

# Chasing Digital

**Anthony Stevens and Louis Strauss**

**The bulk of this book is for leaders and companies who come from the pre digital era**

**The first industrial revolution used water and steam power, the second used electric power to create mass production**

**The third used electronics and information technology to automate production, the fourth is characterized by fusion of technologies between physical, digital and biological spheres.**

**The rate at which the economy is transforming itself is incredible.**

**Pre digital companies have three characteristics: 1.they use rules and strategies designed before the internet and digital boom,2. technology supports the business but is not what the company sells, 3. they are led by an executive team and governed by a board**

**Long held assumptions about the fundamental drivers of high growth have changed. Technology has opened up entirely new ways of doing business.**

**How much of your current strategy will help you compete in the digital economy?**



**The internet has changed everything and no longer are the Porter's five forces relevant as stated by Porter.**

**We now see near zero distribution and engagement costs, the explosion of data and platform based based business models.**

**Top talent is attracted by the wealth creation opportunities and innovation culture of the start ups.**

# Rethinking your strategy in a digital world

1. Rethink your value chain
2. Focus on the demand side of the business
3. Capture the momentum of the flywheel

# 5 moat features that no longer differentiate

1. A great user experience
2. Relying on scale and experience
3. Using third party software
4. Basic applications of AI
5. Digital supply side economics of scale

**Data must lead to differentiated products and services which must lead to a new customer experience, which helps retain customers and get new ones**

**The word 'pivot' denotes a rapid change from one strategy to another, which often involves changing the business model.**

**Centralizing your data will ensure that you get the best insights from it. This should give you a holistic and complete customer profile**



**Cut anything that is not core to your current customer value**

**Consolidation is the key here – cut the fat**

**Software is changing how businesses operate and what consumers value. There is everything waiting to be digitized.**

**Software allows your business to scale exponentially, makes way for a service model**

**When you have a large organization, silos take over, and these groups start to compete with each other rather than collaborate**

# The cornerstones of a digital culture

1. Free flow of information
2. Customer focus
3. Agility
4. Inquisitiveness
5. Employee experience and engagement

**Mini empires are a huge killer of cultural change efforts, empires create borders leading to lower information flow , leading to varied goals and ambitions**

**Building customer relationships and experience is not the responsibility of the sales team alone, this is a responsibility of every touch point in the company that the customer interacts with be it supply chain, be it finance or service.**



**Is decision making in your company hierarchy bound? Delaying a decision because of lack of access to senior decision makers kills agility in the organization.**

**Rather than encouraging big decisions that cannot be changed, incentivize your teams to take smaller decisions at a faster pace.**

**Changing your culture goes hand on hand  
with changing how your teams operate.**

**As a leader, you need to focus on diversity of thinking, which will enable you to identify new ways of doing things and working together**

**The big decisions- strategy, organizational design and culture are the bedrock of your digital transformation**

**At a conceptual level, we define digital as a data oriented mindset – a belief that applications, insights and business opportunities are limitless and will redefine markets**

# 3 things you need to know about data

1. Granularity
2. Source and the connections within
3. Quality and completeness of data

**In 2015, the big data industry was worth \$122 billion, this is expected to be \$189 billion in 2019.**



**When dealing with data, one must recognize that not everything that's valuable is directly measurable**

# A framework to harness and apply data

1. Start with strategy
2. Identify and validate supporting scenarios
3. Prioritize ROI
4. Get the data
5. Determine the economic value of the data

**Our experience shows that there are three areas of focus that will improve future cash flow : 1. improving decision making  
2. improving operations, and 3 monetizing data as a valuable asset**

**Companies are being bought and sold on the value of their data vases. IBM bought the weather company for \$ 2 billion , because it has reference to 50,000 flights data and 40 million smartphones a day.**

**Weather is know to affect consumer shopping behavior, employee well being, auction prices.**

**Platforms at their most basic level are a conduit to connect buyers and sellers with one another. Nobody wants to join a platform on which they are unable to transact**

# **The five big Vs of big data**

**velocity**

**volume**

**variety**

**veracity**

**value**

# 3 types of innovation

1. Disruptive innovation ( new categories and business models are seen)
2. Sustaining innovation ( improvement in existing product or service)
3. Efficiency based innovation ( doing more with less china and japan are the best at it)



**Pre digital companies are prone to over planning and under executing.**

**The most valuable leaders today are those who can move fast, get things done and plan strategically, all at the same time.**

**Success in the new economy is not just about a future ready strategy, but also about operating at speed.**

**For a business to succeed in the digital economy, the culture, energy, pace and people must be fit for the journey.**

**Choosing leaders who faithfully abide by the rules of the board produces more of the same**

**Most boards are not digitally fluent**

