

## ISB CTO

### Week 3: CTO as Innovation Catalyst: Discovering Innovation Opportunities

#### Video 1: Module Overview

- The Chief Technology Officer plays a crucial role as an innovation catalyst.
- The Chief Technology Officer's responsibility includes discovering opportunities for digital innovation.
- Digital innovation sweet spots are areas with high potential for successful digital innovation.
- Business models serve as a valuable tool for analysing and developing innovative approaches.
- The business model lens enables the identification of digital innovation sweet spots.
- Key dimensions of the business model, such as customer segments and value propositions, aid in identifying areas for innovation.
- Analysing gaps and inefficiencies within the business model helps uncover opportunities for digital innovation.

#### Video 2: Business Models

- A business model is a valuable tool for understanding a firm's strategy and identifying digital innovation opportunities.
- The customer value proposition focuses on identifying the target customer and delivering value.
- Critical resources encompass assets invested by the firm, while critical processes are internally developed capabilities.
- The profit model examines revenue generation and cost management strategies.
- Analysing renowned companies' business models helps understand their strategies and value propositions.
- Businesses should create their own business models, considering customer needs, critical resources, processes and profit models.

#### Video 3: Digital Sweet Spot

- Identifying digital innovation opportunities is the next step after defining a strategy using a business model.
- Digital sweet spots are areas where significant opportunities for digital innovation can be found.
- The three key areas of opportunity for digital innovation are enriching the customer experience, optimising core operations and creating digital products and services.
- Enriching the customer experience involves using technology to improve convenience, personalisation and engagement.
- Optimising core operations through digital innovation enhances efficiency, productivity and performance.
- Creating digital products and services leverages digital technology to meet evolving customer needs and generate new revenue streams.

#### Video 4: Enriching Customer Experience

- Enriching the customer experience is a crucial digital innovation sweet spot.
- Geofencing and real-time offers create personalised micro moments, increasing customer engagement.
- Leveraging data-driven insights enables businesses to customise offerings and provide tailored recommendations.

- Omnichannel experiences merge the physical and digital realms, creating interactive and engaging shopping moments.
- Augmented reality fitting enhances convenience and helps customers visualise products personalised to their measurements.
- Seamless digital payments streamline the purchase process, adding convenience and efficiency.

### **Video 5: Power of Core Operations**

- Enhancing core operations through digital innovation presents opportunities for improved productivity, quality, reliability and cost control.
- The challenge lies in balancing customisation with standardisation and finding innovative ways to meet customer demands.
- Empowering field sales forces with digital tools can enable customers to personalise their experiences while maintaining operational efficiency.
- Balancing control and innovation are crucial for sustained growth, with mobile apps and websites serving as controlled platforms for customer experiments.
- Identifying pain points in core operations and leveraging technology to address them can lead to significant competitive advantages.

### **Video 6: Digital Product and Services Innovation**

- Reimagine your business around the customer, focusing on their needs and desires.
- Consider consumption platforms that go beyond standalone products, providing a comprehensive experience.
- Understand the context of customer consumption and identify what elements can enhance their experience.
- Shift the focus from products to platforms to meet the evolving needs of customers and drive innovation.

### **Video 7: ING Case Study**

- Understand and adapt to changing customer expectations.
- Embrace digital technologies to enhance customer experiences.
- Balance innovation with regulatory compliance and privacy concerns.
- Focus on enriching the customer interface to find the digital innovation sweet spot.
- Invest in partnerships and fintech collaborations to build a new ecosystem.
- Maintain a learning mindset and be open to experimentation and acquisition opportunities.

### **Video 8: DBS Case Study**

- Focus on enriching the customer interface as the digital innovation sweet spot.
- Be customer-obsessed and reimagine the business around the customer's perspective.
- Embrace a digital-first approach and be digital to the core in all operations.
- Foster an entrepreneurial culture that encourages risk-taking and experimentation.
- Compare yourself to digital leaders rather than traditional competitors to drive digital transformation.

### **Video 9: Module Summary**

- Understanding the business model is the first step for a CTO in their role as an innovation catalyst.
- The business model consists of four components: value proposition, critical resources, critical processes and capabilities and the profit model.

- Identifying the innovation sweet spots within the business model is crucial. These include enriching the customer interface, synchronising core operations and creating new products and services.
- The CTO brings knowledge and skills related to technology, market trends and emerging tools to drive innovation.
- Fostering a culture of innovation is essential, including promoting risk-taking and experimentation within the organisation.
- Collaboration with stakeholders, such as business leaders, cross-functional teams and external partners is vital for driving innovation initiatives.
- The CTO's role is to align technology initiatives with strategic objectives, driving digital transformation and ensuring long-term success.
- By understanding and applying these principles, a CTO can effectively act as an innovation catalyst within their organisation.