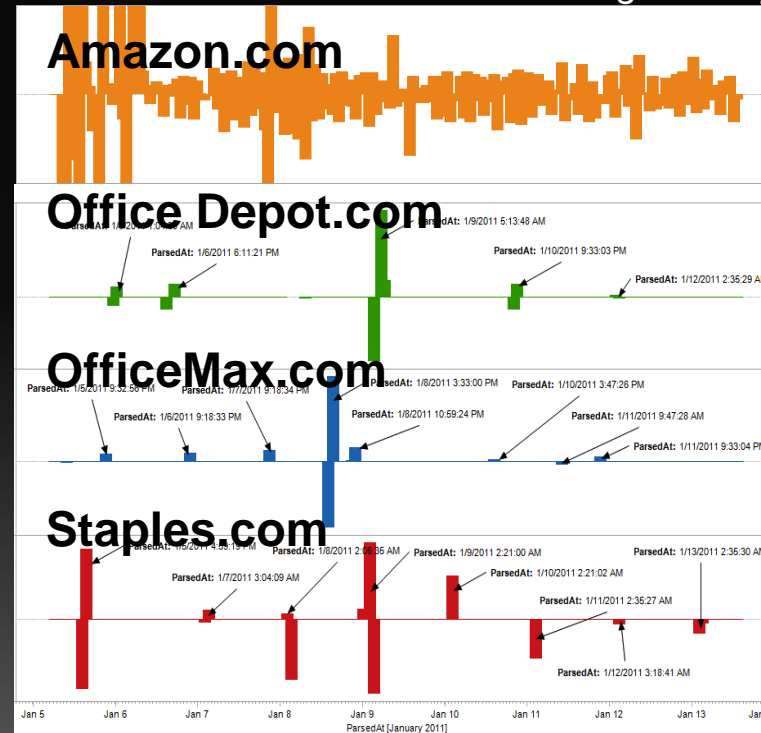
## Multi-channel Usage by Age (Simultaneous Use of Channels)

*Nearly one-third across all age groups use multiple channels simultaneously*



## Price Variability Indicator (Technology Categories)

*Amazon does not make predictable "block price changes." Prices vary throughout day*



## Price and Volume of Mt. Gox (BitCoin)

*Price of Bitcoins has nearly doubled in October (during US debt ceiling debate)*





The manufacture and delivery of these products and services occurs more rapidly, more accurately, and with less working capital

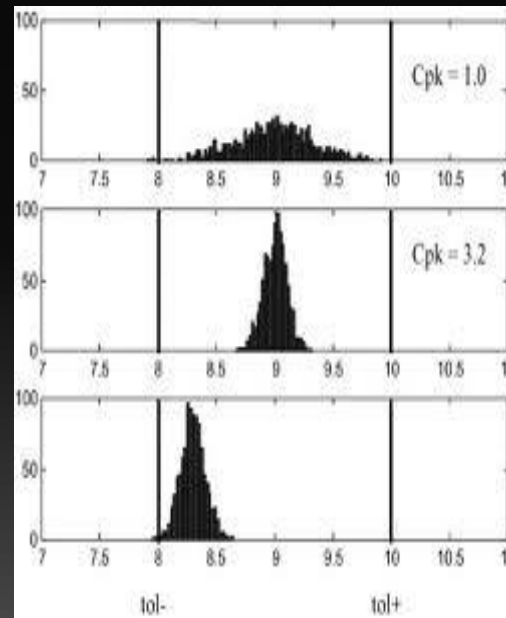
6 Intelligent supply chain

7 Direct digital manufacturing

Printing digital designs when needed



Big Data analytics to improve demand forecasting



Smarter supply chains and avoiding low-turn inventory improves working capital





**ATKearney**

To thrive in this reality, organizations must innovate differently, structure themselves differently, and accept a new mandate to secure information

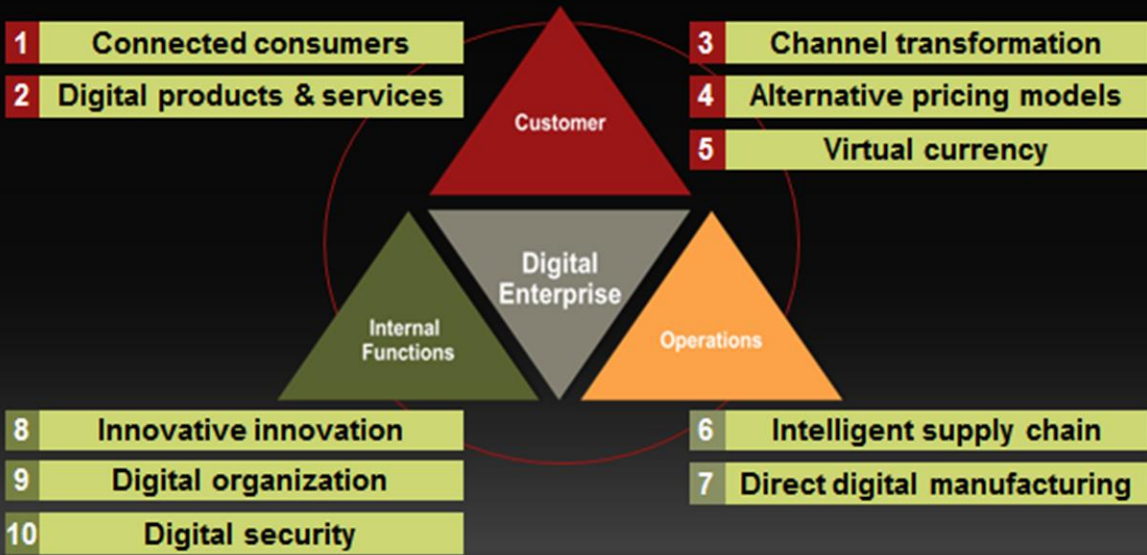
8 Innovative innovation

9 Digital organization

10 Digital security



# Within these areas, major implications for corporations emerge



**Customer**

- Consumers' digital adoption rate is accelerating
- To "improve customer experience," providers of products and services creep evermore into consumers' lives

**Operations**

- Balancing consumers' demand for immediate gratification and shareholders' demand for efficiency drives new and more efficient supply chain models

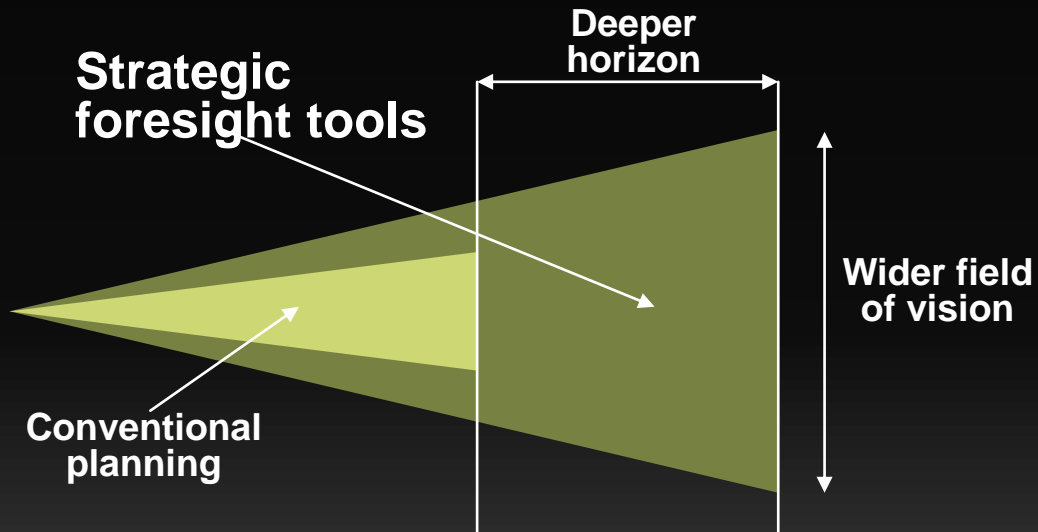
**Internal Functions**

- Companies extend their enterprise... including customers into operations requires new skills and controls

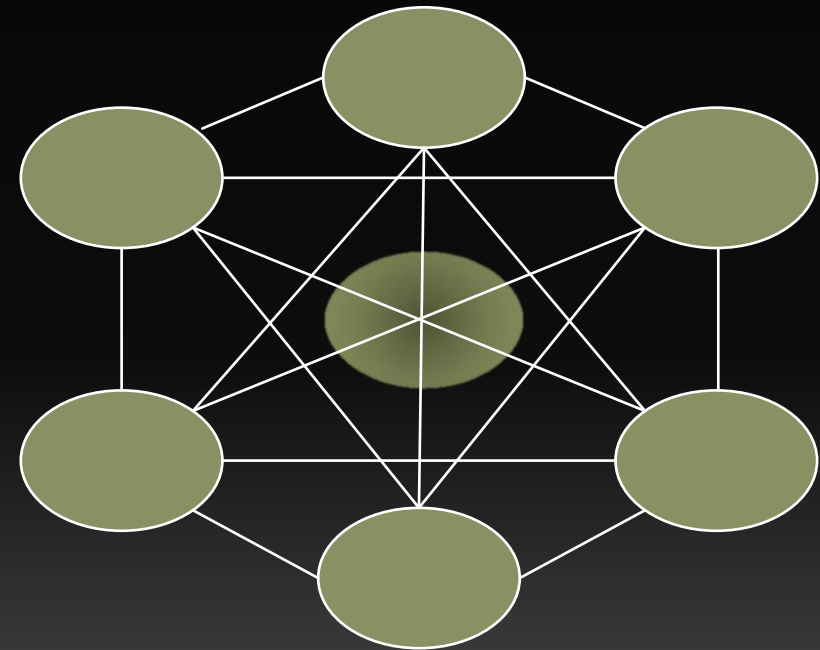
That change is occurring **within these areas**  
is not the only story...

The discipline of strategic foresight consists of tools for managing future uncertainty systematically

**Strategic foresight methodically broadens the field of vision**



**Scenario planning systematically disrupts the assumed future**





# Three Geotechnological Futures... scenarios to deepen and widen our strategic view

**Scenarios:**

**Strategic Parameters:**

Technology and Human Empowerment

Locus of Economic Power and Innovation

Cyber Landscape

Business Environment

**DATA EMPIRES**



**“The Dominance of Ecosystems”**

**CYBER STATES**

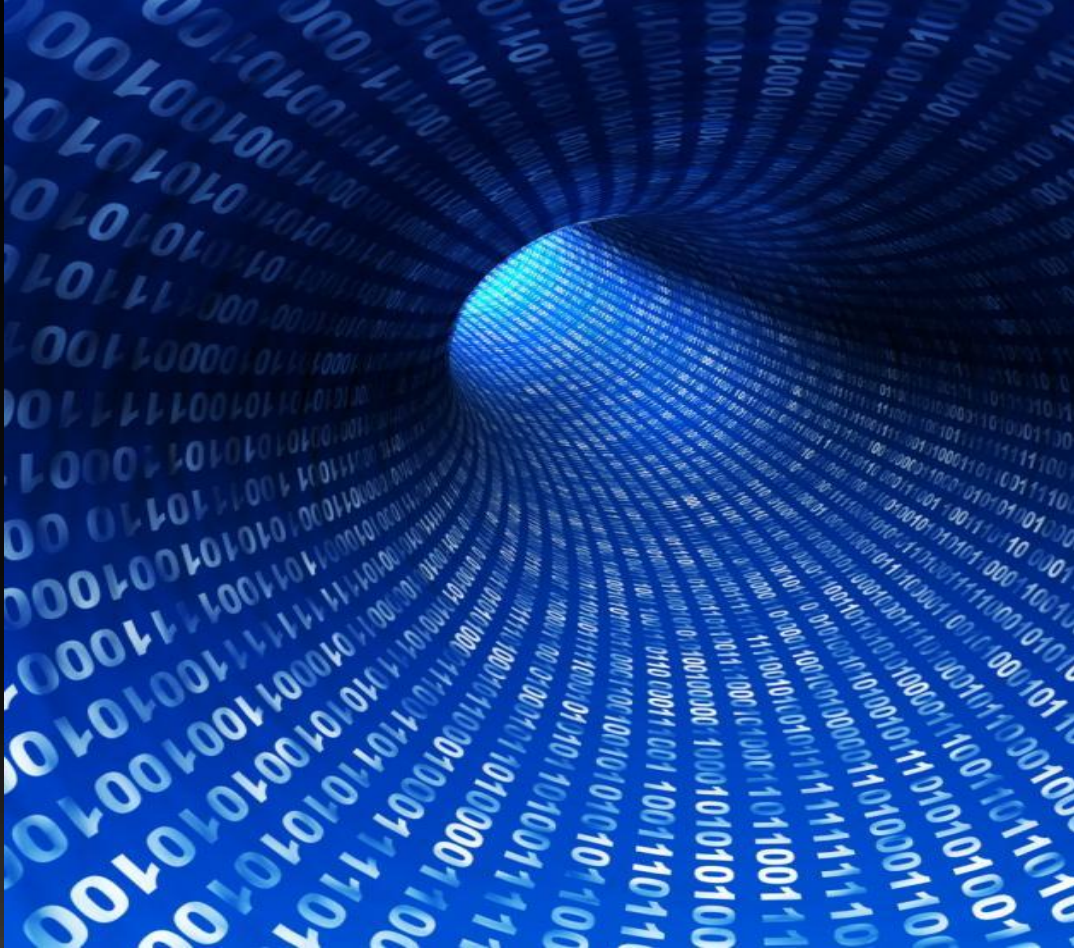


**“Information Protectionism”**

**ONE WORLD**



**“Nowhere to Hide”**



## DATA EMPIRES

“A world dominated by global technology ecosystems...”

## **DATA EMPIRES: Key Strategic Readiness Questions**

**DATA EMPIRES**



**How capable are we of cross-platform execution?**

**How sophisticated is our corporate and technology alliance capability?**

**How robust and sustainable is our cyber-security model?**





## **CYBER STATES**

“A world defined by cyber barriers,  
and dominated by IT protectionism...”



## **CYBER STATES: Key Strategic Readiness Questions**



**How resilient are we with respect to the prospect of unraveling globalization?**

**How strong is our local presence and alignment in key markets?**

**How deep is our government relations capacity and global regulatory expertise?**

**How vulnerable is the flow of our global data?**



## **ONE WORLD**

“An intensely competitive, globalized world, unified by technology... perhaps excessively...”

## **ONE WORLD: Key Strategic Readiness Questions**



**How prepared are we to leverage open-source business and innovation models?**

**How well-defended are our core value-propositions?**

**How sophisticated is our digital strategy and analytic capacity?**

**Can we sustainably attract the technology talent we will need?**





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