



Identifying and Pitching Digital Opportunities





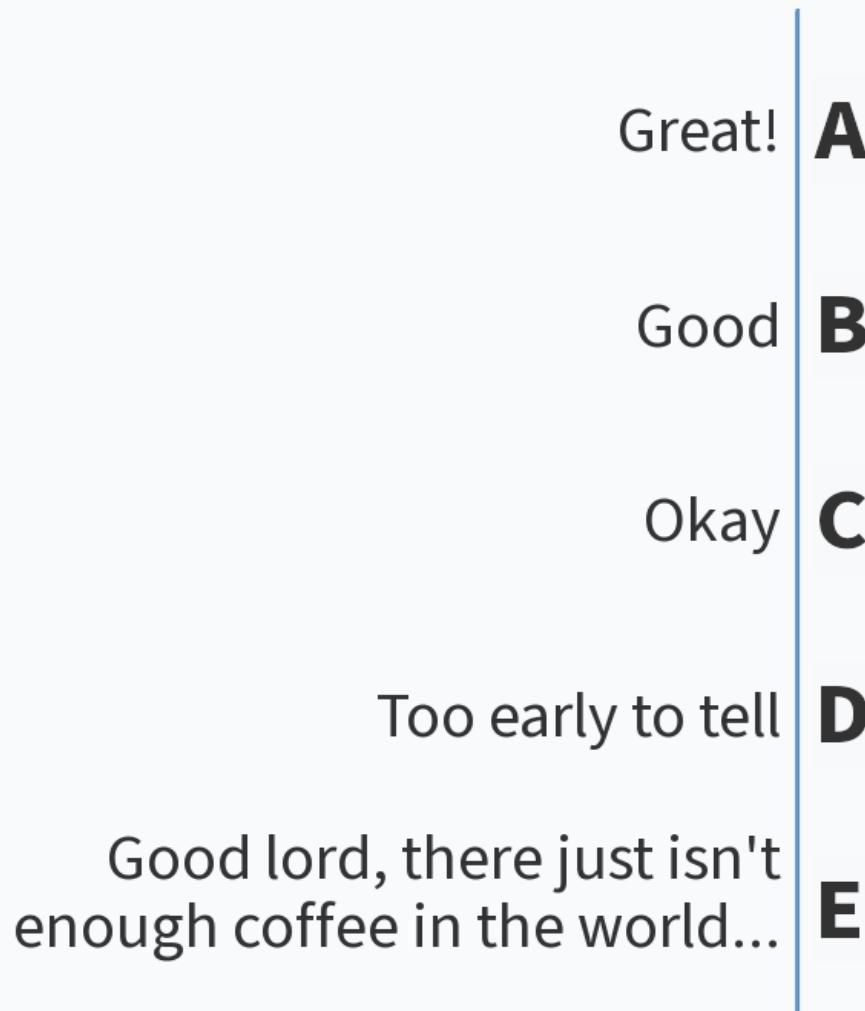
Aspirin or Vitamin?

Is this a digital opportunity?

“Parallel parking” or “go for the core?”

Clear eyes, full hearts....

how's your day going?



What is the most interesting thing that you've learned in the program so far?

“ Rain clearing ”

“ 50% talent focus ”

“ transformation takes 7 years 😊 ”

“ Total situational awareness ”

What do you most want to get out of our session today?

Start the presentation to see live content. For screen share software, share the entire screen. Get help at pollev.com/app

Aspirin or Vitamin?

Is this a digital opportunity?

“Parallel parking” or “go for the core?”

Clear eyes, full hearts....

Aspirin or Vitamin? (*how to think about opportunity*)

Is this a digital opportunity?

“Parallel parking” or “go for the core?”

Clear eyes, full hearts....

Def: What is an opportunity?

Q: What type of opportunity is this?





When poll is active, respond at pollev.com/tylerwry931

Which is the "aspirin" opportunity here?



Viagra

Facebook

Powered by Poll Everywhere

Start the presentation to see live content. For screen share software, share the entire screen. Get help at pollev.com/app



▲



When poll is active, respond at pollev.com/tylerwry931

Which opportunity is the "vitamin" here?

Fulton insoles

Allbirds shoes



Powered by  Poll Everywhere

Start the presentation to see live content. For screen share software, share the entire screen. Get help at pollev.com/app

What is a “digital” opportunity?

An opportunity where *new technology* can...

- Make *existing offerings and processes better, faster, cheaper or more convenient* (aspirins)
- Help to *create entirely new products or services* (vitamins)

Changing internal processes



Building something entirely new



Pros and Cons



Key takeaways

- There are different types of opportunities*
- In general, it is easier to spot and build support for Aspirins vs. Vitamins*
- Vitamins can be BIG opportunities, though.*
- Also some unique risks associated with each that we'll discuss in a minute*

When poll is active, respond at pollev.com/tylerwry931

Thinking about your own company, do you see digital transformation as an Aspirin or a Vitamin?

Aspirin

Vitamin

Not sure
yet

Q: What type of opportunity is this?





Am I a moron?

Dunning-Kruger Effect

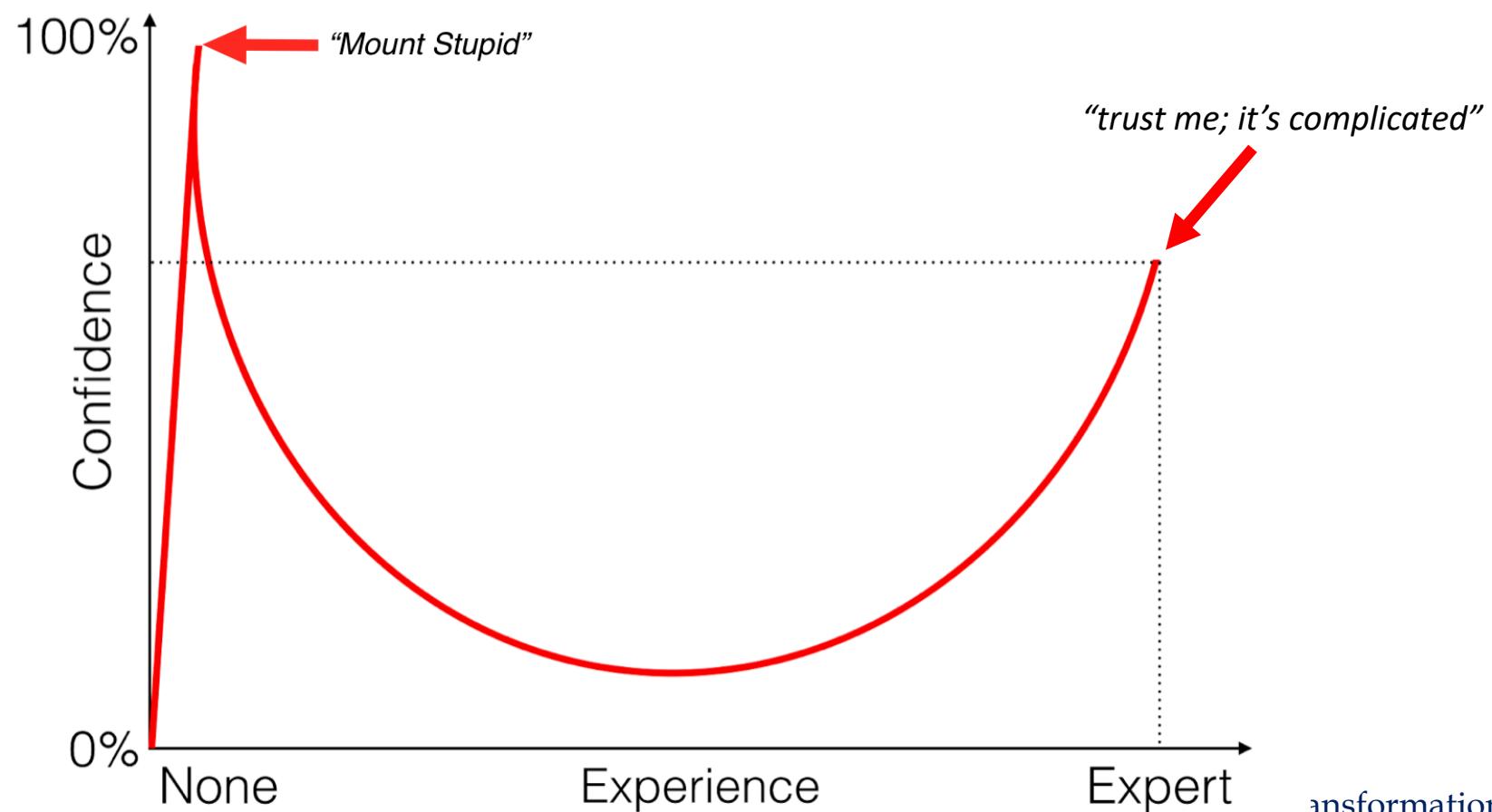
Unskilled and unaware of it: how difficulties in recognizing one's own incompetence lead to inflated self-assessments

Kruger, J., & Dunning, D. (1999)

Dunning-Kruger Effect

Unskilled and unaware of it: how difficulties in recognizing one's own incompetence lead to inflated self-assessments

Kruger, J., & Dunning, D. (1999)



A lack of knowledge leads to...

(potentially) disastrous initiatives

A lack of **knowledge** leads to...



(potentially) disastrous initiatives

A lack of knowledge leads to...



(potentially) disastrous initiatives









What's the big
digital innovation here?

*“I had **never stopped to think** about why glasses were so expensive. When I lost those... that made me start thinking about why I was being asked to **pay \$700** for a new pair of glasses.”*

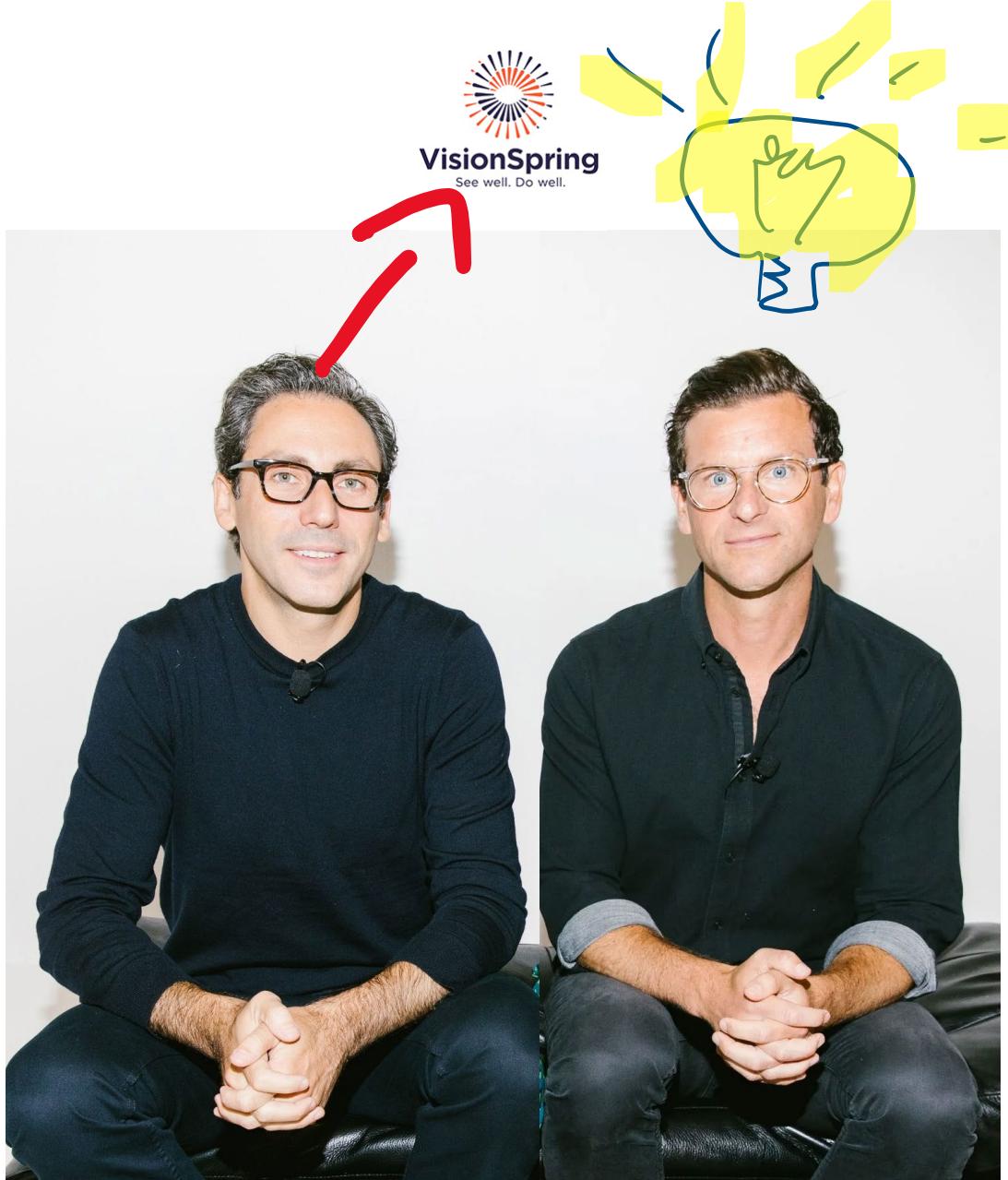
*“Something just **didn't compute**”*

Dave Gilboa









should the founders...

Start putting together
the supply chain

Pursue online
channels

Start finding retail
partners

None of the above

*“We spent **a lot of time** working to understand
every aspect of the optical industry”*





 ADVANTAGE

Performance data



→ ADVANTAGE

Performance
data

Customer
data / know
customers



➔ ADVANTAGE

Performance
data

Customer
data / know
customers



Staff who
know what
works and
what doesn't



Key takeaways

- Knowledge and insight are key to meaningful opportunity recognition*
- Deep understanding allows you to see things others miss and develop well-considered strategies*
- Beware of “mount stupid” lots and lots of attempts to pursue digital opportunities start here (and run a high risk of failure as a result)*





Aspirin or Vitamin?

Is this a digital opportunity?

“Parallel parking” or “go for the core?”

Clear eyes, full hearts....

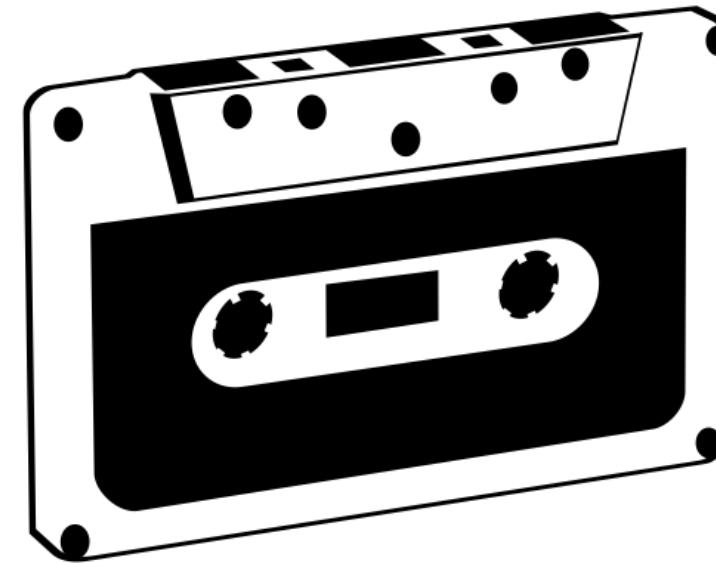
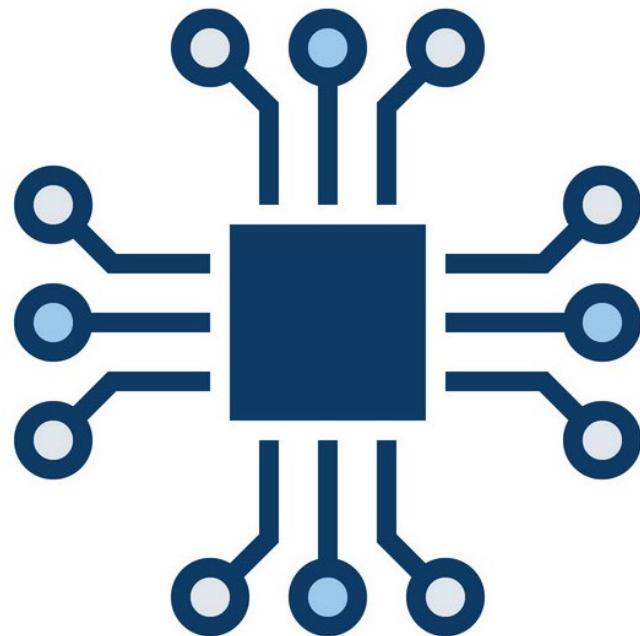
Aspirin or Vitamin?

Is this a digital opportunity?

“Parallel parking” or “go for the core?”

Clear eyes, full hearts....

Q: Is this a digital opportunity?









"Put bluntly, [Sears] has failed on every facet of retailing from assortment to service to merchandise to basic shop keeping standards [this] is a recipe for failure on a grand scale."

– Neil Saunders, managing director of GlobalData Retail

When poll is active, respond at **pollev.com/tylerwry931**

Text **TYLERWRY931** to **22333** once to join

Is this a digital opportunity?

Yes

Maybe

No

What's the right
move here?



Digital
Technologies

Existing
Business

Danger!
solutions chasing opportunities



U B E R

#UBERICECREAM

**WE NEED A
BLOCKCHAIN
STRATEGY!!!**



**WE NEED AN
AI STRATEGY!!!**



**WE NEED TO
INTEGRATE
MACHINE
LEARNING!!!**





**WE NEED TO
RESPOND TO
CUSTOMERS
NEEDS!!!**



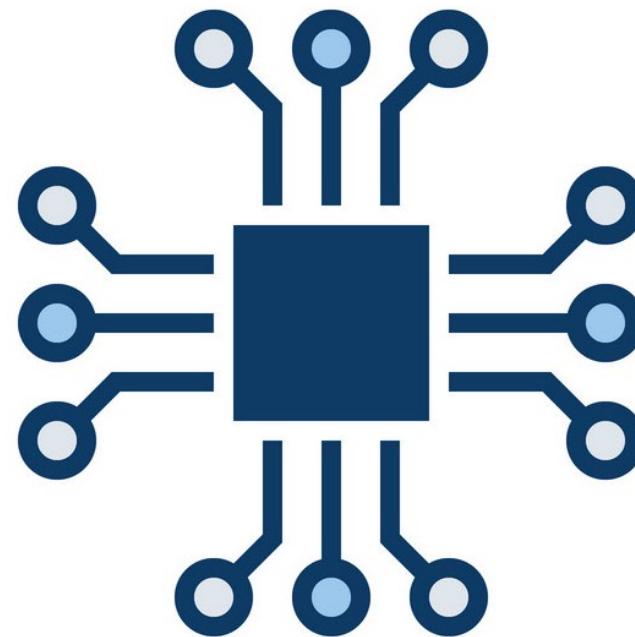
**WE NEED TO
SPEED UP
OUR INNOV.
CYCLES!!!**



**WE NEED TO
GET MORE
OUT OF OUR
PHYSICAL
LOCATIONS!!!**

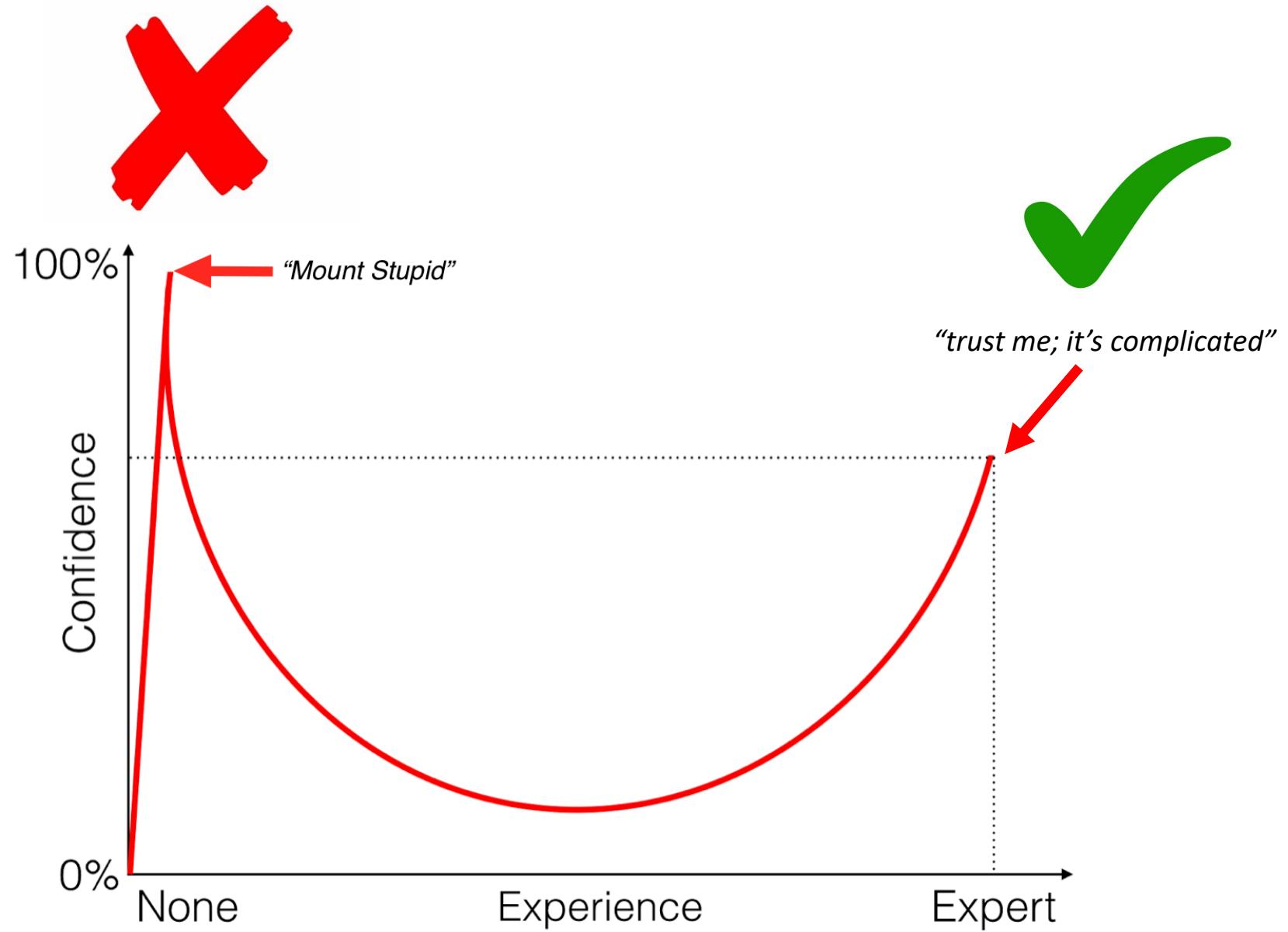


Q: but could it be digital?





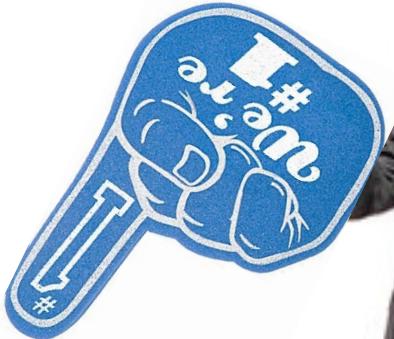
Am I a moron?



Pricey
consultants



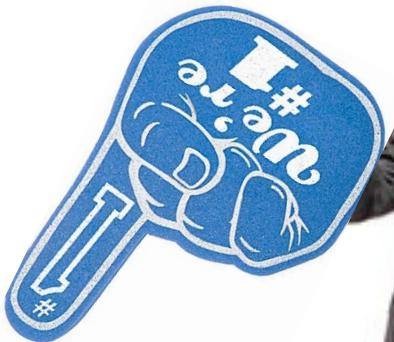
Pricey
consultants



Can consider
multiple options



Pricey
consultants

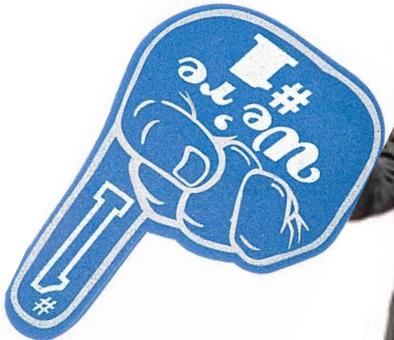


Can consider
multiple options



→ ADVANTAGE

Pricey
consultants



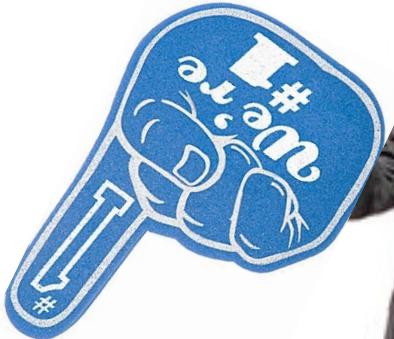
Can consider
multiple options



Build
expertise



Pricey
consultants



Can consider
multiple options



Build
expertise

Lots of
advisors

→ ADVANTAGE

Danger!
trying to boil the ocean



P&G





→ ADVANTAGE



Focused
Value prop

→ ADVANTAGE



Focused
Value prop

Start small
and build

 ADVANTAGE

A red rectangular graphic containing a white right-pointing arrow on the left and the word "ADVANTAGE" in large, bold, white capital letters on the right.



**Focused
Value prop**

**Start small
and build**

**Resource
constrained**

→ ADVANTAGE

Is this a Digital Opportunity? *three simple rules*

Rule 1:

*Good opportunities are tied to core strategy,
clear goals, and value creation.*

Rule 2:

*Digital technologies are a means to an end not
an end in themselves.*

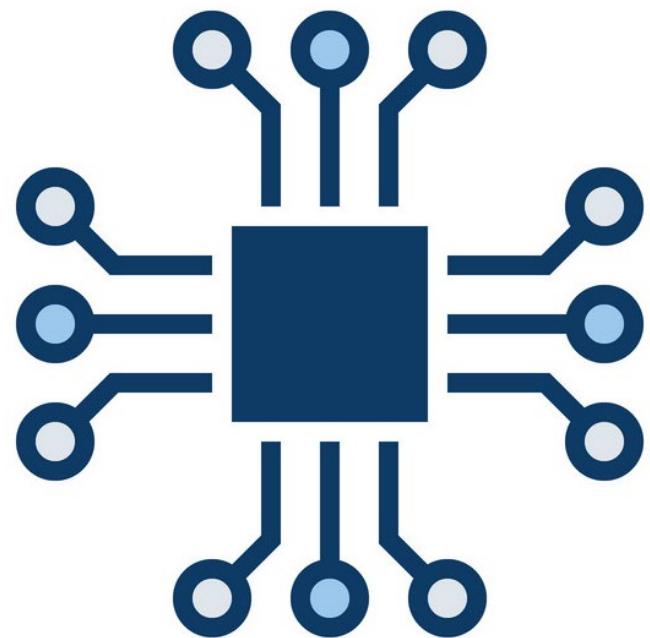
Rule 3:

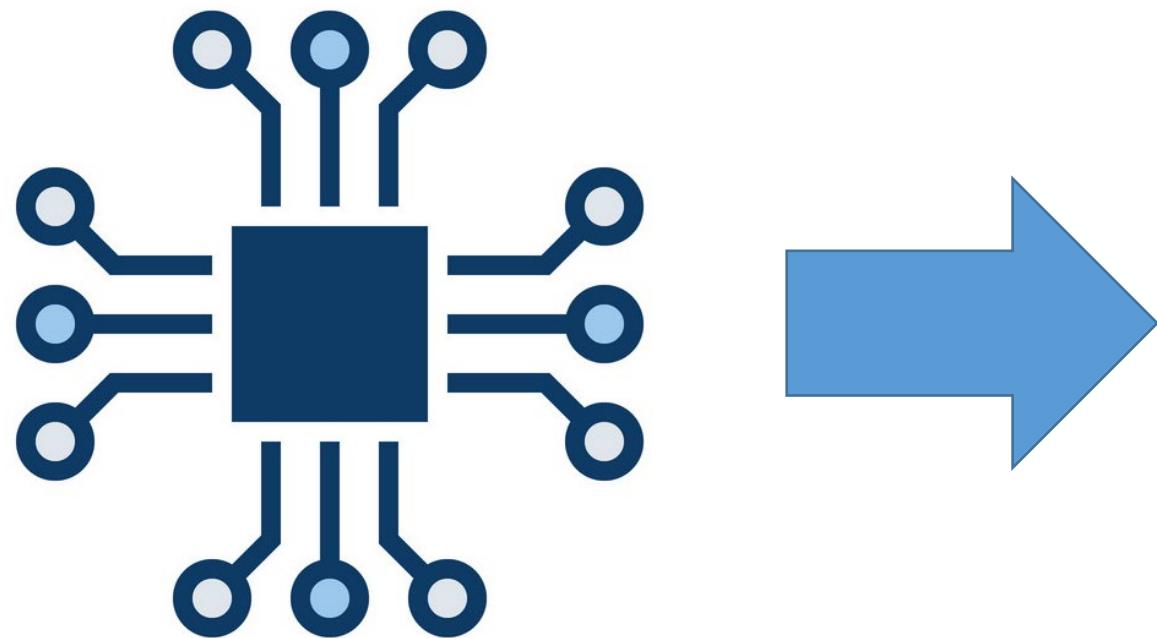
Don't be a moron.

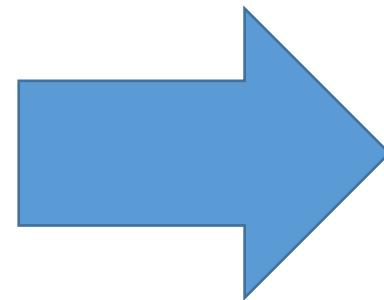
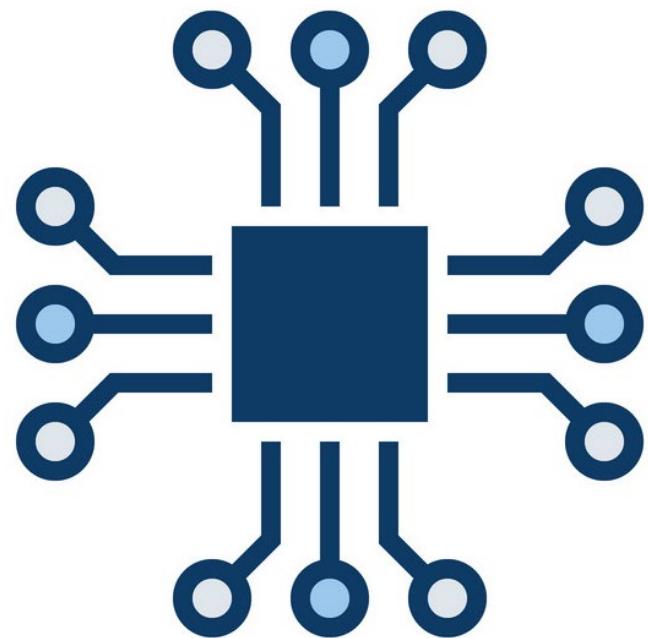
*Take time to understand the problem and potential
solutions. Resist the urge to over-do it!*



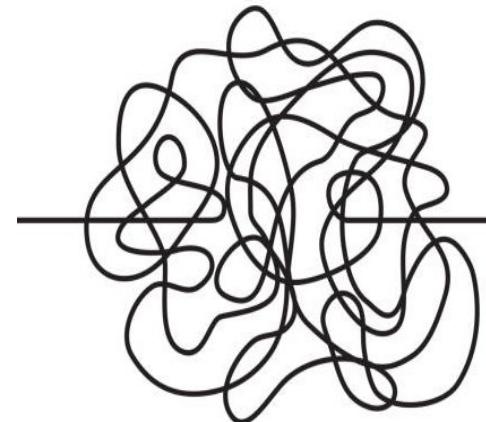
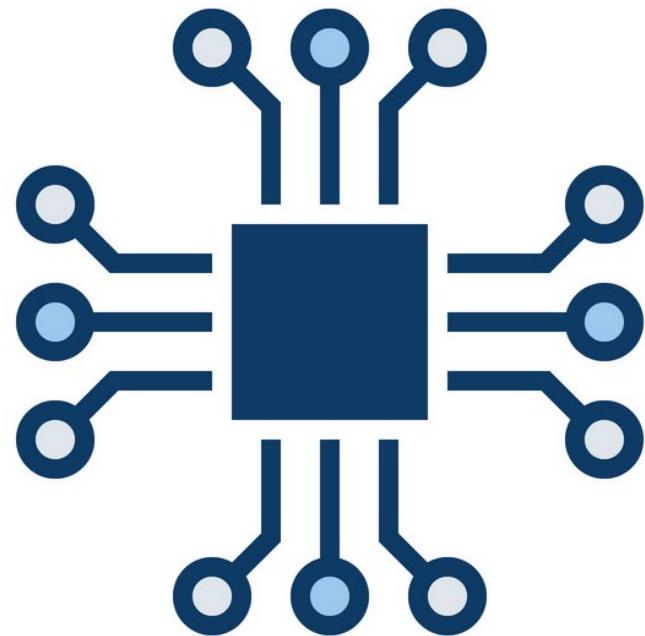
How do I know if
it's working?







ROI



ROI

From → To

FROM	TO	PROGRESS METRIC

From → To

FROM	TO	PROGRESS METRIC
No consistent information about investments in a portfolio of projects; manual process		

From → To

FROM	TO	PROGRESS METRIC
No consistent information about investments in a portfolio of projects; manual process	Clear and easily obtained information about investment flows; automated process	

From → To

FROM	TO	PROGRESS METRIC
No consistent information about investments in a portfolio of projects; manual process	Clear and easily obtained information about investment flows; automated process	Reduction in time needed to update portfolio review information from 10 days to seconds

From → To

FROM	TO	PROGRESS METRIC
No consistent information about investments in a portfolio of projects; manual process	Clear and easily obtained information about investment flows; automated process	Reduction in time needed to update portfolio review information from 10 days to seconds
Significant effort needed to onboard new team members and bring them up to speed		

From → To

FROM	TO	PROGRESS METRIC
No consistent information about investments in a portfolio of projects; manual process	Clear and easily obtained information about investment flows; automated process	Reduction in time needed to update portfolio review information from 10 days to seconds
Significant effort needed to onboard new team members and bring them up to speed	Automated onboarding assistance that helps new team members learn the background of a project	

From → To

FROM	TO	PROGRESS METRIC
No consistent information about investments in a portfolio of projects; manual process	Clear and easily obtained information about investment flows; automated process	Reduction in time needed to update portfolio review information from 10 days to seconds
Significant effort needed to onboard new team members and bring them up to speed	Automated onboarding assistance that helps new team members learn the background of a project	Reduction in time it takes new team members to reach productivity from 30 days to five; high engagement scores among 85% of team members and top quadrant scores for psychological safety

Defining your metrics? *three simple rules*

1:

Start at the end: clearly define what you want to accomplish

2:

Think about how technology can add value by making offerings and processes better, faster, cheaper, or more convenient

3:

This approach applies more to Aspirin opportunities... pursuing vitamins generally requires you to develop an entirely new business model





Aspirin or Vitamin?

Is this a digital opportunity?

“Parallel parking” or “go for the core?”

Clear eyes, full hearts....

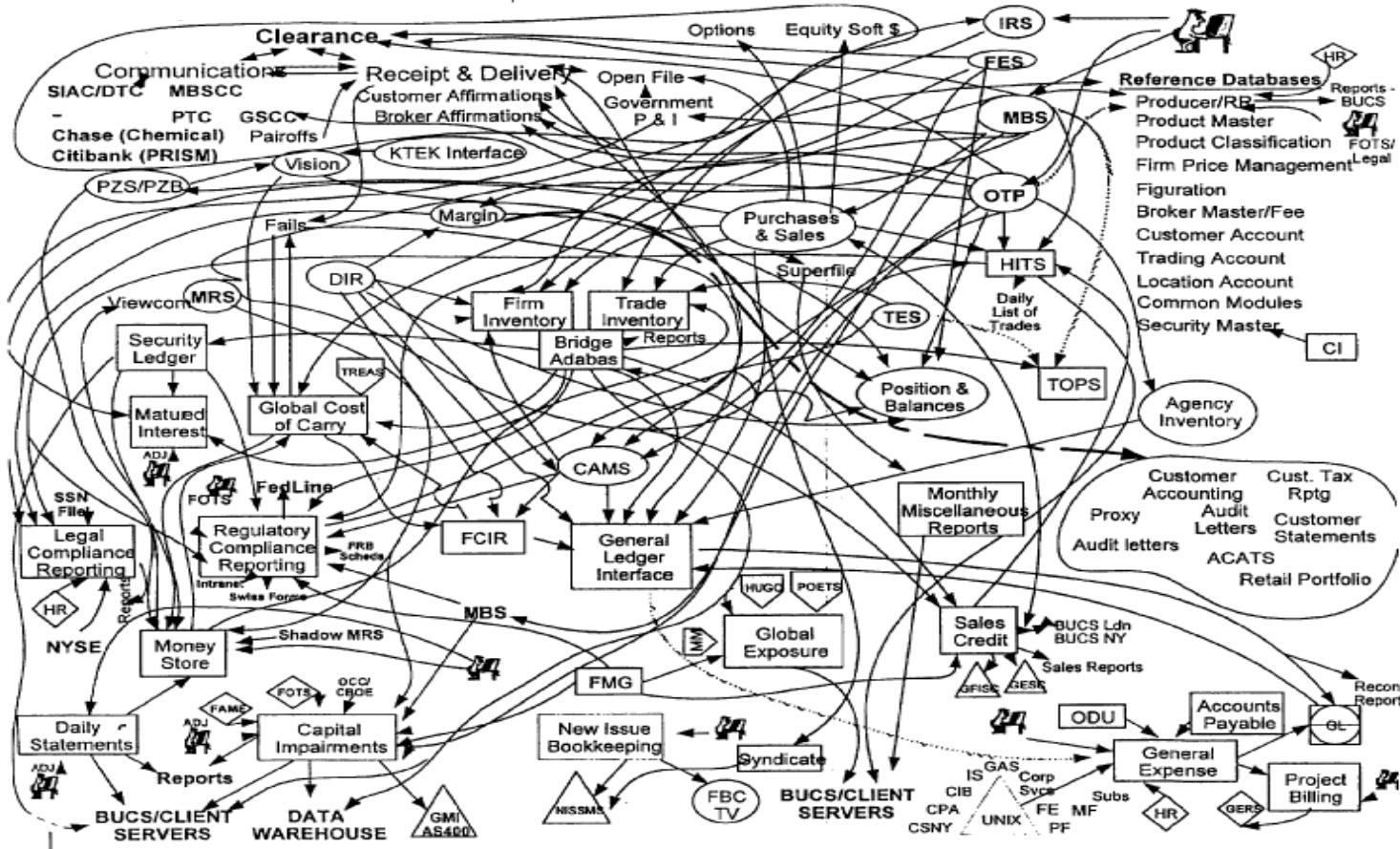
Aspirin or Vitamin?

Is this a digital opportunity?

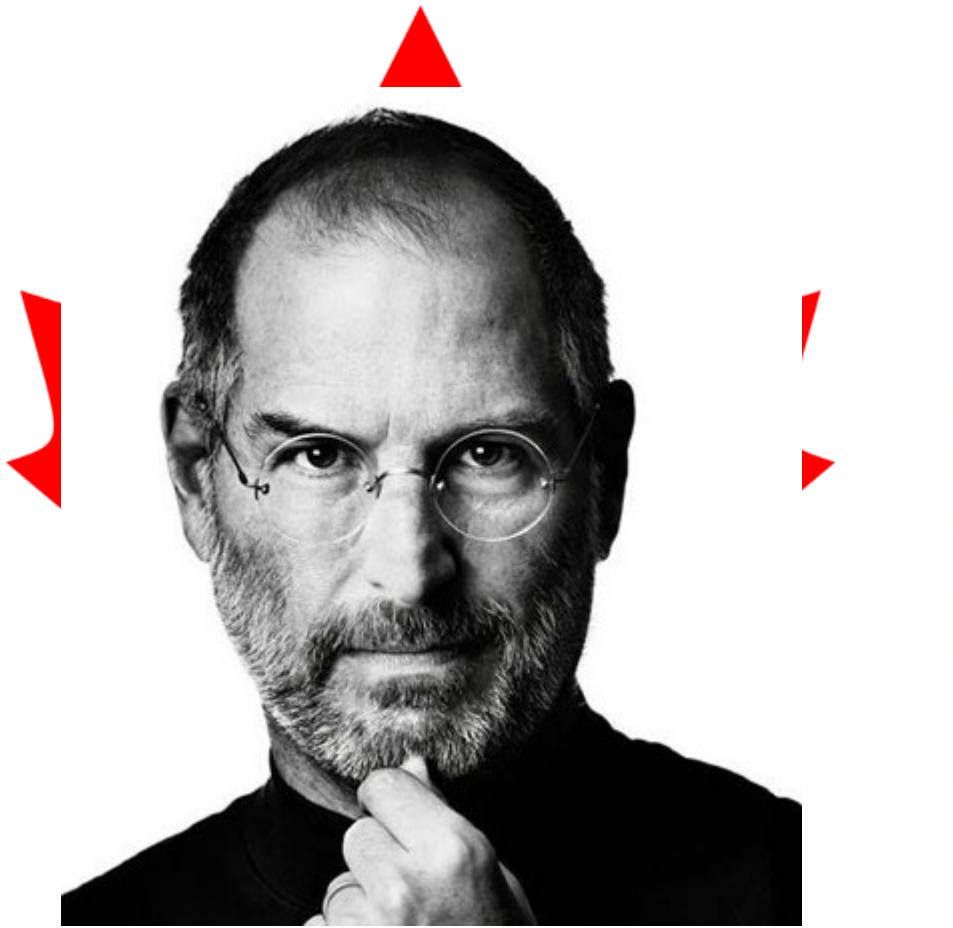
“Parallel parking” or “go for the core?”

Clear eyes, full hearts....

Q: Business model implications?







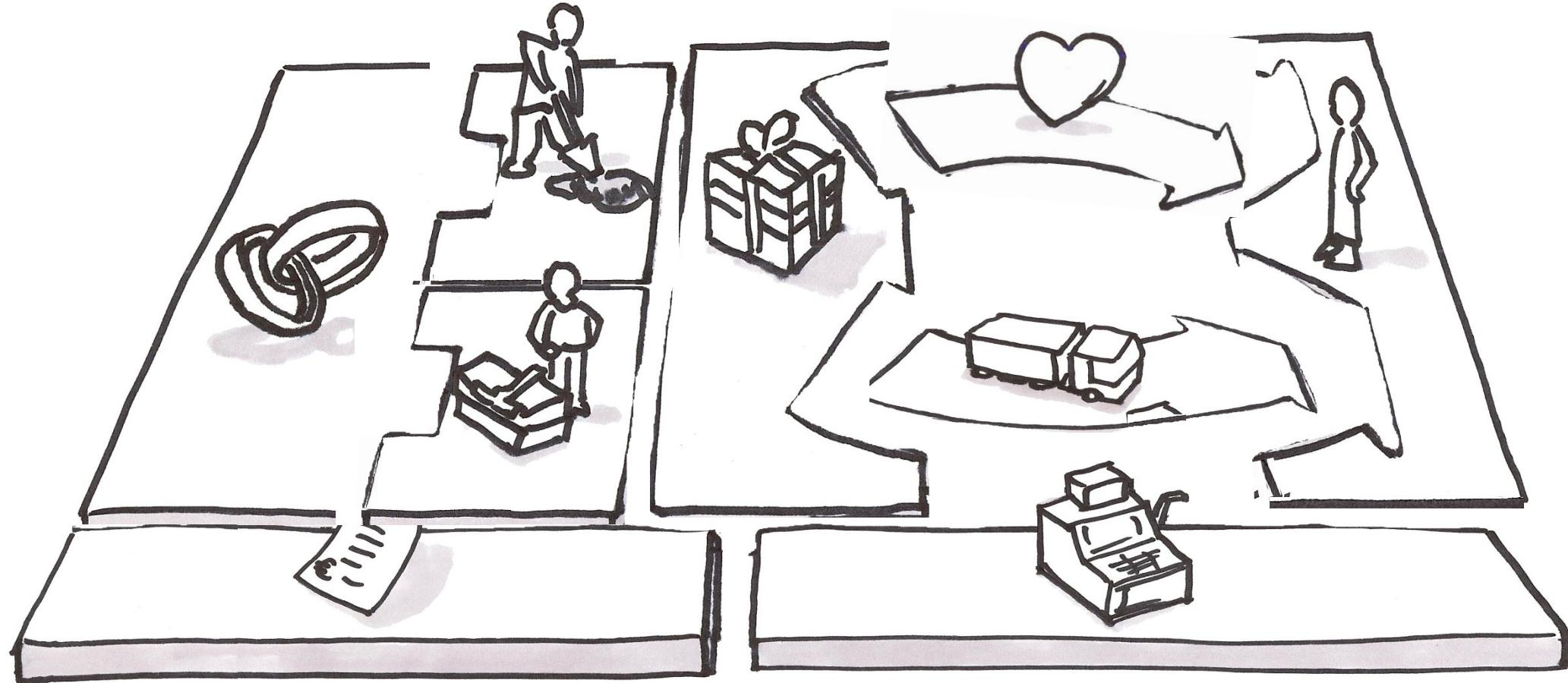
WHAT IS A BUSINESS MODEL?

Definition:

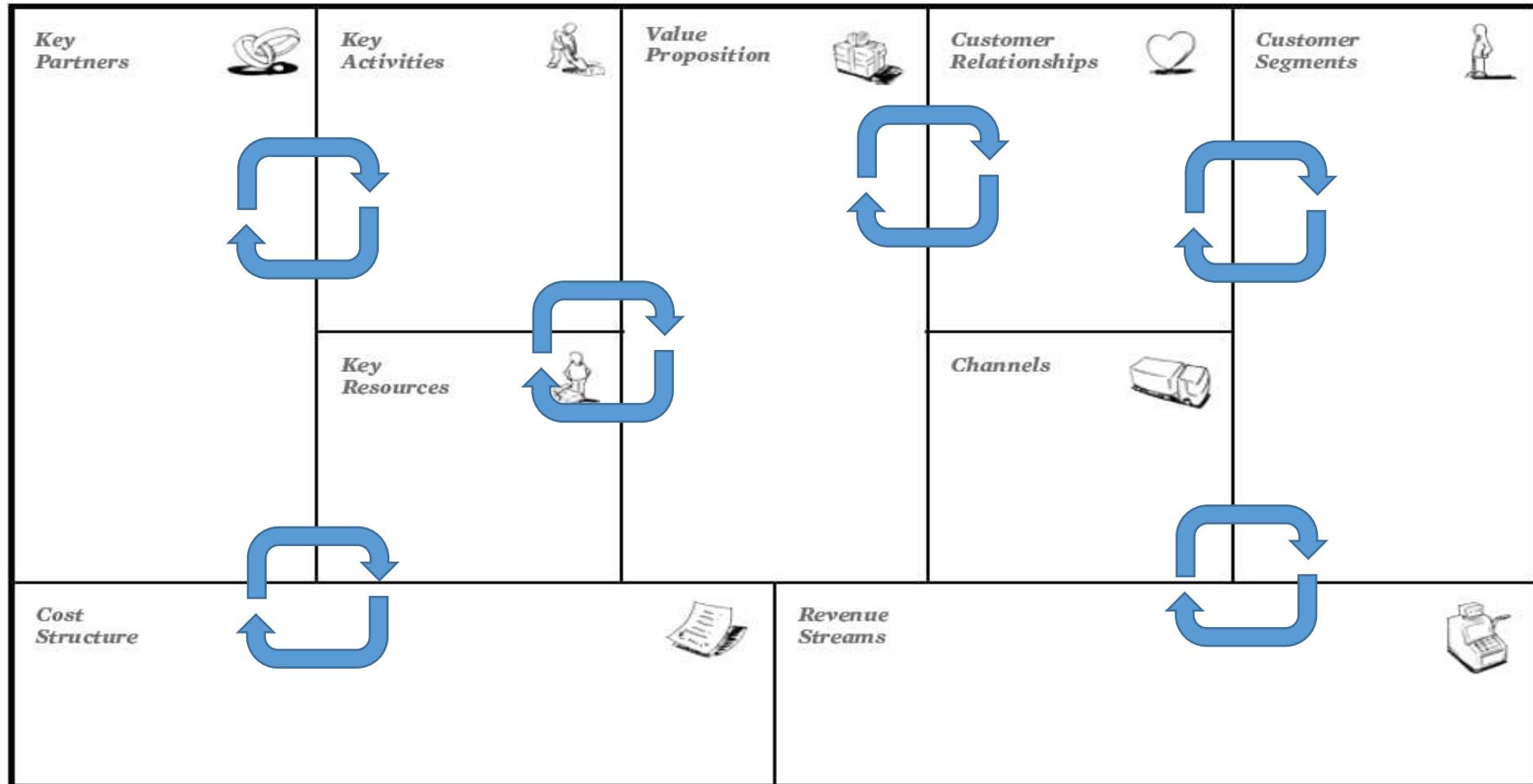
A **clear** and **systematic** description of how a business creates, delivers, and captures value.

A **system of linked activities** that goes beyond a business's core technology.

Components of a business model



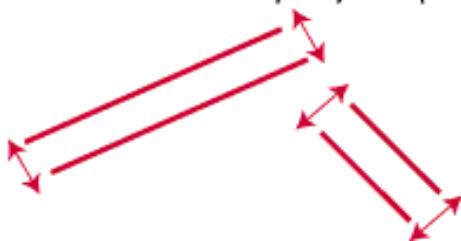
Components of a business model



Q: Parallel parking or Go for the core?

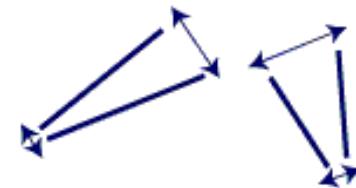
Parallel Lines

these lines are all equally far apart



Non-parallel Lines

these lines are NOT equally far apart



Q: What type of opportunity is this?



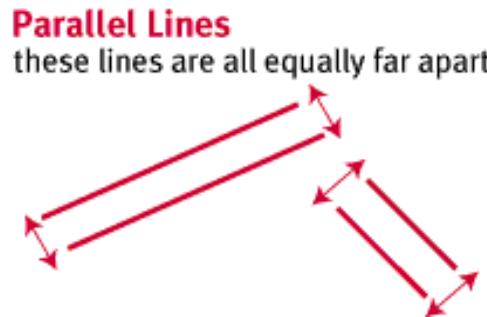
Q: What type of opportunity is this?



Q: What type of opportunity is this?



Q: What type of opportunity is this?







**Can I build a
Model that lets
me create and
capture value?**

Can I build a
Model that lets
me create and
capture value?



Can I build a
Model that lets
me create and
capture value?

Can I build a
Model that lets
me create and
capture value?

Implications
for the legacy
business?



Can I build a
Model that lets
me create and
capture value?



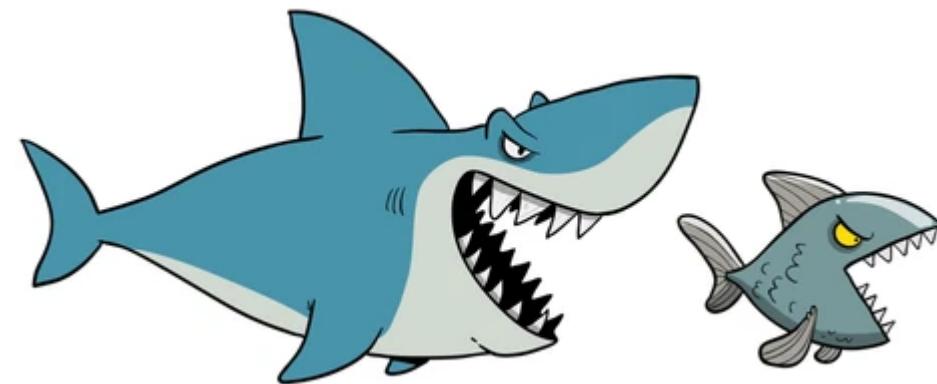
Apple CarPlay™



Apple CarPlay™



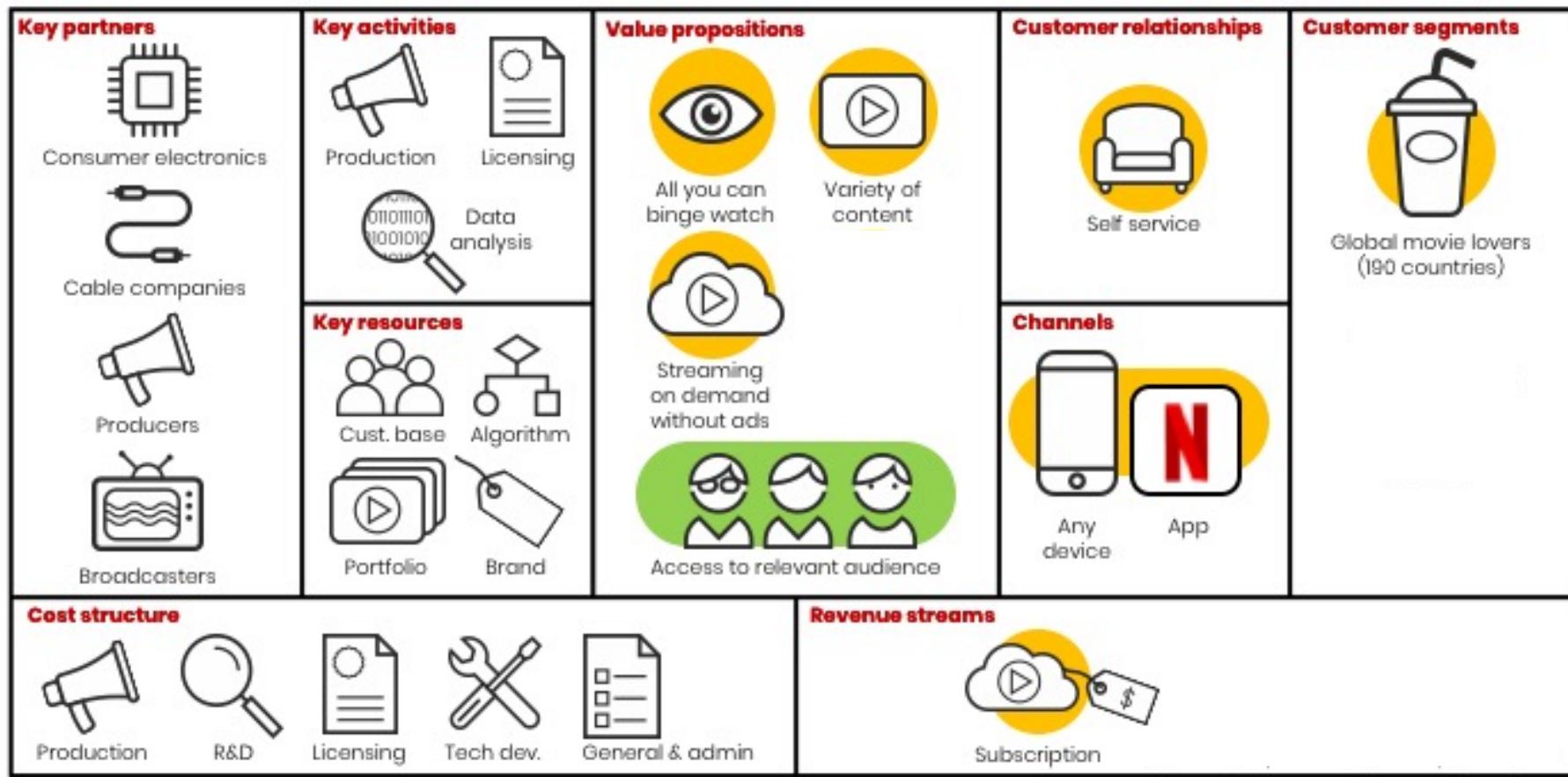
NETFLIX





Key partners	Key activities Shipping Licensing Data analysis	Value propositions Easy DVD rental	Customer relationships	Customer segments Movie lovers (USA only)
	Key resources Cust. base Algorithm Portfolio Brand		Channels Mail order DVD.COM	
Cost structure Licensing R&D General & admin		Revenue streams All you can watch fee Old model tx rental fee		

NETFLIX



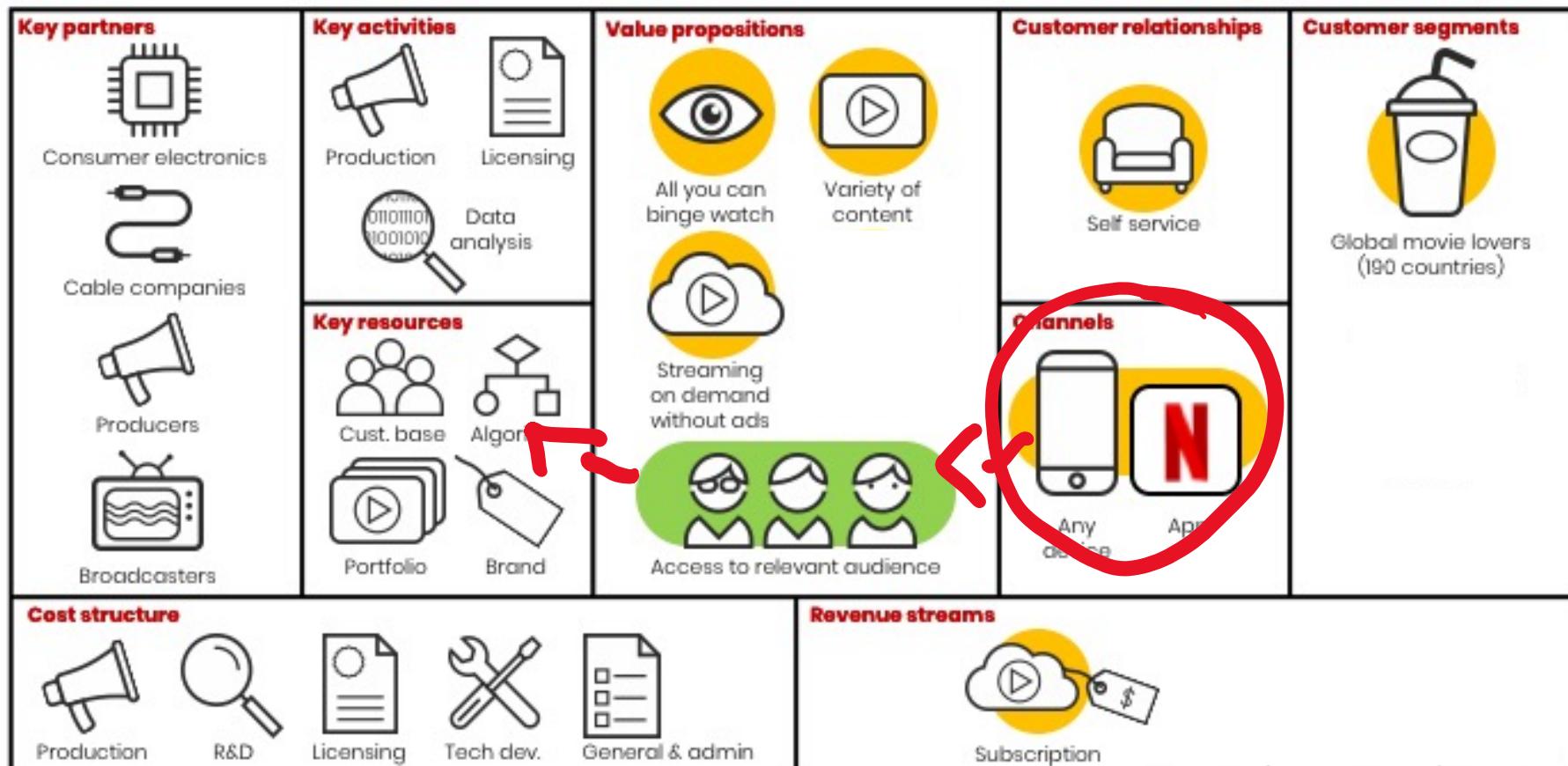
Business Models Inc © www.businessmodelgeneration.com

NETFLIX

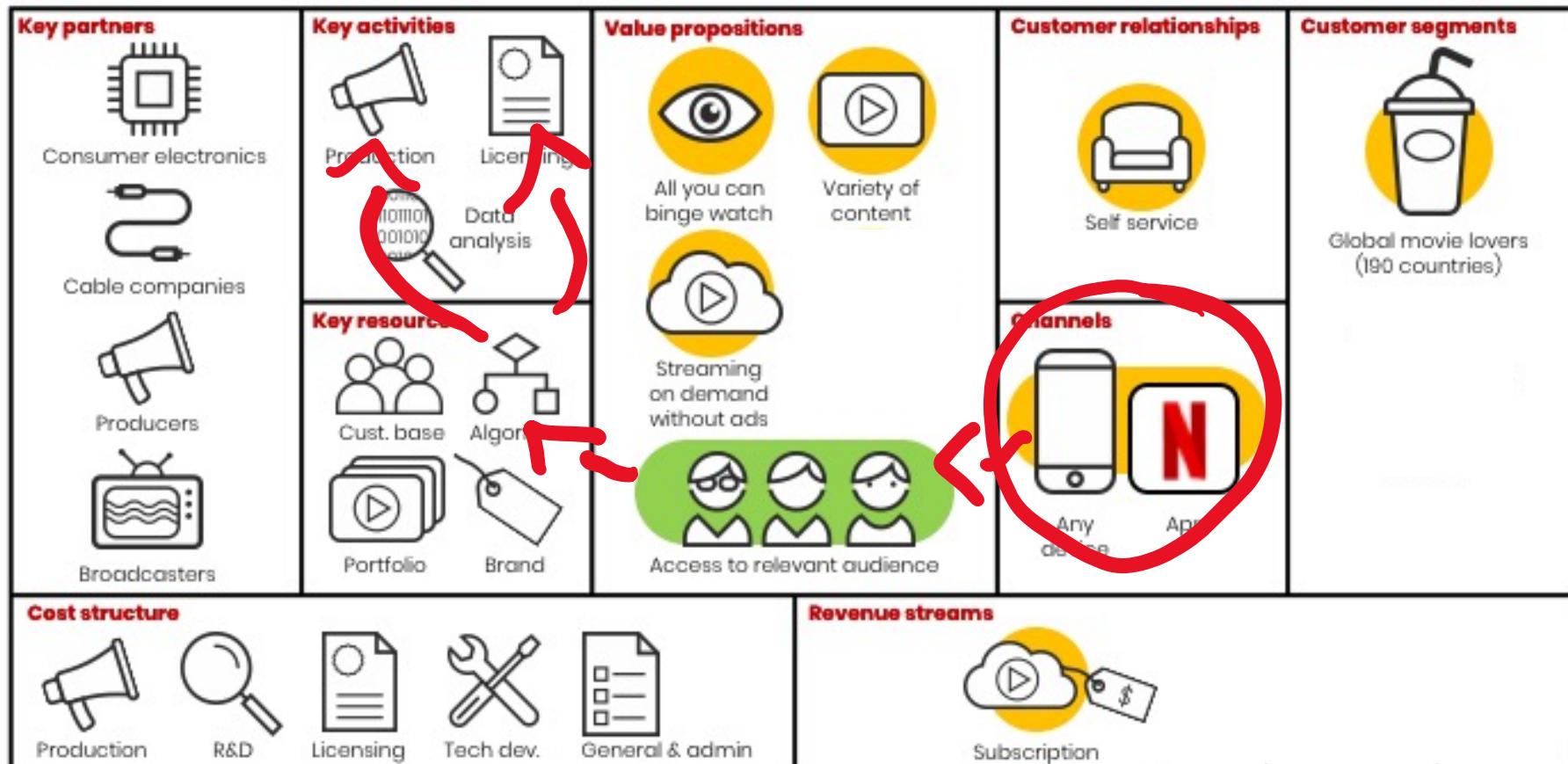


Business Models Inc © www.businessmodelgeneration.com

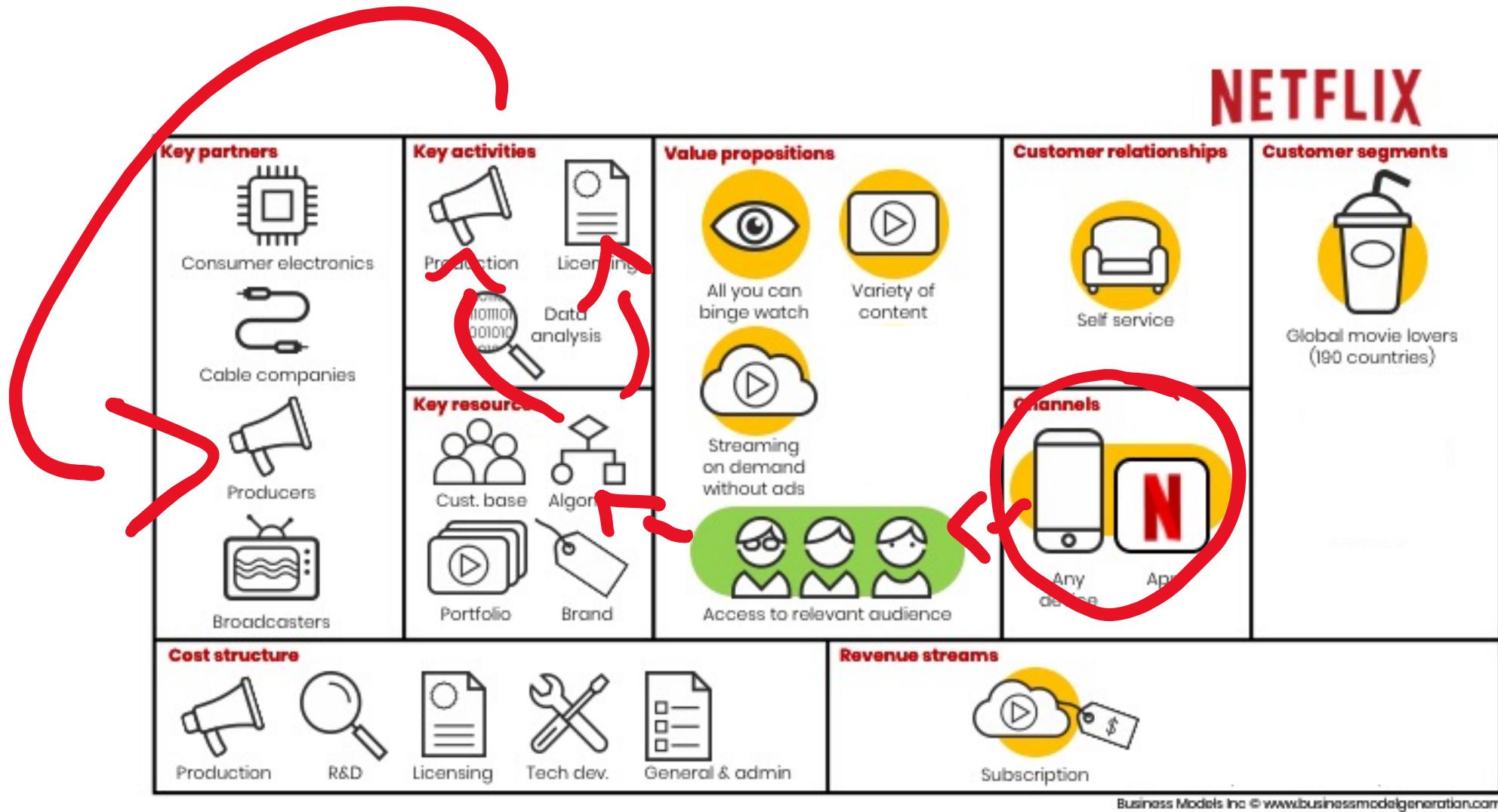
NETFLIX



NETFLIX

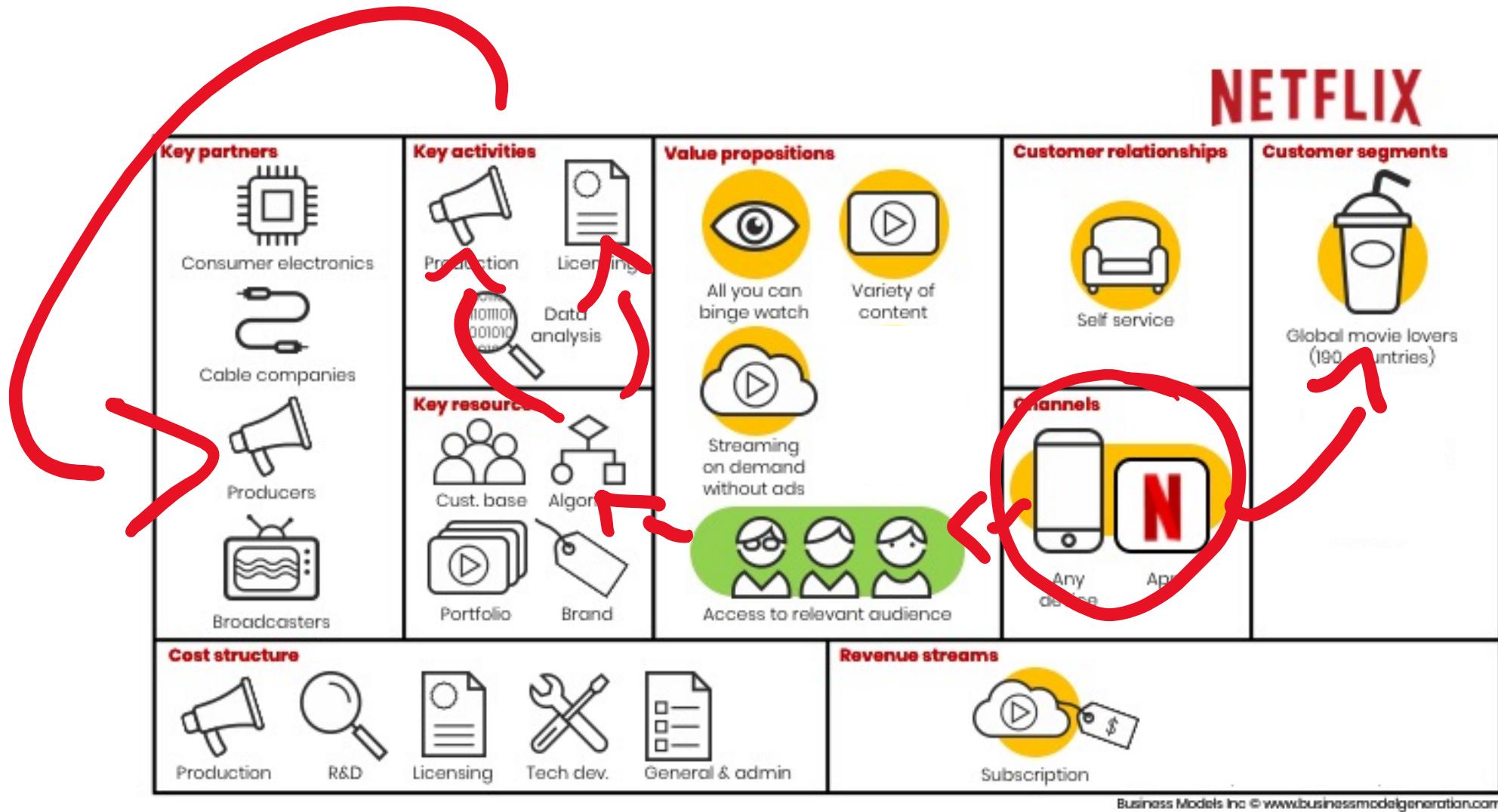


NETFLIX

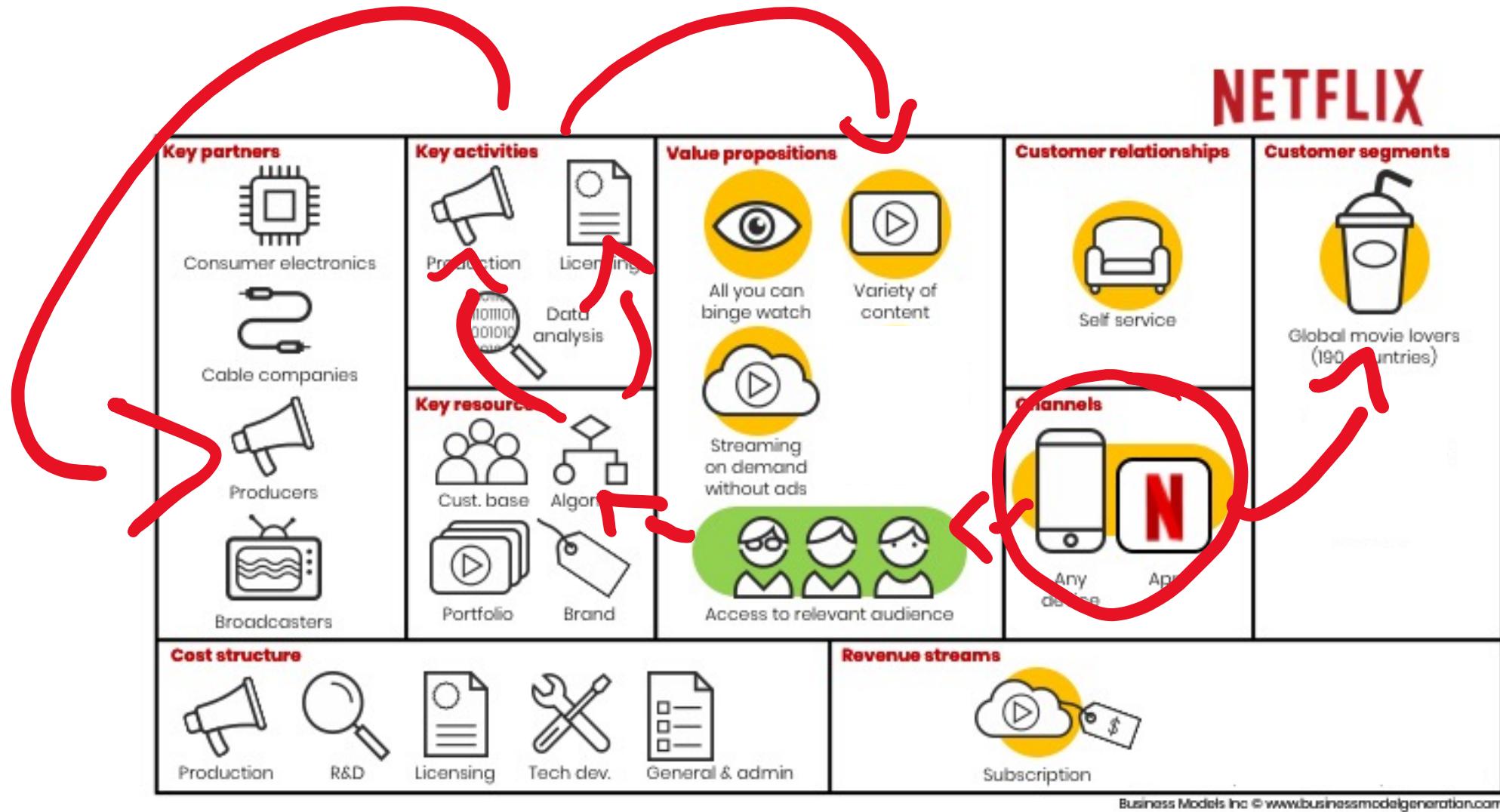


Business Models Inc © www.businessmodelgeneration.com

NETFLIX



NETFLIX



Business Models Inc © www.businessmodelgeneration.com

NETFLIX



NETFLIX



Apple CarPlay™

Key takeaways

1:

Vitamin opportunities are typically best pursued through a new, parallel business model

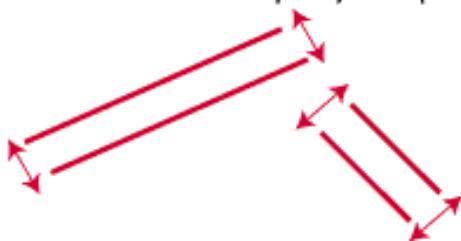
2:

The new business line can variously compete with or be symbiotic with the existing business line. Important to think this through and understand what you're signing up for

Q: Parallel parking or Go for the core?

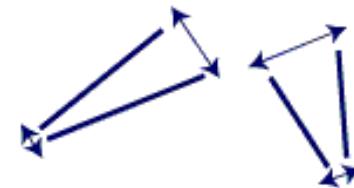
Parallel Lines

these lines are all equally far apart



Non-parallel Lines

these lines are NOT equally far apart



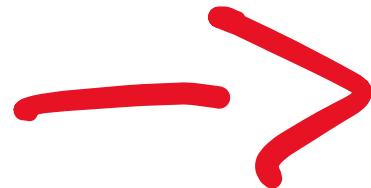
Q: What type of opportunity is this?



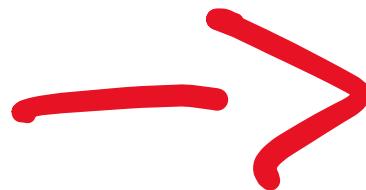
Q: What type of opportunity is this?



Q: What type of opportunity is this?

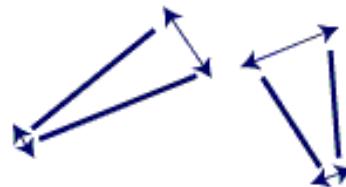


Q: What type of opportunity is this?



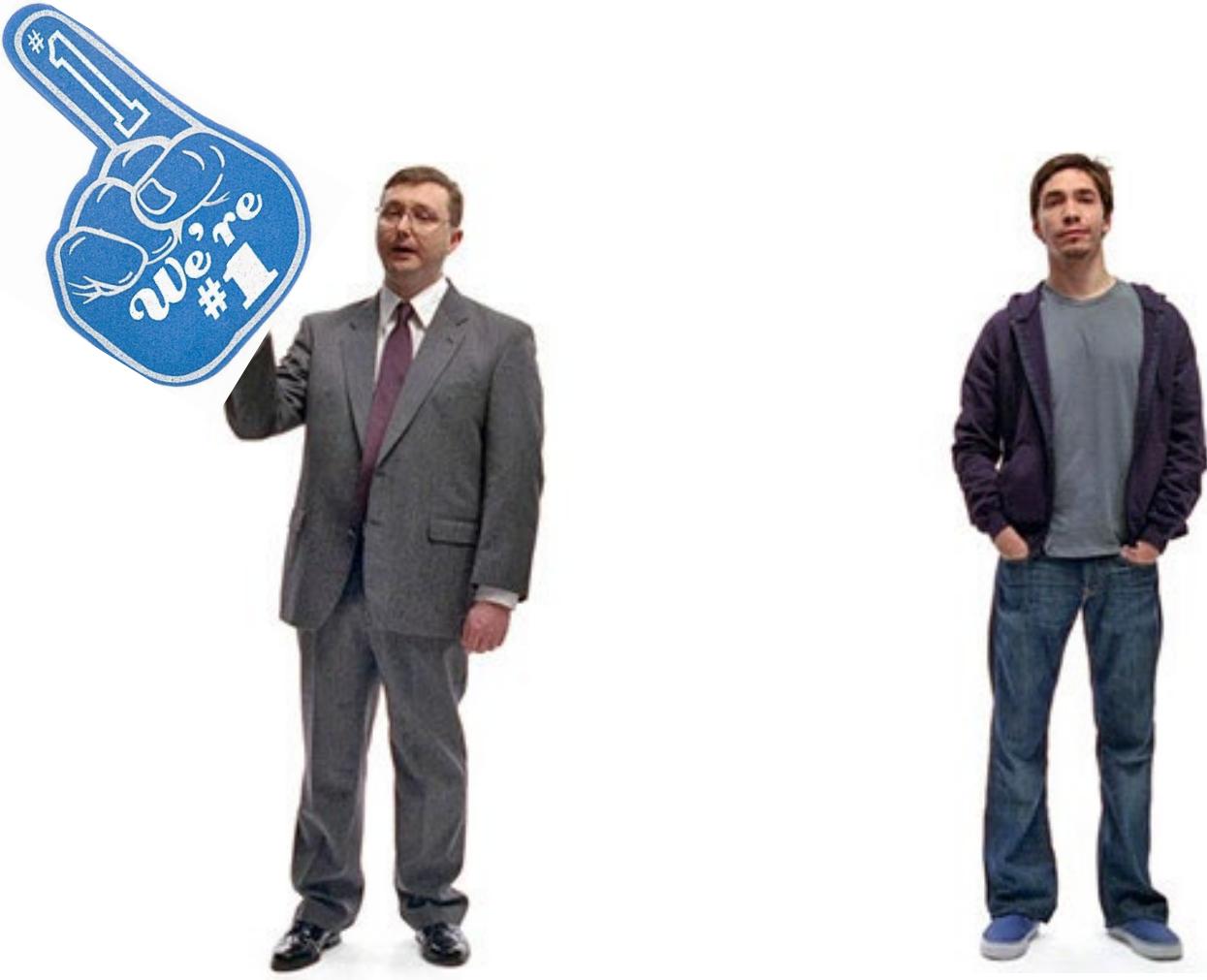
Non-parallel Lines

these lines are NOT equally far apart



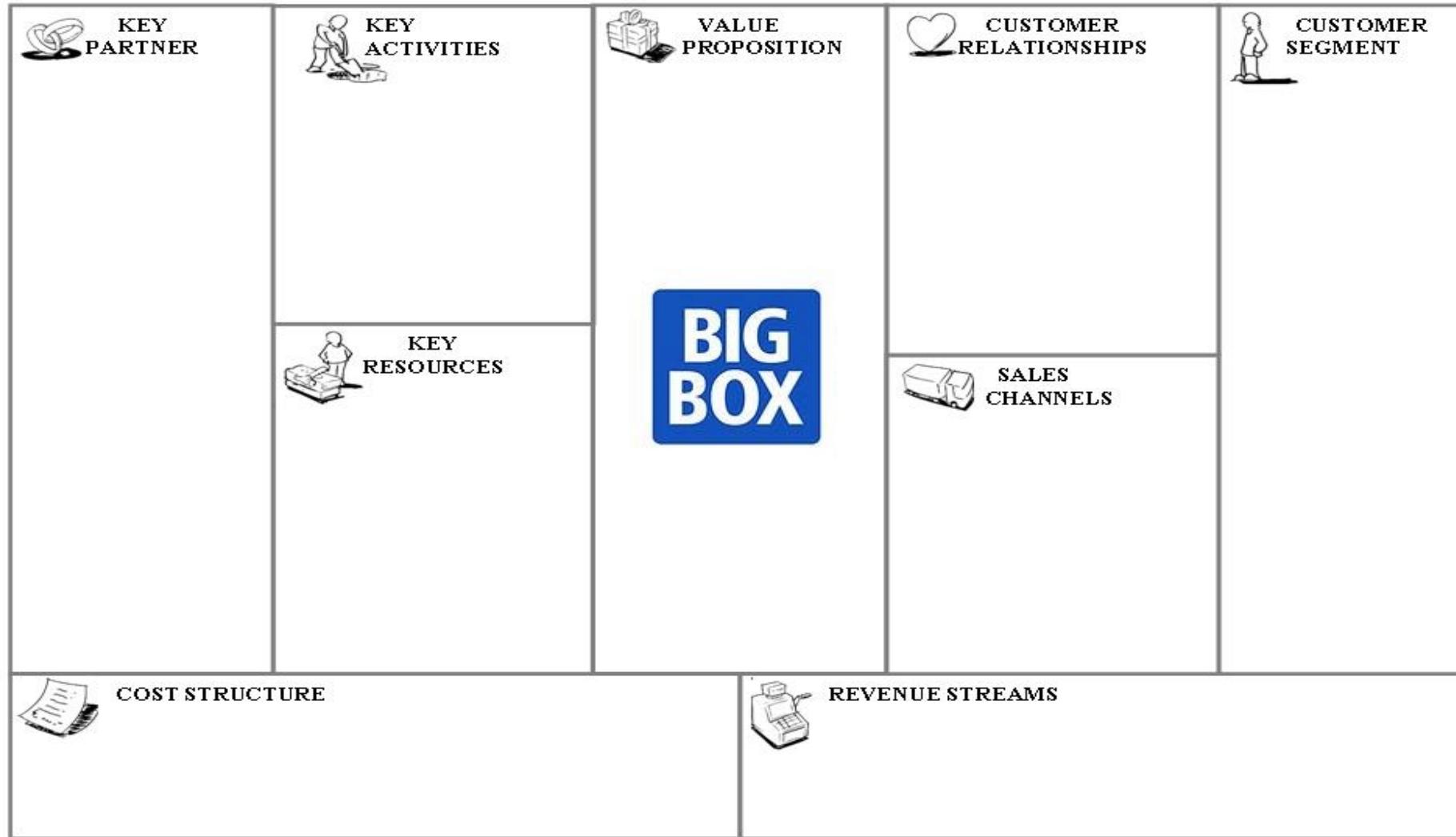


How can I unite
the new with
the old?

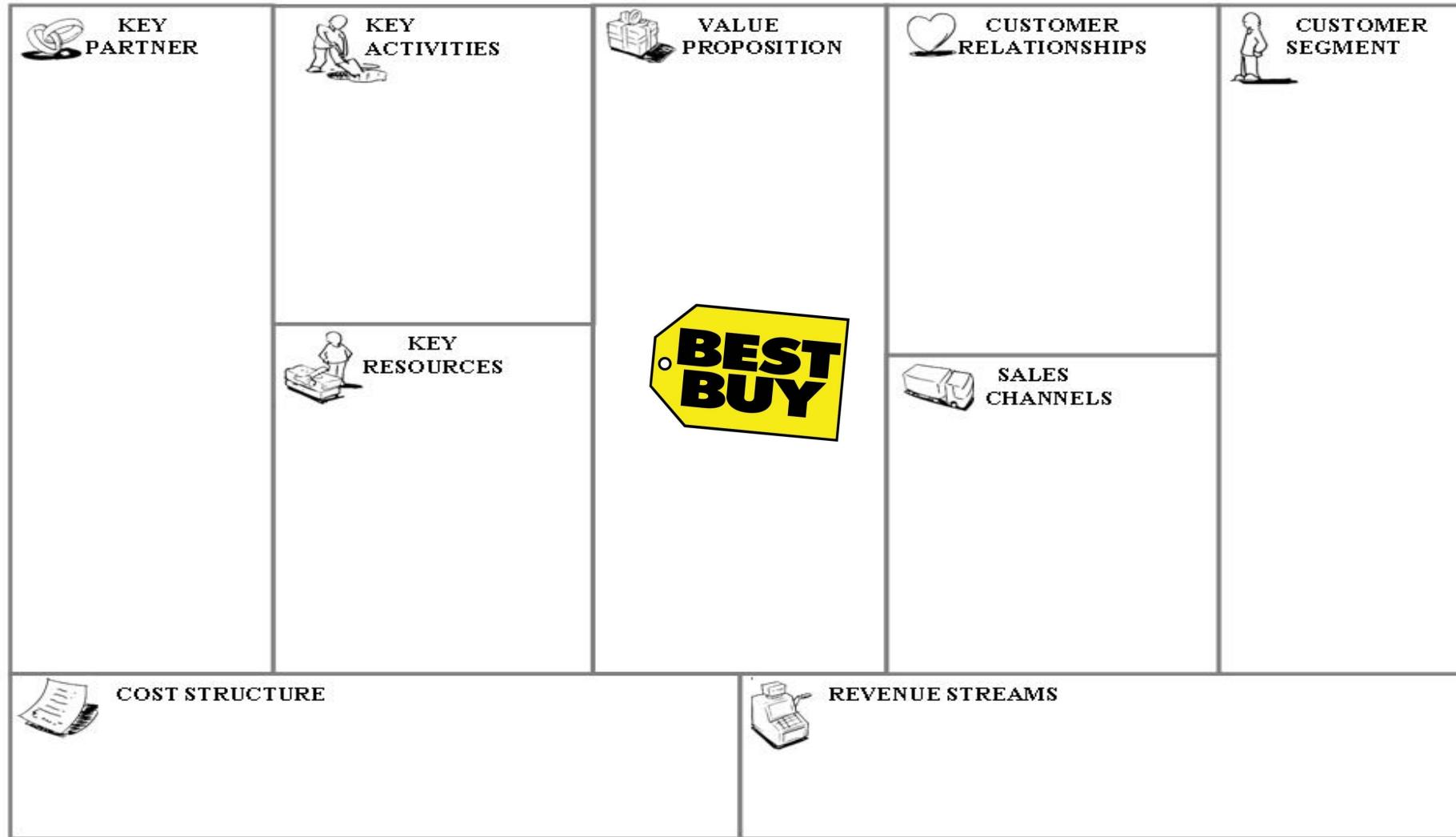


How can I unite
the new with
the old?

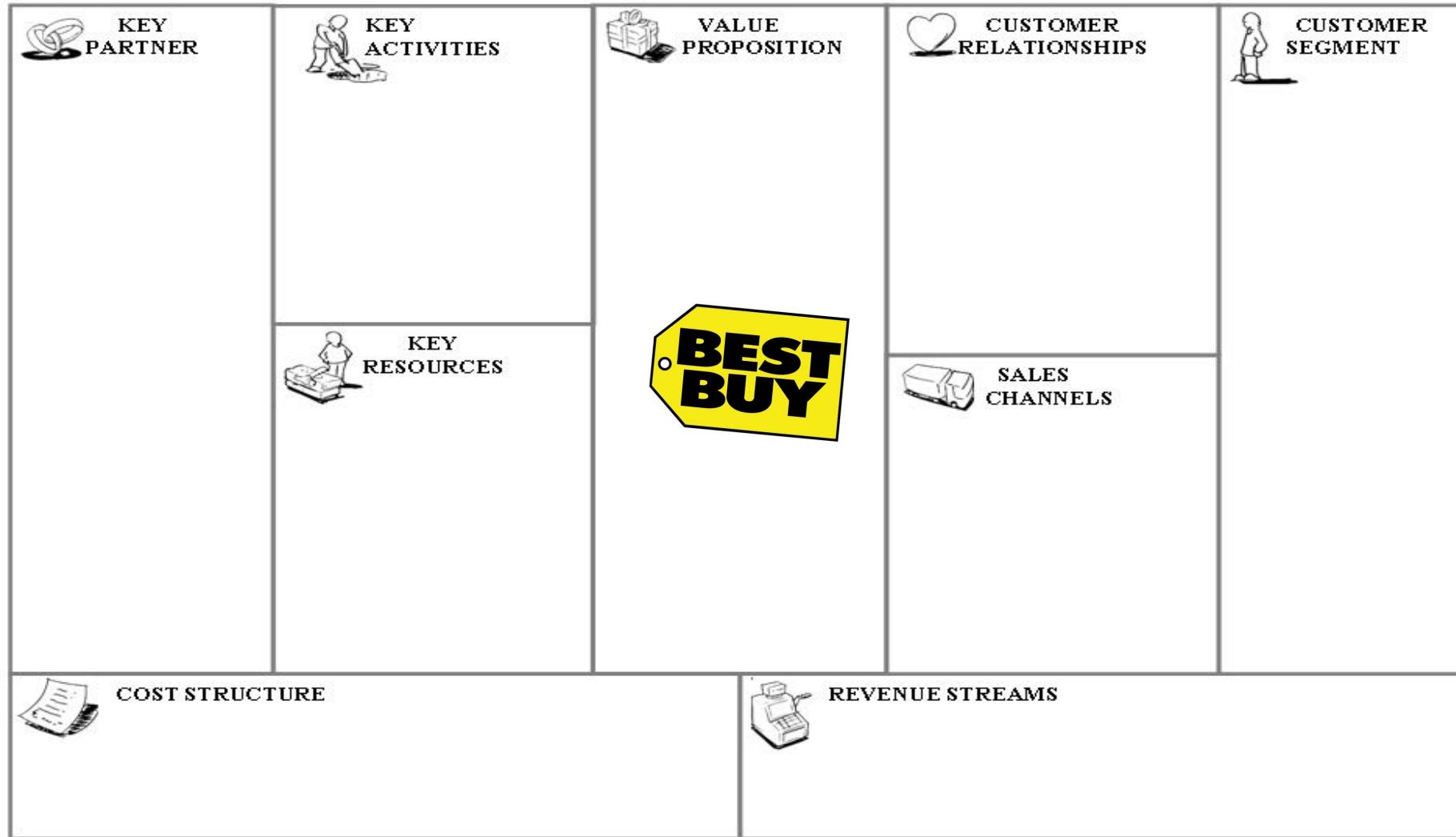






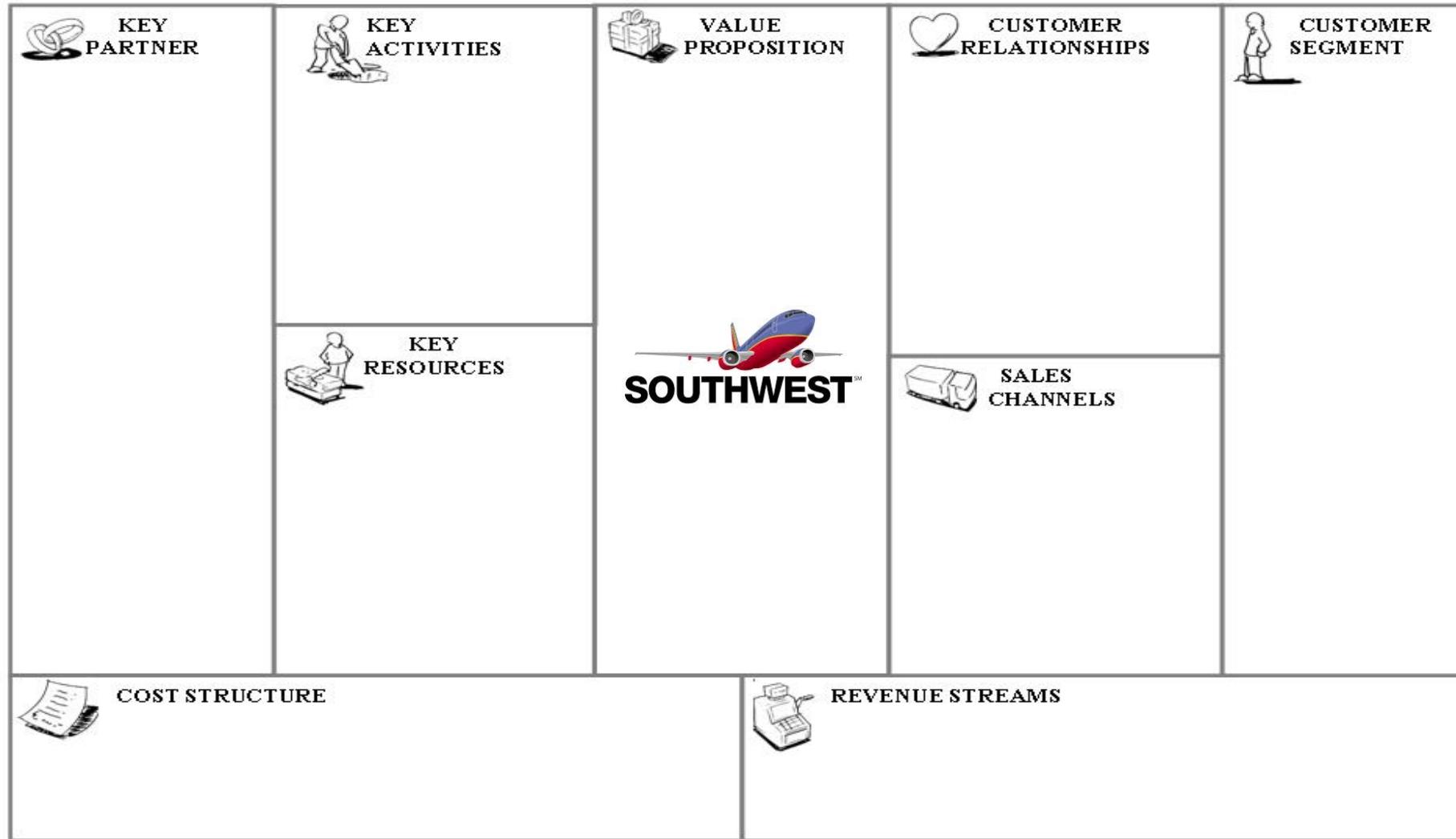


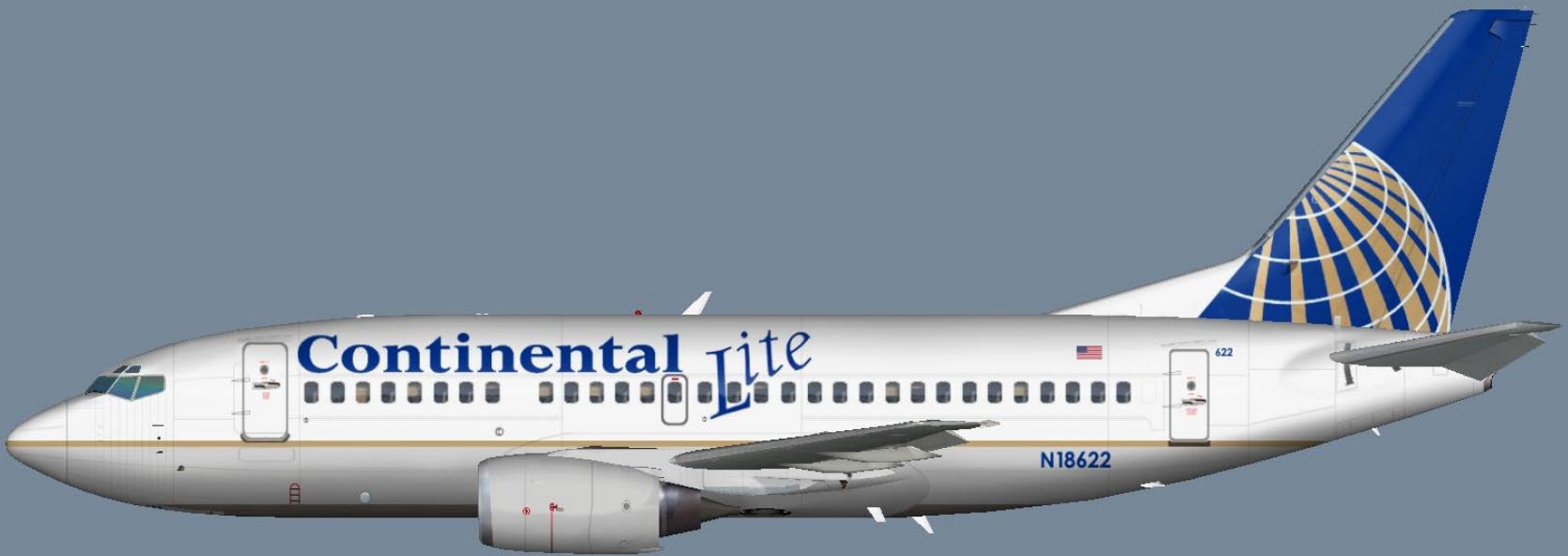
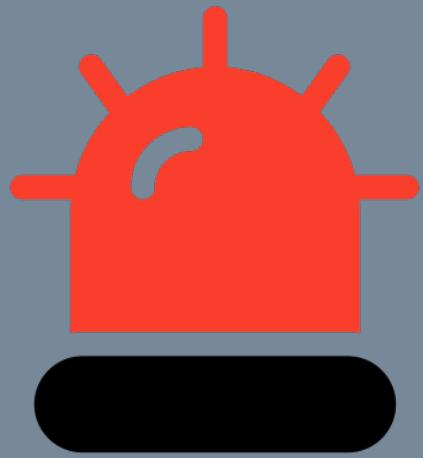






This can also be **tough**, though
and destroy value...





Key takeaways

1:

Aspirin opportunities are typically best pursued within an existing business model

2:

Important to remember that models are systems... need to think through how changes ripple through different parts of the model

3:

Integrating new pieces into existing models can be tricky. The drivers and destroyers of value are often related to the totality of the model, and not to specific modular pieces



Aspirin or Vitamin?

Is this a digital opportunity?

“Parallel parking” or “go for the core?”

Clear eyes, full hearts....

Aspirin or Vitamin?

Is this a digital opportunity?

“Parallel parking” or “go for the core?”

Clear eyes, full hearts....

Key Challenges

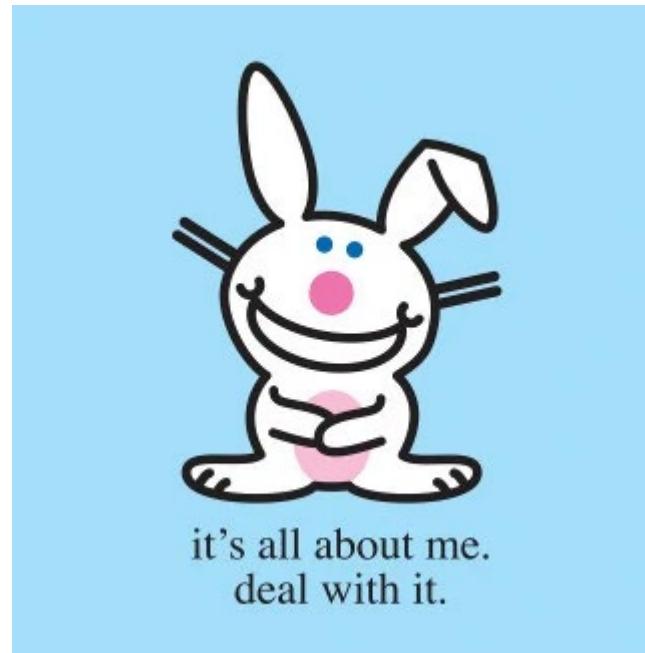
Digital transformation requires moving
A LOT of people

You need buy-in from diverse groups

Change is scary



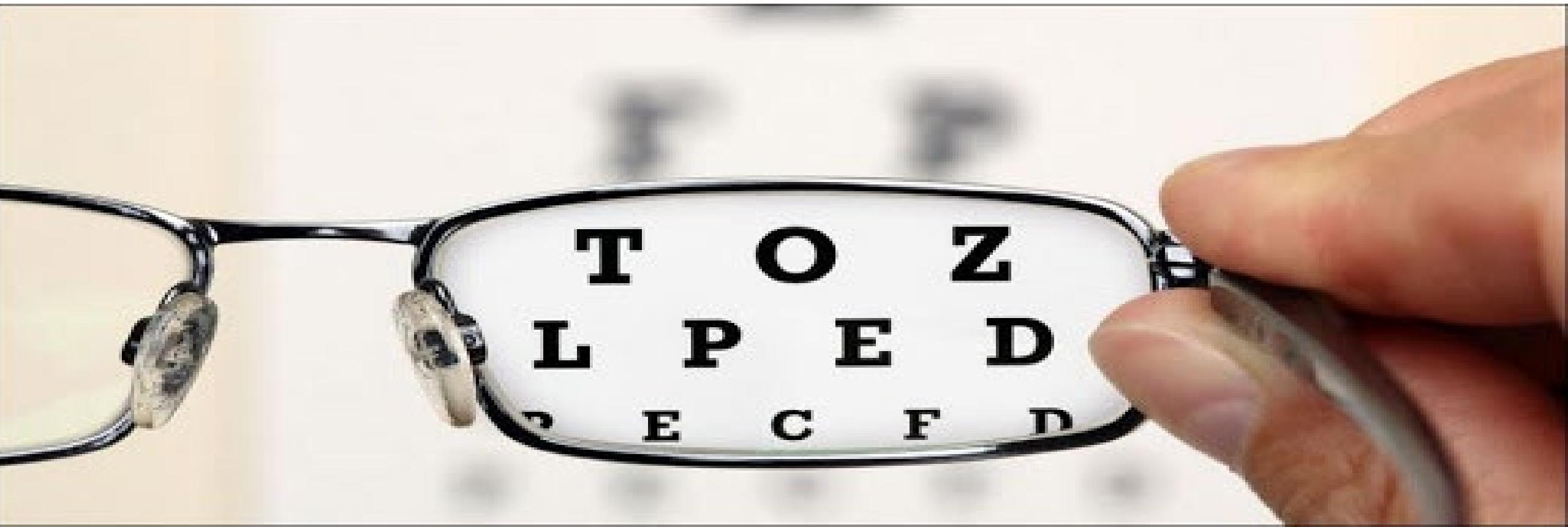




EMPATHY



The first is a design issue:



The second is a communication issue:

People want to be part of
something bigger than they are.





Honest Signals



Pitching Transformation

simple rules

Rule 1:

Change is scary. Pitch with empathy.

Rule 2:

Address fears. Communicate vision clearly and consistently.

Rule 3:

Make people a part of the story and help them see their place.

Rule 4:

How you pitch matters a lot. Be mindful of your honest signals



Identifying and Pitching Digital Opportunities