



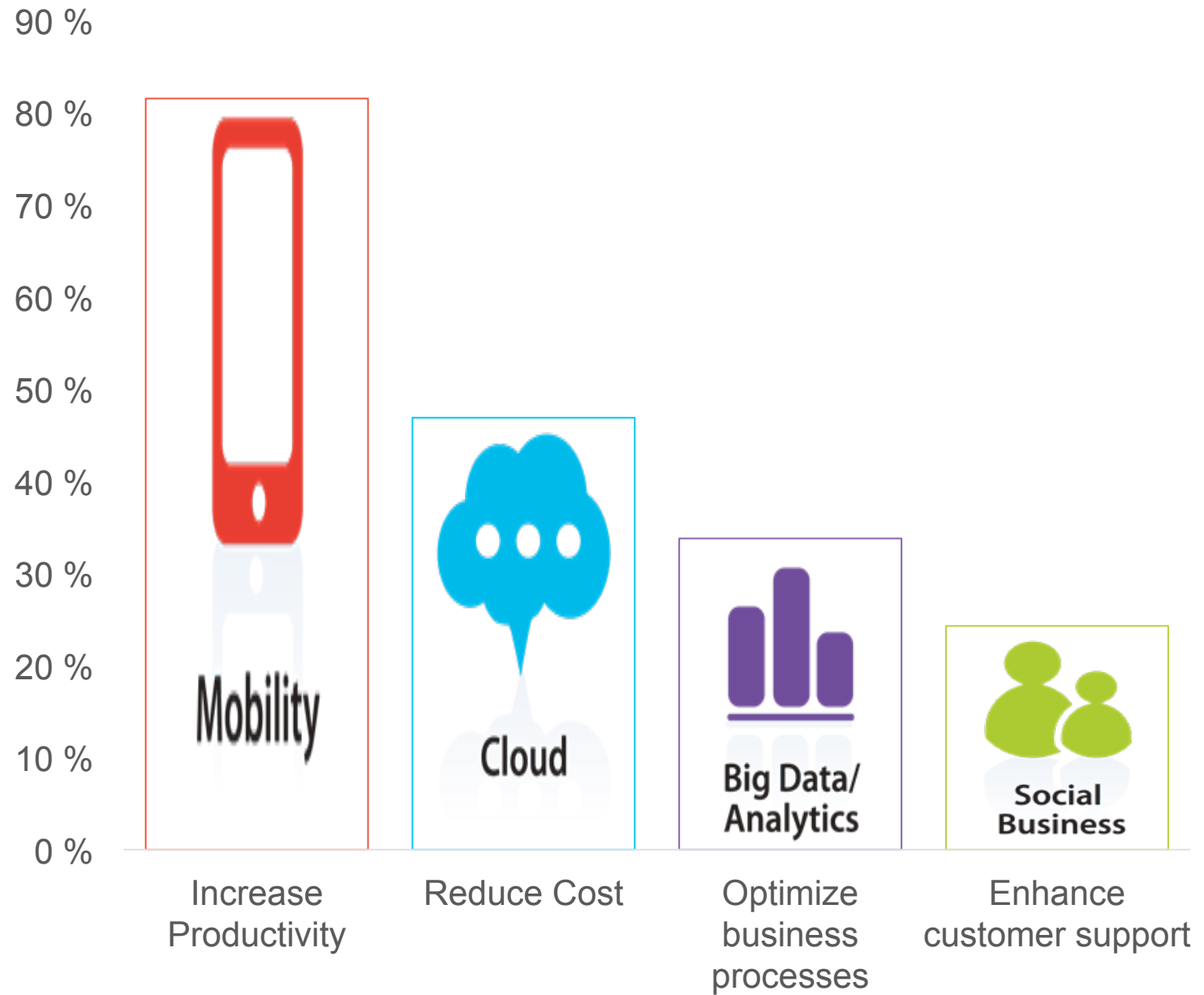
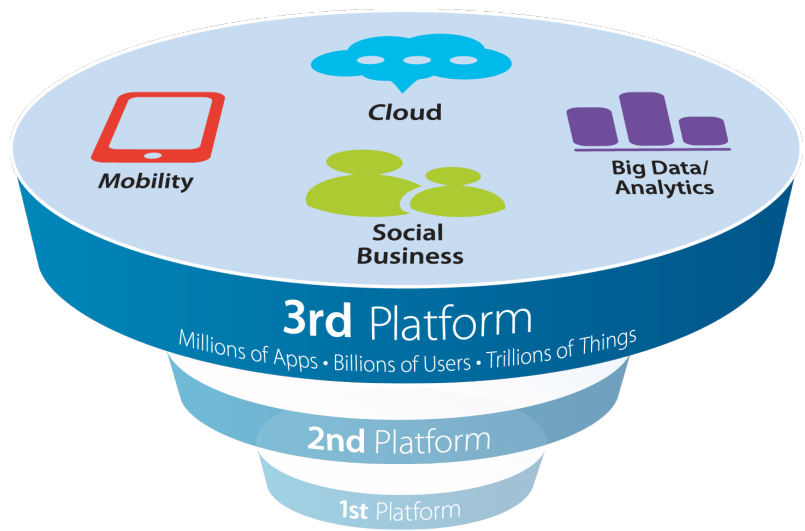
Leading the Digital Transformation

How CIOs successfully meet today's challenges

Anders Elbak
Research Manager IDC Nordic

Primary Business Challenge in Nordic Companies

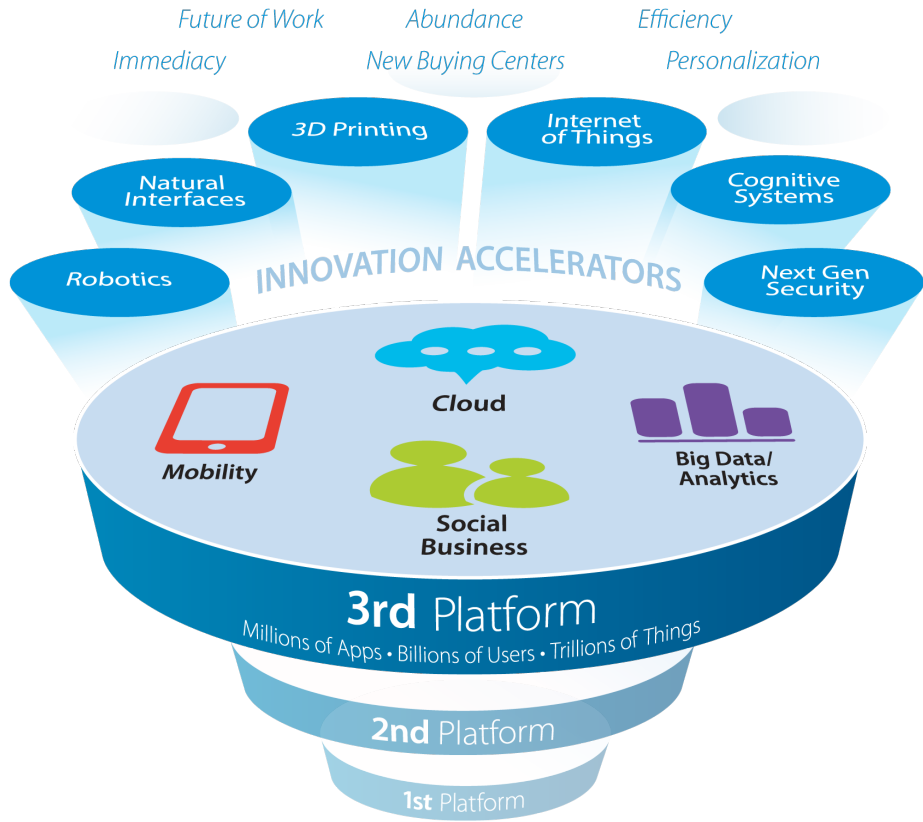




Source: Nordic CxO Survey, October 2014 (N = 318)



Continuous Industry Transformation





Digital transformation may be thought as the third stage of embracing digital technologies: digital competence → digital literacy → digital transformation. The latter stage means that digital usages inherently enable new types of innovation and creativity in a particular domain, rather than simply enhance and support the traditional methods.

Those Who Thrive in the Digital Economy will be the Organizations that:



Can execute upon a vision for digital transformation



Blend digital and physical experiences to garner customer allegiance



Turn information into a competitive advantage



Create new digital revenue streams from connected systems



Leverage technology to win the talent wars

Digital Transformation Requires IT Transformation First

2nd Platform Technology Value Proposition

- Technology automates business processes
- Enterprise software streamlines operations

Business Innovation Tech Value Proposition

- Technology creates new products and services
- Analytics creates new customer experiences

2nd Platform IT Business Model

- IT funds 80% of technology
- IT publishes its technology catalogs
- Big bang approach to projects

Business Innovation IT Business Model

- Business funds 80% of technology
- IT delivers technology the way business wants to consume it
- Iterative approach to projects

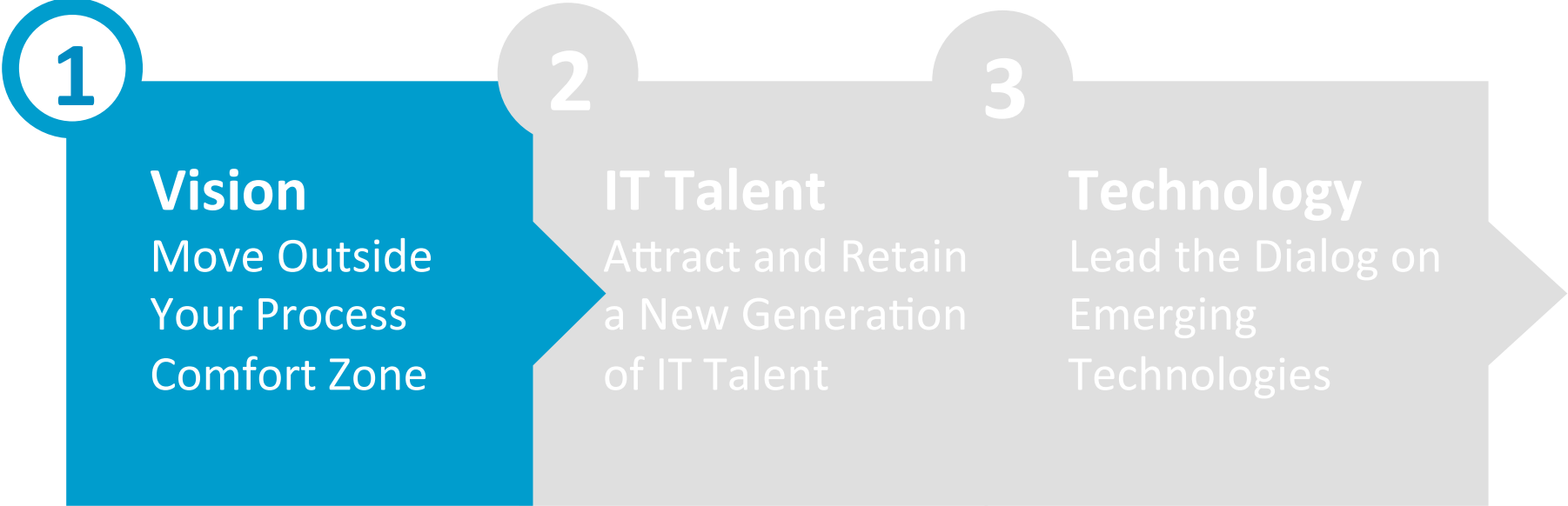
2nd Platform IT Talent

- Services the needs of enterprise “end users”
- 2/3rd of time spent building IT systems
- Technical skills dominate

Business Innovation IT Talent

- Services the needs of enterprises’ consumers
- 2/3rd of time spent governing IT systems
- Business skills dominate

3 Ways to Accelerate IT Transformation



“2nd Platform IT”
Automating Business Processes

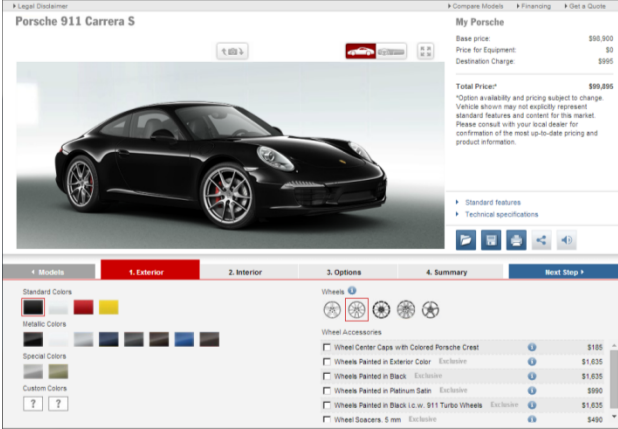


“Business Innovation IT”
Creating Technology Enabled Products

Digitally-Enabled Products is the End Game



IT-enabled
Business Processes
Automating Business Processes



IT-enabled
Services
Transforming Business Processes



Digitally-enabled
Products
Creating Digitally-enabled
Products and Services



3 Ways to Accelerate IT Transformation



“2nd Platform IT”
Competing for Talent

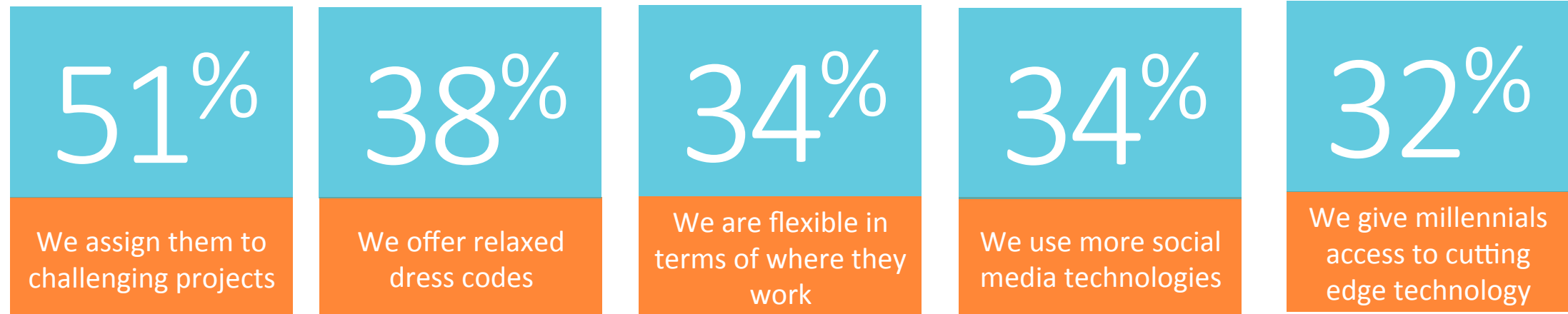


“Business Innovation IT”
Winning the Talent Wars

Develop Talent Programs Around What Millennials Want from Work

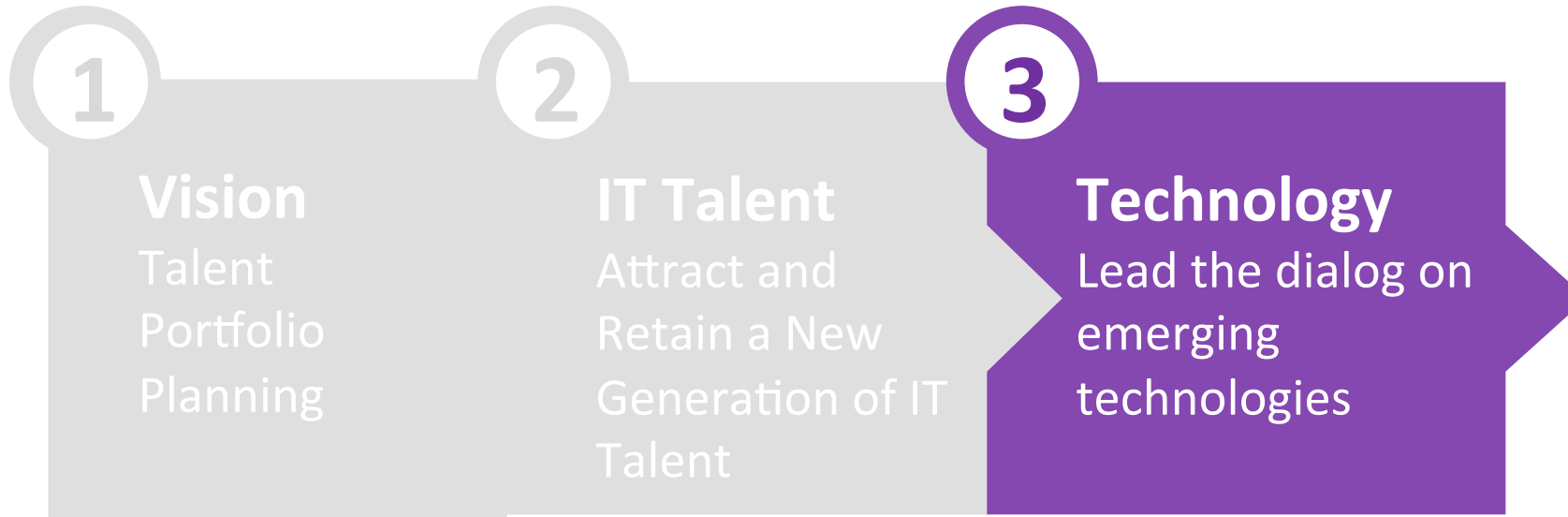
49% OF ORGANIZATIONS ARE ACTIVELY SEEKING
TO ATTRACT MILLENNIALS

TOP PRACTICES IT ORGANIZATIONS USE TO RETAIN MILLENNIALS



Source: IDC's 2015 IT Staffing Study – April, 2015
n=139

3 Ways to Accelerate IT Transformation



“2nd Platform IT”

Line of Business Drives
Emerging Technology
Adoption



“Business Innovation IT”

IT Drives Emerging
Technology Adoption

Emerging Technologies Will Accelerate the Digital Transformation

By 2020...



3D Printing

10% of all consumer purchases are **produced on demand** with additive manufacturing technologies.



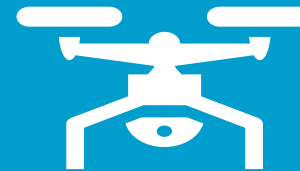
Augmented Reality

Manufacturers **reduce service labor costs** by 1/3rd with natural interfaces.



IoT

70% of original equipment manufacturers **create new revenue streams** based on Internet of Things



Robotics and Drones

80% of manufacturers **recognize supply chain efficiencies** within warehousing networks with robotics



Cognitive Systems

35% of Fortune 1000 use prescriptive enabled services to **improve customer experiences** in near real time



Next Gen Security

Password memorization is reduced by 50% as consumers access mobile devices biometrically

Characteristics of “Digital Transformers”



starwood
Hotels and
Resorts



REBECCAMINKOFF

A willingness to
publically experiment
with new technology




LOCAL MOTORS

Characteristics of “Digital Transformers”

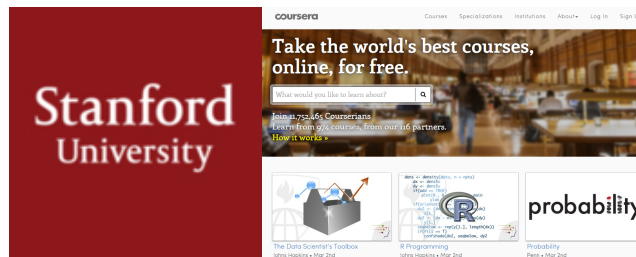


Designers need to work for Peterbilt



Kids play with physical OR digital toys

A willingness to
challenge the norms
of their business model



Quality education needs to be face to face

Characteristics of “Digital Transformers”



Disney switched over the guest experience in DisneyWorld theme park

A willingness to make
bold bets
when the time is right

BBVA established a digital banking unit to set up new digital business processes





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