

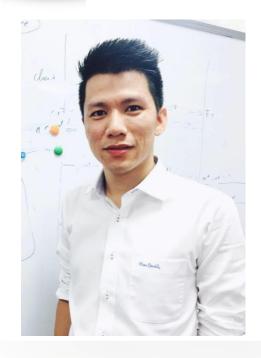


DIGITAL TRANSFORMATION SUCCESSFUL AND FAILURE CASES

HOW TO TURN TECHNOLOGY INTO BUSINESS TRANSFORMATION



About me



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"Leading Digital" Was Born Out Of 3 Years Of Research

RESEARCH **THEMES**

RESEARCH

LEADING DIGITAL Define digital **OBJECTIVES** transformation framework Globalwide

research

2015

Digital Transformation

Framework

2016 **Digital Transformation Performance** entrust **Entrust Consulting Group** DNA

Performance/ Sector Maturity/ 150 Vietnamese Companies

2018 **Digital Transformation Execution entrust** Uncover execution Challenges >30

Companies







What Is Digital Transformation?



Digital Transformation \ di-jə-təl tran(t)s-fər-mā-shən\ (1) the use of digital technology to radically improve the performance and/or reach of a company.







What Do These Great Companies Have In Common?





























The DNA Of Digital Masters

The What:

Using digital technology to transform the customer experience, operational processes and business models

The How:

Successful transformations depend as much on how firms manage digital transformation than solely on implementing new technologies

Leadership Capability









4 Levels Of Digital Mastery

Digital Capability

FASHIONISTAS

- Many advanced digital features (such as social, mobile) in silos
- No overarching vision
- Underdeveloped coordination
- · Digital culture may exist in silos

BEGINNERS

- Management skeptical of the business value of advanced digital technologies
- May be carrying out some experiments
- Immature digital culture

DIGITAL MASTERS

- · Strong overarching digital vision
- Excellent governance across silos
- Many digital initiatives generating business value in measurable ways
- Strong digital culture

CONSERVATIVES

- Overarching digital vision exists, but may be underdeveloped
- Few advanced digital features, though traditional capabilities may be mature
- Strong governance across silos
- Active steps to build digital skills and culture

Leadership Capability







Mastering Both Dimensions Is The Key

1. DIGITAL CAPABILITY

Social Media

Digital Product Design

Customized Manufacturing





Digital Division:
Nike Digital
Sport

- Digital marketing
- Digital product innovation/design
- Digital commerce (e/m-commerce)
- Digital technologies (GPS, mobile, etc.)
- Customer analytics



Firm-Level
Digital
Transformation

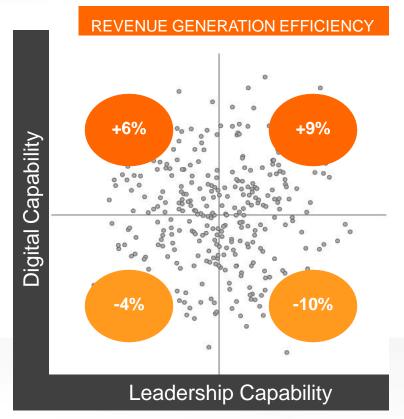
Source: "The Digital Advantage: How digital leaders outperform their peers in every industry" G. Westerman, M. Tannou, D. Bonnet, P. Ferraris, A. McAfee, MIT Center for Digital Business and Capgemini Consulting, Nov. 2012.

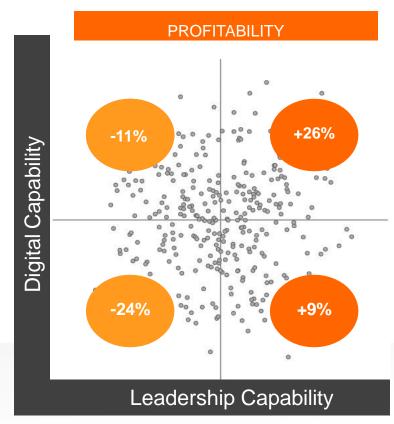






The Time To Act Is Now: Digital Masters Have Significantly Better Financial Performance





Basket of indicators:

- Revenue / Employee
- Fixed Asset Turnover

Basket of indicators:

- EBIT Margin
- · Net Profit Margin

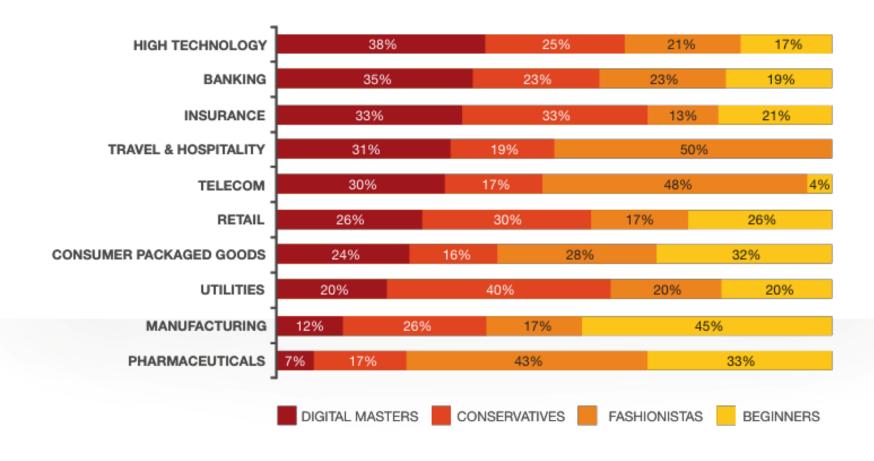




^{*} Average performance difference for firms in each quadrant versus the average performance of all large firms in the same industry for the 184 publicly-traded companies in our sample



The Time To Act Is Now: Every Industry We've Studied Already Has Digital Masters









The What: Building Blocks Of Digital Capability



CUSTOMER EXPERIENCE

OPERATIONS

BUSINESS MODEL

Customer Understanding

Process digitization

Digitally-modified business

Top Line Growth

Worker enablement

New digital business

Customer Touch Points

Performance management

Digital globalisation

Digital has informed and amplified customer expectations

Digital is removing traditional constraints in operations

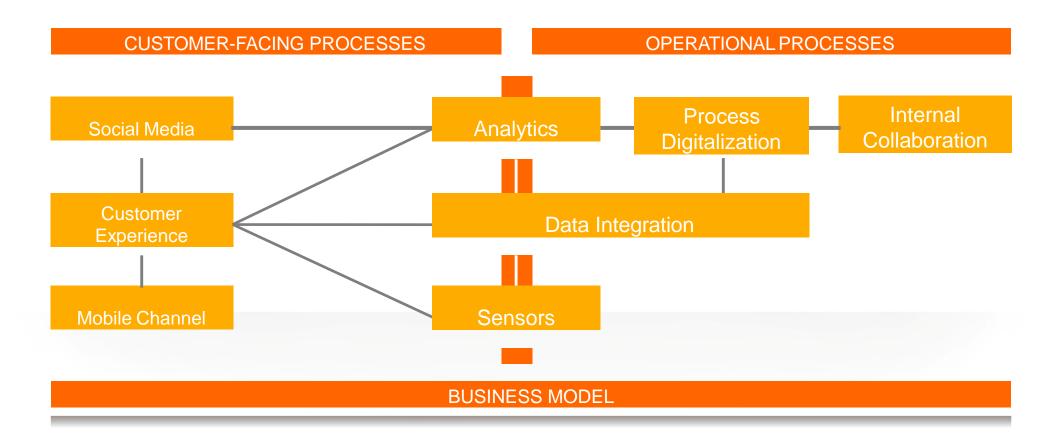
Digital business models can reorder value chains and create new opportunities







There Are Clear Patterns In How And Where Digital Masters Invest In Digital Capabilities









Four Interventions That Together Change The Customer Value Equation

Design customer experience from the "outside-in"



Increase
reach
& engagement
with smart
digital
investment



Put customer data at the heart of the experience



Seamlessly mesh the digital and the physical experience

- Forensic understanding of customer behaviour
- Segment: Journeys/ Personae

- New Digital Channels
- Reach & engage where it matters
- Make customer experience and personalisation more scientific
- Harvest and enrich data

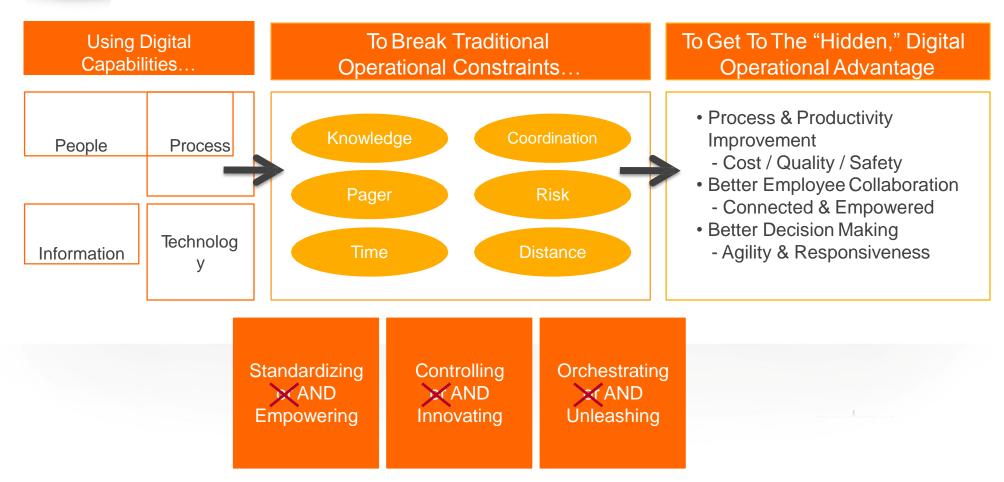
- Old & new matter
- Omni channel integration







Operations: The Less Visible Competitive Advantage









Challenge Your Business Model Before Someone Else Does

THE COMPETITIVE LANSCAPE IS IN PERPETUAL MOTION

Globalized Competition

Falling Barriers To Entry

Access Vs. Ownership Of Assets

Blurring Industry Boundaries

Everything Connected

FIVE ARCHETYPE CHOICES

Re-inventing Industries

Substituting Products & services

Crafting New Digital Businesses

Reconfiguring Delivery Models

Rethinking Value-Propositions























The How: Leadership Capabilities Is What Turns Digital Investment Into Digital Advantage

Fuse IT & business communities to build digital skills & transform technology platforms TECHNOLOGY VISION GOVERNANCE **ENGAGEMENT**

Create a shared transformative vision of the digital future

Establish strong digital governance to steer the course

Engage employees at scale to make vision a reality







Only the senior-most executives can create a compelling vision of the future

• 1.0: Real time operation

• 2.0: Full automation

• 3.0: Human free mines

Evolve The Vision Over Time

Identify Strategic Assets

- Sales team customer relationships were high value
- Shift to sell digital services not books

Define A Clear Intent And Outcome Create A
Transformative
Vision

- Fully digital end-to-end
- Align same experience across channels worldwide

 Industrial Internet – marriage of industrial engineering and Big Data analysis







Vision Sets Direction. Engaged People Make It Happen

CONNECT THE ORGANIZATION

- Wikis
- Microblogs
- Social Networks
- Video Conferencing

WIRING

"Communities that are created on the network are free from geographical, functional or hierarchical boundaries."



ENCOURAGE WIDER CONVERSATIONS

- Executive involvement
- Digital champions
- Reverse mentoring
- Use cases

ADOPTING

"With executive engagement, you don't have to mandate activity."



FOSTER NEW WAYS OF WORKING

- Closing knowledge gaps
- Increasing engagement
- Solving business issues
- Generating new ideas

SCALING

New innovation process is creating more innovation, collaboration, and employee engagement across the company's business units.









Strong Digital Governance Keeps The Company On Track

GOVERNANCE GOALS

COORDINATION

- Prioritizing
- Synchronizing
- Aligning

SHARING

- Capabilities
- People
- Processes
- Technology
- Information

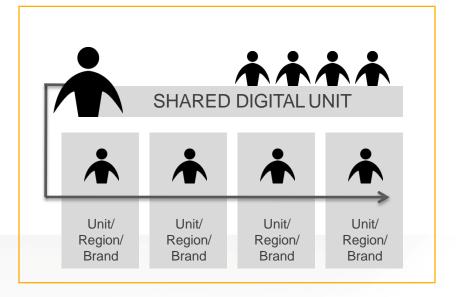
KEY MECHANISMS

Digital Leadership Roles

Shared Digital Units

Digital Governance Committees

MULTIPLE MECHANISMS TO SUIT CULTURE & REACH











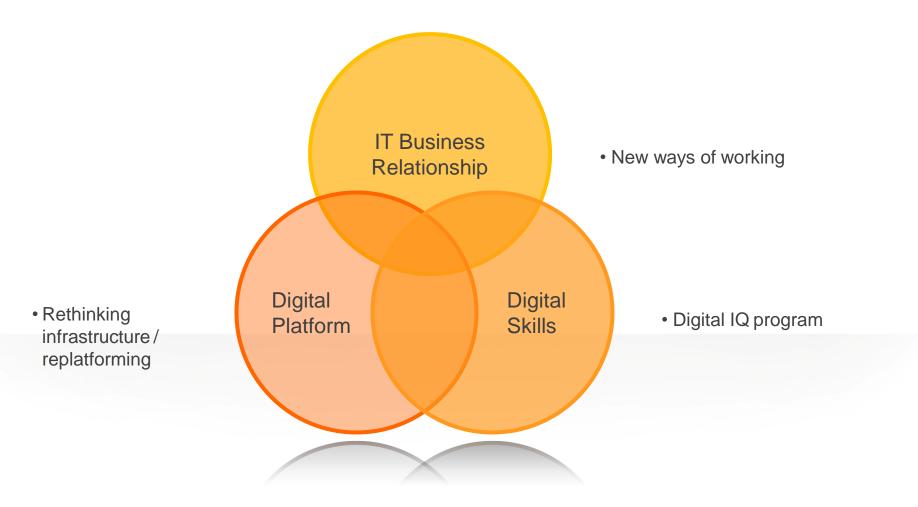








Business And IT Leaders Together Drive Transformation Efforts Better Than They Do Apart





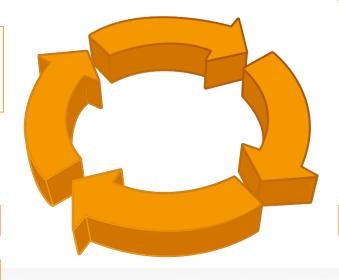




Digital Transformation Is A Job For Now: The Digital Transformation Compass

Sustain the Transformation

- Build Foundation Skills
- Align Incentives & Rewards
- Measure, Monitor & Iterate



Frame the Digital Challenge

- Build Awareness/Understand Impact
- Know your Starting Point
- Craft Vision & Align Top Team

Mobilize the Organization

- Signal your Ambitions
- Earn the Right to Engage
- Set New Behavior & Evolve Culture

Focus Investments

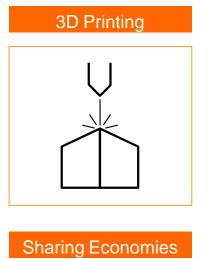
- Translate Vision into Action
- Build Your Governance
- Fund the Transformation

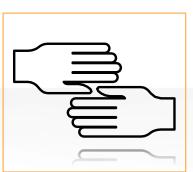


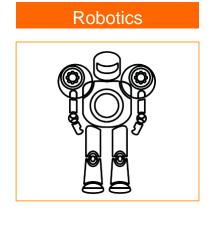




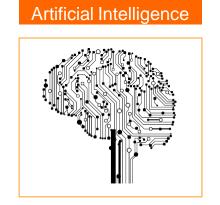
You Ain't Seen Nothin' Yet













Digital Technology Will Remain The Endless Agitator Of The Business World









THANK YOU

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