# Digital Products Will Transform Your Enterprise ... and IT

Hung LeHong Brian Prentice

© 2023 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates. This publication may not be reproduced or distributed in any form without Gartner's prior written permission. It consists of the opinions of Gartner's research organization, which should not be construed as statements of fact. While the information contained in this publication has been obtained from sources believed to be reliable, Gartner disclaims all warranties as to the accuracy, completeness or adequacy of such information. Although Gartner research may address legal and financial issues, Gartner does not provide legal or investment advice and its research should not be construed or used as such. Your access and use of this publication are governed by Gartner's Usage Policy. Gartner prides itself on its reputation for independence and objectivity. Its research is produced independently by its research organization without input or influence from any third party. For further information, see "Guiding Principles on Independence and Objectivity."



### What Is a Digital Product?

Citizen App: b-cit Ownership of

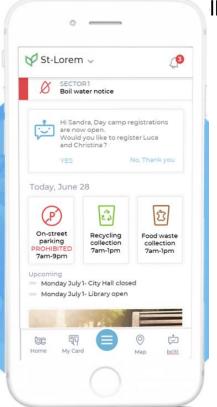
Engagement Car With OTA Upgrades: Tersipaloyee

**Product** 

Pet-Care
Gig Marketplacestem
Flex by Jitjatjo

Commerce App

> Image Recognition Service







olutions

Note: Consider product and service to be interchangeable terms
Source: bciti Smart City Platform, B-CITI Solutions; Tesla; Flex by Jitjatjo, Jitjatjo

## **Gartner Digital Product Landscape**

Operations	Channel		Venture				
							0
Internal Services & Capabilities	Digital Channels  I I I I I I I I I I I I I I I I I I	Digital Enablers  & Features	Digital Assets & Content <b>Exan</b>	Commercialized Internal Capabilities	Software & Digital-Native Devices	Platform Products & Solutions	Digital Ventures  I I I I I I I I I I I I
Employee Portal OT System	Customer or Citizen Portal Commerce App	Car with OTA Upgrades Product Engagement App	3D-Printable Plans Fractional Ownership of Collectibles	Customer Prediction Model Image Recognition Service	Digital Therapeutic Smartwatch	IoT Solutions Banking Platform	Pet-Care Ecosystem Gig Marketplace

Source: Gartner

## How Will Digital Products Transform Your Enterprise ... and IT?

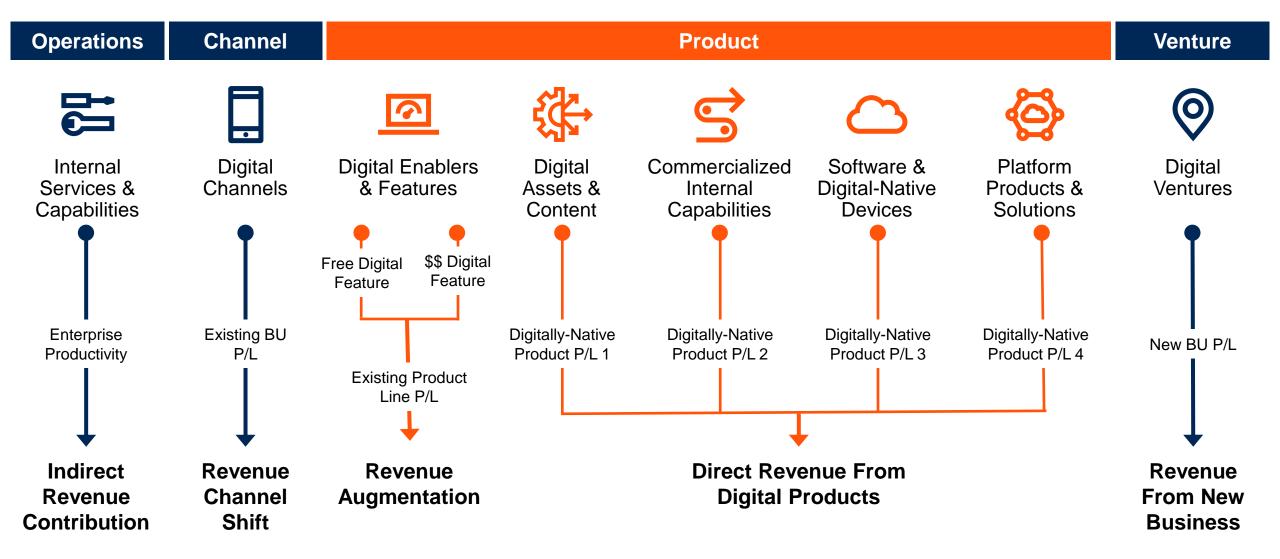
- **1** Financial Impact
- Delivery Model Impact
- Technology Impact



## How will digital products impact your financials?

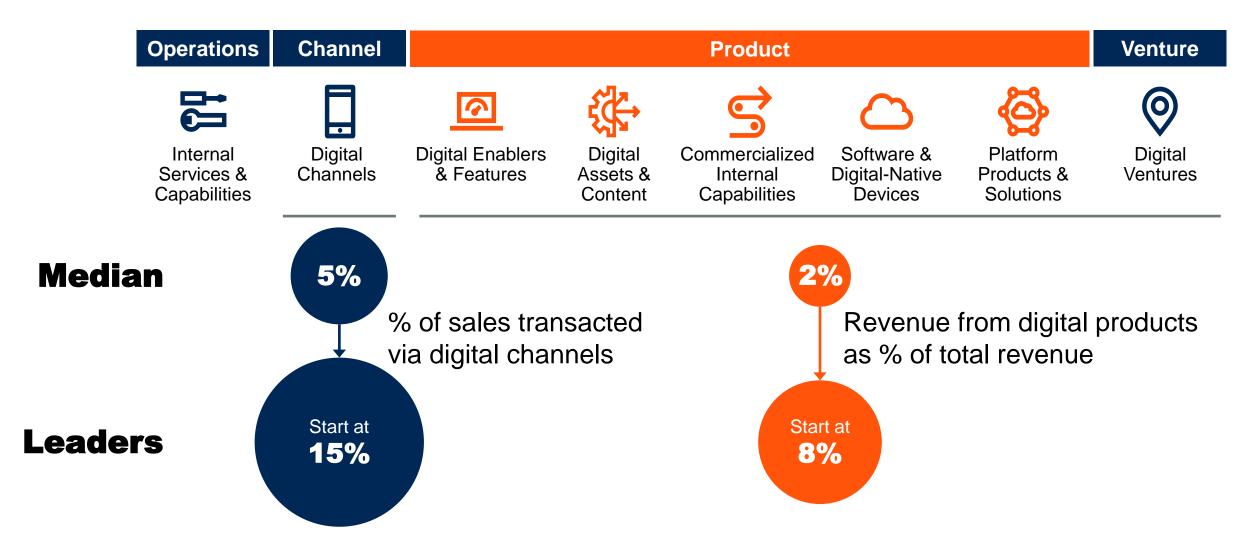


## **Digital Product Landscape — Revenue Map**





## **Typical Revenue Impact of Digital Products**



n = 1.000+

Source: <u>Digital Business Benchmarks: Enterprises Must Improve</u> (G00766172)



## **A.P.** Moller — Maersk Example

**Operations** 

Internal Services & Capabilities



Channel

Digital Channels



Digital Enablers & Features



Digital
Assets &
Content



**Product** 

Commercialized Internal Capabilities



Software & Digital-Native Devices



Platform Products & Solutions



Venture

Digital Ventures

**50**%

Frictionless Transactions

i.e., all customer self-serve and no calls and emails **67%** 

Digital Commerce

From maersk.com, EDI, Twill, Mobile

**17%** 

Ocean Bookings

Include the sale of a digital logistics & services product



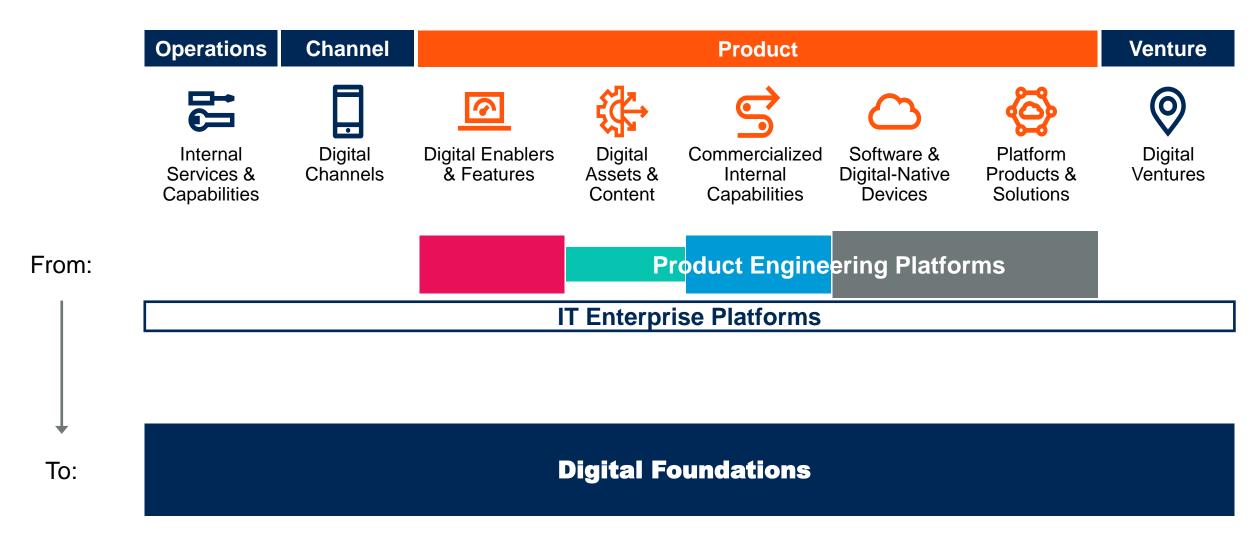
TRADELENS (discontinued)



## How will digital products impact your technology approach?



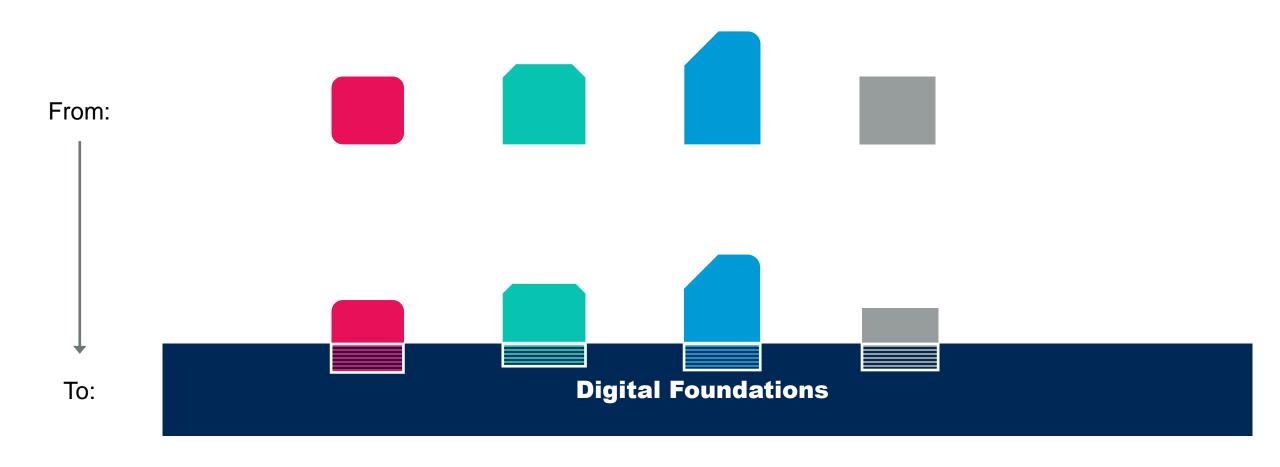
## **Digital Product Landscape — Technology Map**





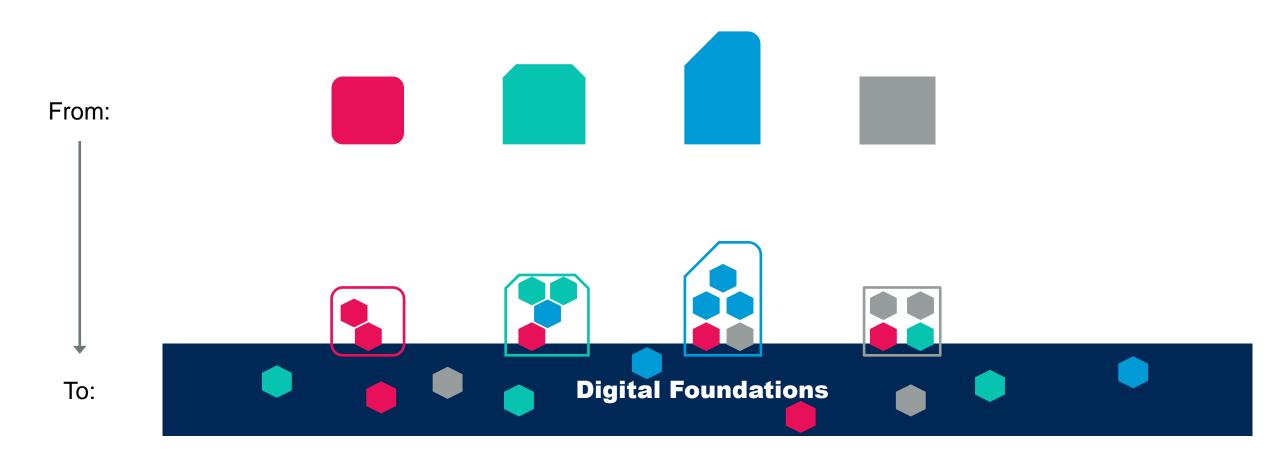
#### **Products Don't Just "Run" on Common Foundation**

#### This is <u>not</u> the journey



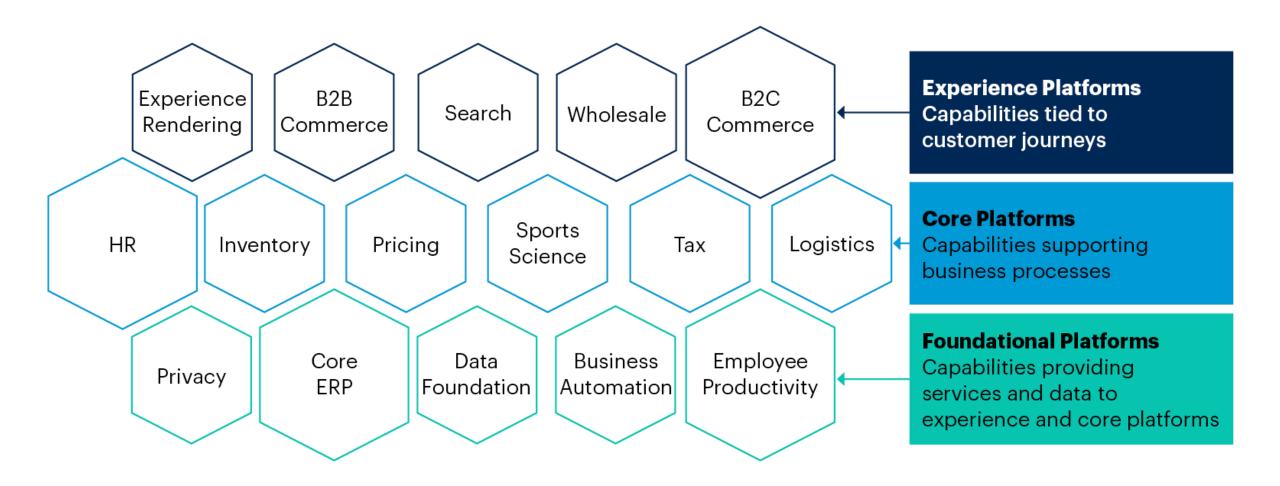


#### **Products Are Built & Run on a Common Foundation**





## NIKE's Digital Foundation = Composable Platforms

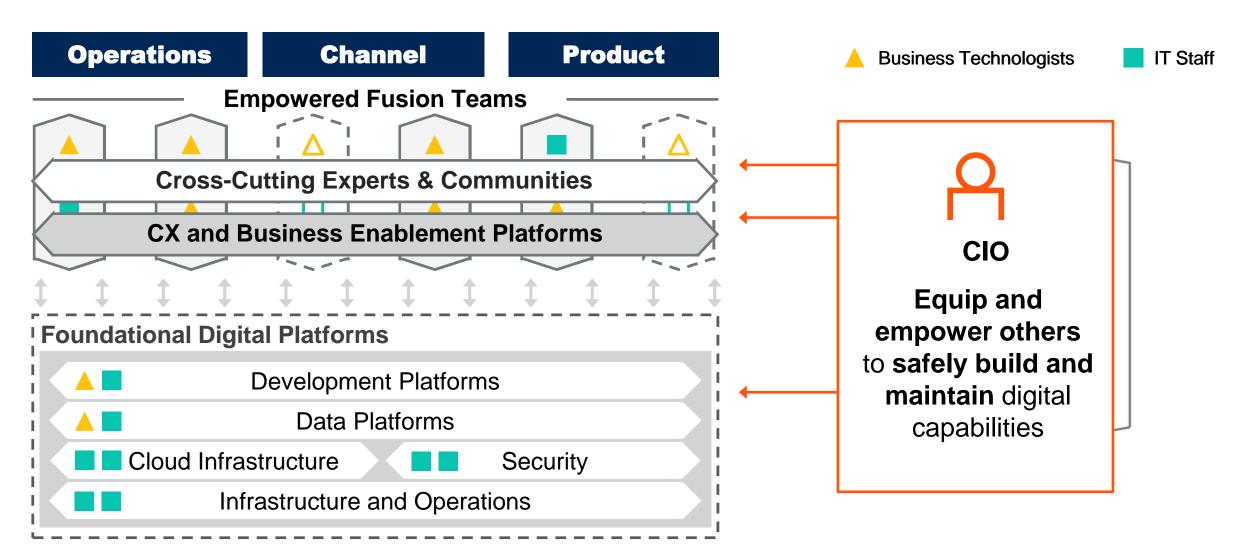




## How will digital products impact your delivery model?



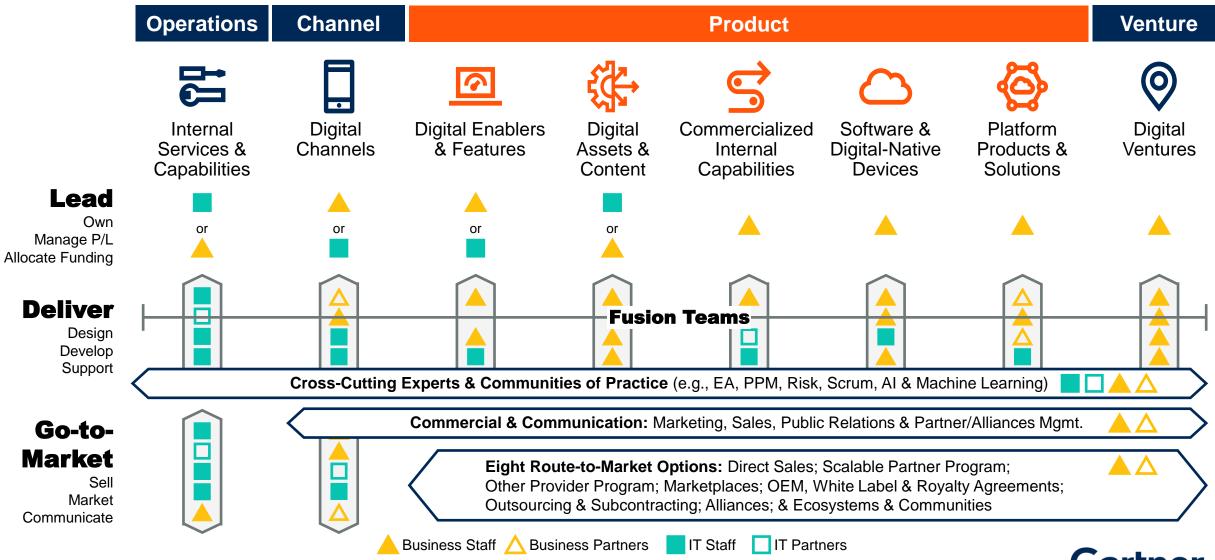
## **Democratize Digital Delivery by Design**



Source: Presentation: Democratized Technology Delivery: The CIO's New Opportunity to Boost the Value of IT (G00754237)



## **Digital Product Landscape — Role Map**





### **Eight Route-to-Market Options**





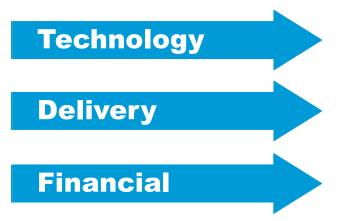


## Let's put it all together



## How Will Digital Products Transform Your Enterprise ... and IT?

**Operations** Channel **Venture Product Platform** Internal Digital Digital Enablers **Digital** Commercialized Software & Digital Services & Channels & Features Assets & Internal **Digital-Native Products &** Ventures Capabilities Content Capabilities **Devices** Solutions





## **Gartner Digital Product Landscape**

Operations	Channel		Venture				
			<b>₹</b>				0
Internal Services & Capabilities	Digital Channels	Digital Enablers & Features	Digital Assets & Content	Commercialized Internal Capabilities	Software & Digital-Native Devices	Platform Products & Solutions	Digital Ventures
Platforms, tools and services for internal business, operations, employee or partner use	Channels, access points and tools that provide access to existing products or services digitally	Augmentation or transformation of existing products or services with digital capabilities	Media content, assets, data and any IP that can be digitally productized, licensed or tokenized	Enterprise products, services, capabilities or assets, packaged for commercial use and sold to the market	Software products or software-powered digital devices with integrated software and hardware	Mechanisms for producing capabilities or products, sold as a stack or bundle with platform and services	A new or distinct digital business model, often defined by qualities of the product itself
Indirect Revenue Contribution	Revenue Channel Shift	Revenue Augmentation		Revenue From New Businesses			
!							
Employee Portal OT System	Customer or Citizen Portal Commerce App	Car with OTA Upgrades Product Engagement App	3D-Printable Plans Fractional Ownership of Collectibles	Customer Prediction Model Image Recognition Service	Digital Therapeutic Smartwatch	IoT Solutions  Banking Platform	Pet-Care Ecosystem Gig Marketplace

Source: Gartner



#### **Recommended Gartner Research**

- Case Study: Composable Platform Strategy to Drive Business Agility (Nike)
  Applications and Software Engineering Research Team
- Quick Answer: Does Our Organization Need a Chief Product Officer?
  Erin Neus-Cheong, Brian Prentice and Hung LeHong
- Digital Revenue: What It Is and How to Pursue It Hung LeHong and Apoorva Chhabra

