

AI Digital Transformation

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AI Digital Transformation is CEO Led

Not your usual transformation

Digital transformation has become a catchall term. But new technologies, particularly AI, are making it far more dynamic. Successful companies don't just *use* digital, they *become* digital.

The four Cs of a digital transformation

🔗 Click each card to learn more

Capability driven

The new look of digital transformation represents the fundamental rewiring of how an organization operates, achieved through developing organizational and technology-based capabilities.

Continuous

Unlike regular business transformations, which usually end once a new behavior is achieved, digital transformations are continuous, long-term efforts, as technology constantly evolves.

Competitive

A successful digital transformation builds competitive advantage by consistently deploying tech at scale, including exploring the new horizons of AI, to improve customer experience and lower costs.

CEO led

Incorporating new technologies requires cross-functional collaboration and coordinated, large-scale investments. CEOs need to be actively engaged to ensure this high level of sustained change.

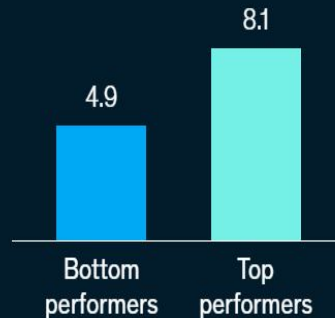
Significant Shareholder Value Creation (22%CAGR)

From vision to value

Digital transformations can create real business value: digital leaders improve shareholder returns and outperform their peers.

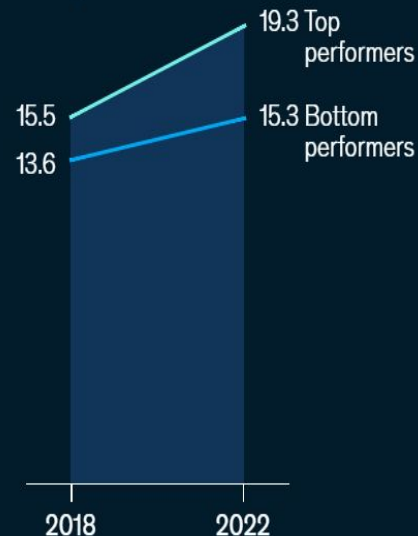
Total shareholder return

Weighted peer group average, 2018–22, CAGR, %



Return on tangible equity

Adjusted pretax, peer group average, %



Digital Transformation Shifts 6 Key Gears

Shifting gears

But don't mistake bite-size digital gains for a successful enterprise-wide transformation. Six important shifts can help ensure that companies are realizing the full value of their efforts.

Six shifts of digital transformation

Click each item to learn more

<u>FROM</u>		<u>TO</u>
A focus on digital initiatives	→	A focus on the customer
Hiring digital talent	→	Developing digital talent everywhere
Dozens of centrally managed teams	→	An operating model that can scale
Dependent legacy teams	→	Unleashed, agile teams
Centralized data	→	Democratized data
Short-term gains	→	Long-term continuous growth

Play the Long Game - Focus on 1 Area to Start Flywheel

The long game

A digital transformation's work is never done. Successful companies treat it like a muscle, one they are continually building and strengthening.

It's best to start with a concentration in a particular area rather than sprinkle a little bit of digital or a handful of analytics use cases broadly across the organization. Pick one area of the business and really focus on building some momentum there first and then on growing from there on out.



Rodney Zempel
Senior partner,
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