


# Disrupting Digital Business

Create Authentic Experiences in the Peer-to-Peer Economy

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TM

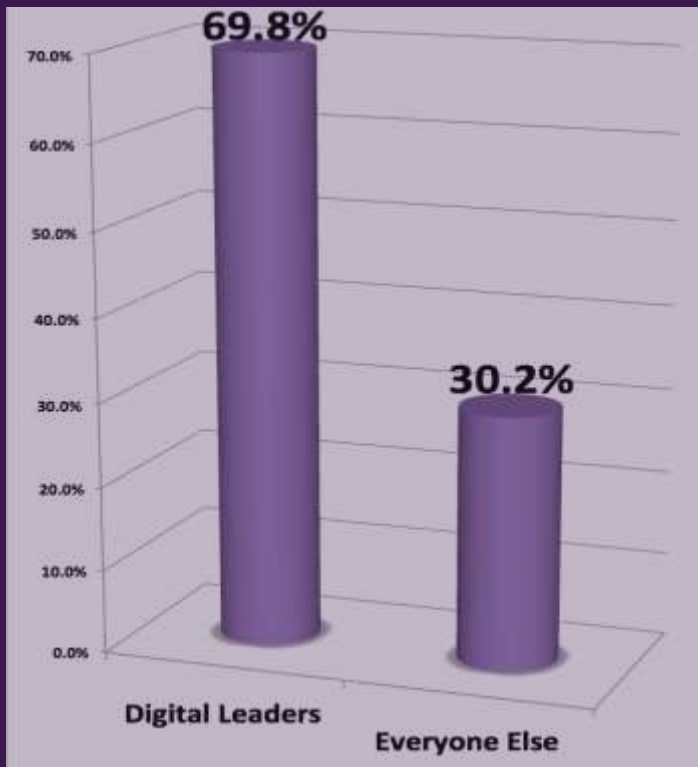
RESEARCH

The background of the image is a collage of various Fortune 500 company logos. The word "FORTUNE" is prominently displayed in large, red, serif capital letters across the top center. Below and around it are numerous other logos, including Walmart, ExxonMobil, Bank of America, ConocoPhillips, Ford, JPMorgan Chase, Berkshire Hathaway, McKesson, Cardinal Health, UnitedHealth Group, AmersourceBergen, Costco Wholesale, ADM, Chevron, GE, Kraft Foods, The Walt Disney Company, HP, Comcast, FedEx, Intel, New York Life, Merck, Fannie Mae, News Corporation, Cisco, Freddie Mac, Abbott, Johnson Controls, TIAA CREF, The Hartford, Travelers, Morgan Stanley, MassMutual Financial Group, Raytheon, Delta, Amazon.com, Rite Aid, Publix, Honeywell, Humana, General Dynamics, Valero, Kroger, and many others. A dark purple diagonal band runs from the top left to the bottom right, serving as a backdrop for the central text.

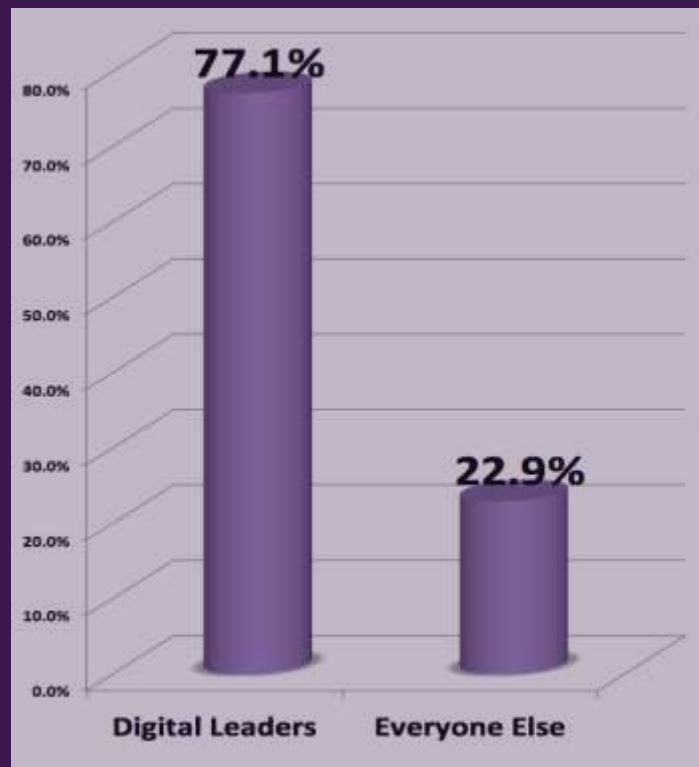
**52% of the Fortune 500  
firms since 2000 are gone**

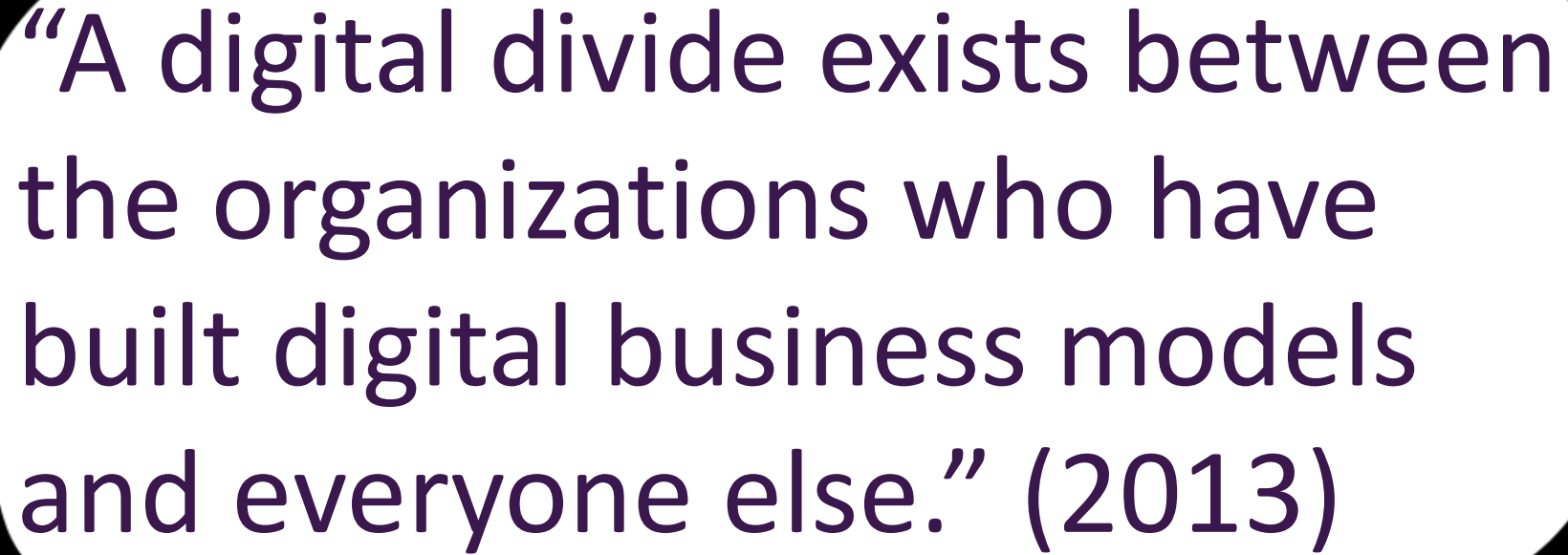
# Digital creates winner takes all markets

## Overall Market Share



## Percentage of Profits





“A digital divide exists between the organizations who have built digital business models and everyone else.” (2013)

A glowing incandescent lightbulb stands on a blue surface, casting a blue glow. A dark purple rectangular box is overlaid across the middle of the image, containing the text "Disrupt or be Disrupted" in white. The background is dark, and the lightbulb's glow illuminates the surrounding area.

Disrupt or be Disrupted

# Incremental innovation is table stakes and expected in the market



# Transformational innovation is breakthrough and disrupts markets



# Pace of change is fierce as business models converge, competitors pop up from nowhere



# Lesson Learned

#1: Digital disruption is more than just a technology shift. It's about transforming business models and how we engage.

# Tech convergence powers digital disruption



Mobile



Social



Cloud



Big  
Data



IOT



3D  
Printing

Design Thinking Inspired User Experience

# Social creates new verbs and experiences that bring people and networks together



Twitter — I need to pee



Facebook — I pee'd



Google+ - More pee in circles



FourSquare — I'm peeing here



Pinterest — My pee scrapbook



Instagram — My pee in sepia



LinkedIn — hire me to pee



Path — watch me pee privately



You Tube — Watch me pee



Vine — Watch my pee loop



SnapChat — I have no proof I pee'd



Jelly — Does this look like pee?

# Tech convergence powers digital disruption



Mobile



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Big  
Data



IOT



3D  
Printing

Design Thinking Inspired User Experience

# Uber incorporates five key pillars



# Transform business models



#2: We move from selling products and services to keeping brand promises.

# We battle for experiences and outcomes



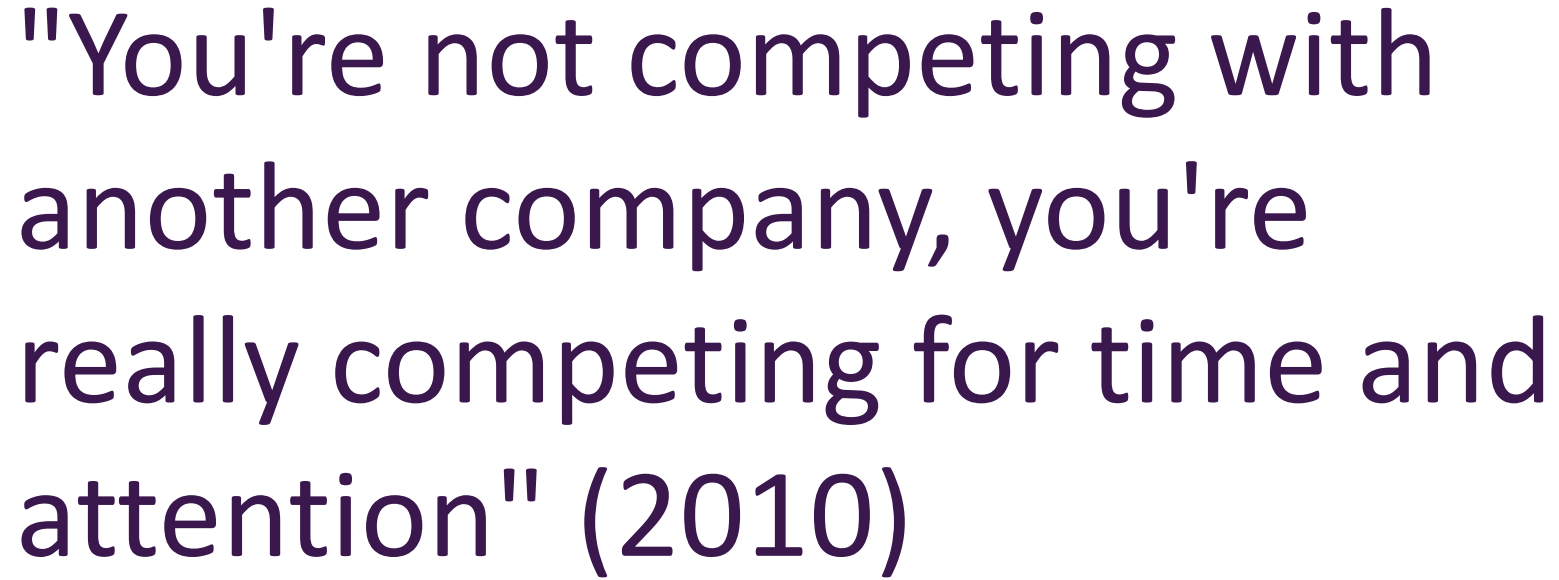
# Digital accelerates business model transformation

- Product companies give away product for service revenues.
- Service based businesses sell experiences at varying price points and service levels.
- Experience based businesses selling business models
- Business model companies sell peace of mind.



# Medical device companies don't just sell imaging systems





"You're not competing with another company, you're really competing for time and attention" (2010)

# Disney doesn't sell theme park tickets



# Disney fully applies mobile and data as the gateway to new customer experiences



#3: Data is the foundation of digital business. Every touch point, every click, every digital exhaust is relevant insight.

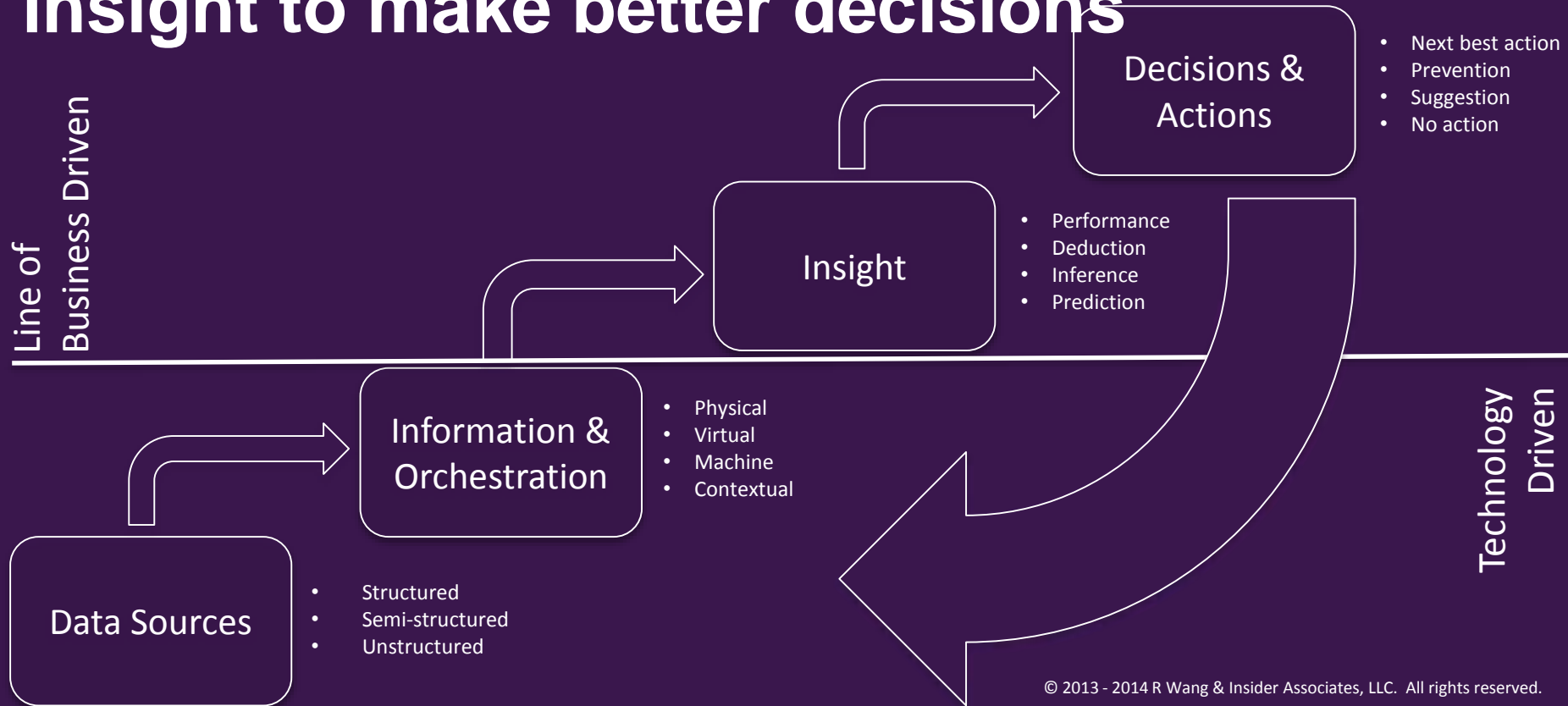
# Data and content explosion goes exponential

90% of data  
created in last  
2 years 2014,  
1 year 2015,  
1 sec 2020

80 Billion  
sensors in  
devices by  
2020

100M viral  
connections  
per minute by  
2020

# Use big data context to improve analytical insight to make better decisions



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#4: Those w/ the best math and design will win in a winner takes all digital world

# Tesla changed the rules of low volume production, eco luxury & direct to consumer



VS.



HONDA



TOYOTA



Mercedes-Benz



PORSCHE

# AirBnB showed how collaborative consumption was a killer digital model



VS.



#5: If 20 % of your revenue is not an insight stream by 2020, you won't have a digital biz model

# The future is big data business models built on insight

## Information based differentiation

Drive demand

Create new service offerings

Improve c-sat

Drive lower cost models

## Information brokering

Raw information

Analysis and insights

Benchmarking

## Information based business platforms

Marketplaces

Deal making

Advertising

#6: You can be the content, the network and the arms dealers.  
The digital winners will figure out how to aggregate all three

# Apple showed the power of networked economies



vs.



**NOKIA**

**symbian**  
OS

# Four companies control the network from content and commerce to consumer device



Google™

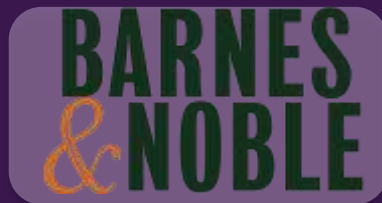
~~facebook.~~



Microsoft

~~Samsung  
GALAXY~~

# Data and insights helped Amazon disrupt the retail business model



vs.



# Now it's everyone vs amazon



**BORDERS**



**hulu**

**redbox**

Videos  
VS.

**BARNES  
& NOBLE**

**ToysRUs**

**ebay**

Commerce

VS.



Devices

VS.



VS.

Media



The  
New York  
Times



VS.

**FedEx**

Shipping



Google Shopping Express

VS.

Cloud  
Computing

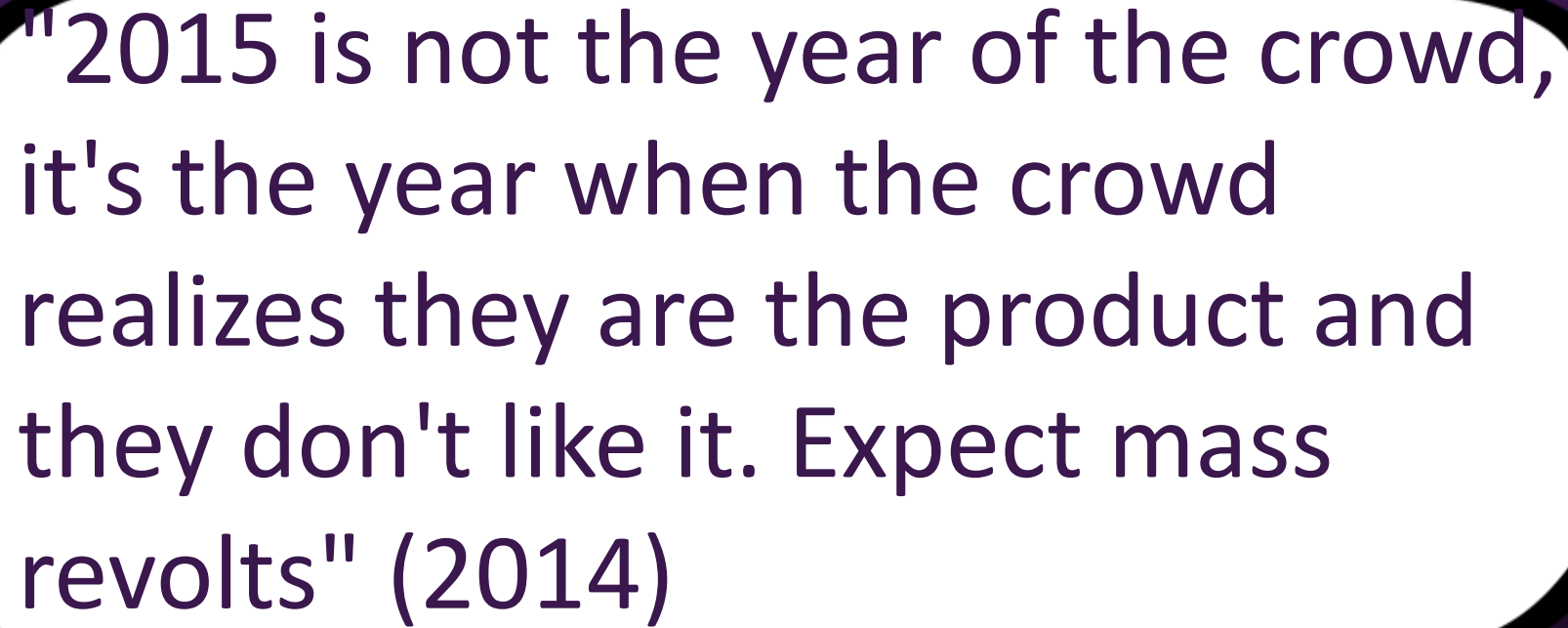


**GALAXY S**

#7: While digital may democratize content production, the real shift is democratized distribution which equalizes the digital divide

Etsy democratizes distribution of creatives





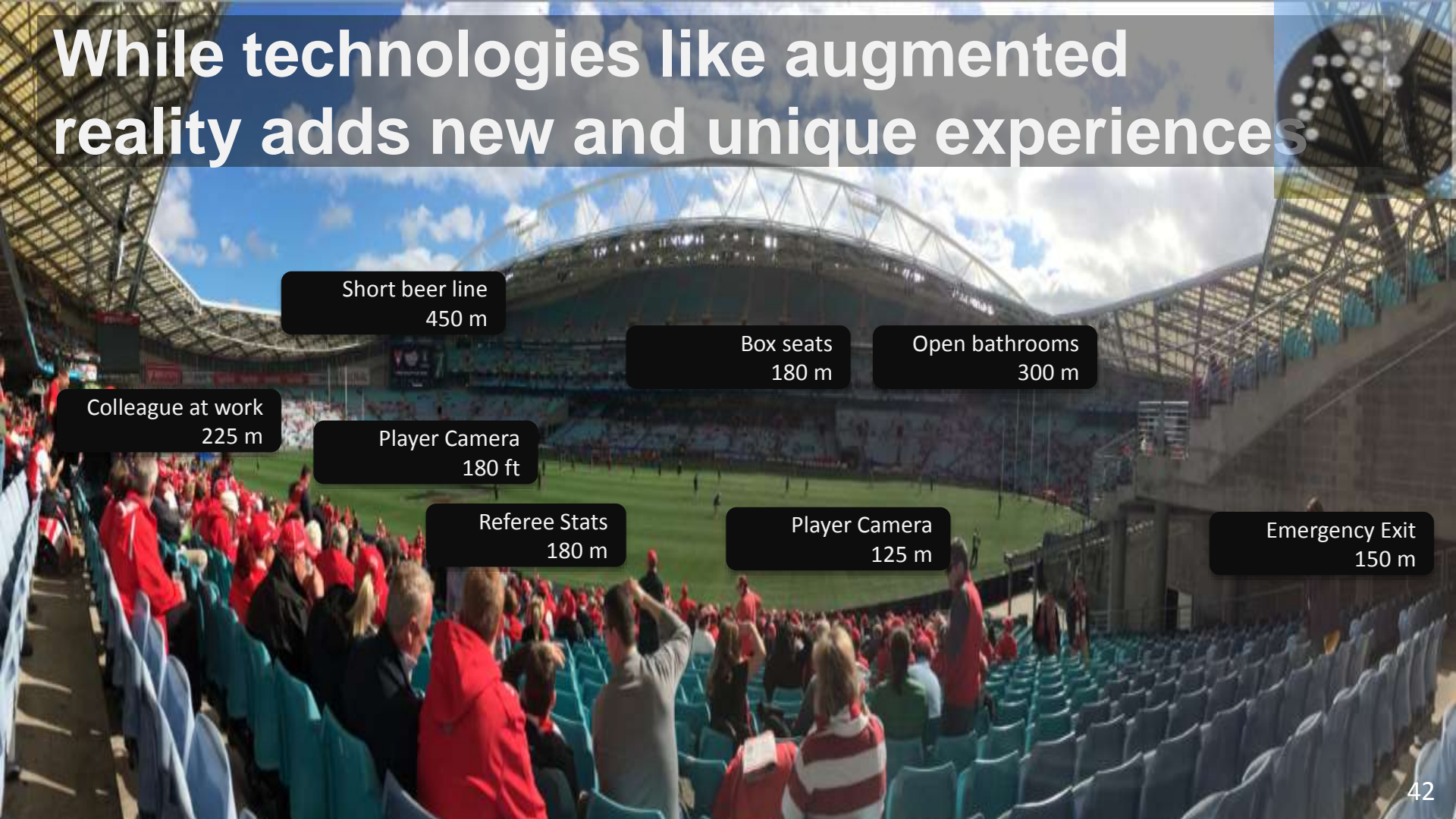
"2015 is not the year of the crowd,  
it's the year when the crowd  
realizes they are the product and  
they don't like it. Expect mass  
revolts" (2014)

# #8: Design for customer segments of one

The NFL doesn't sell tickets to a game or merchandising



# While technologies like augmented reality adds new and unique experiences



Short beer line  
450 m

Box seats  
180 m

Open bathrooms  
300 m

Colleague at work  
225 m

Player Camera  
180 ft

Referee Stats  
180 m

Player Camera  
125 m

Emergency Exit  
150 m

# ...fans seek tailored experiences

Home town pride

Status symbols

Memorable  
moments

Glory stories

Perfect game days

Aspirational goals

Place to do deals

Night on the town

Community  
outreach and  
impact

Role models

Player and team  
engagement

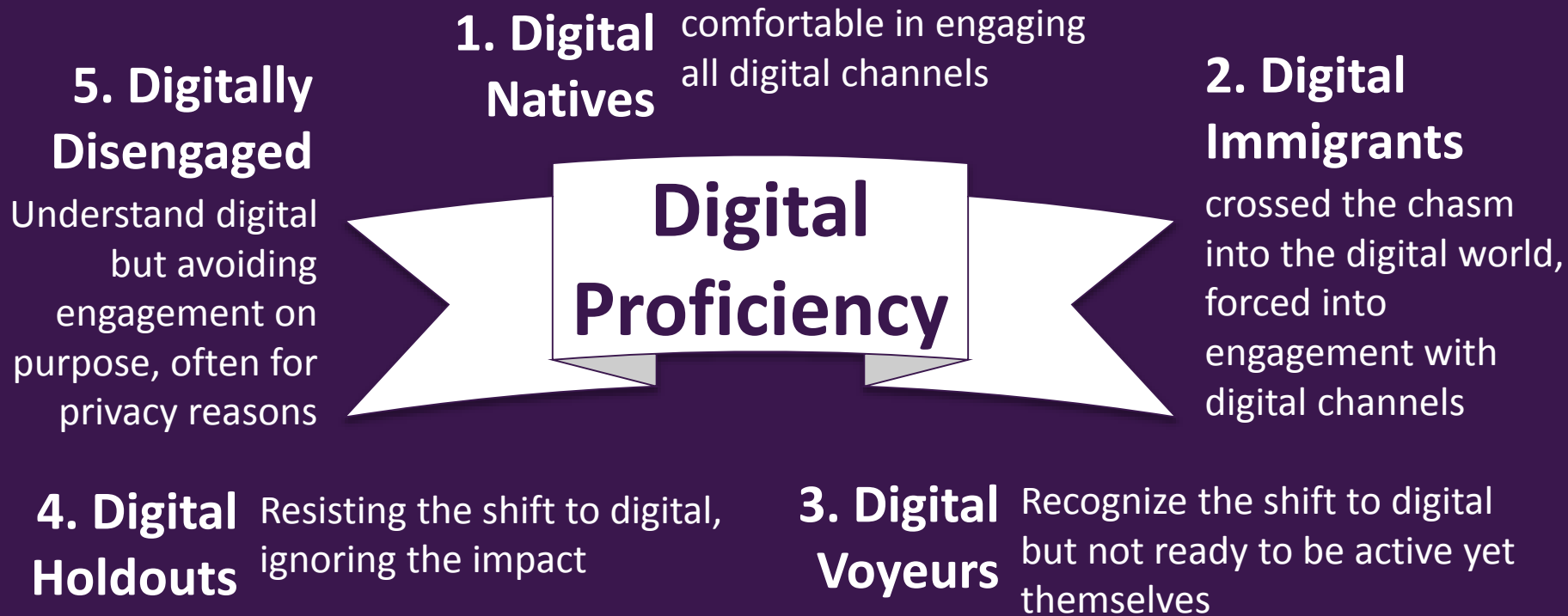
Examples of  
values

# Digital delivers mass personalization at scale

Elements	Analog Systems	Transactional Systems	Engagement Systems	Experiential Systems	Mass Personalized Systems
Circa	Pre 1950's	1950s+	2000+	2010+	2015+
Design point	Reliability and scalability	Continuous improvement	Sense and respond	Agile and flexible	Intention driven
Challenge	Massive machine scale	Massive computing scale	Massive social scale	Massive contextual scale	Massive individual scale
User Exp	Sweat based	Computing based	Interactive	Bionic	Personalized
Comm Style	Limited	Broadcast dictatorial	Conversational	Role tailored	Sentient
Speed	Governed	Just in time	Real time	Right time	Space time continuum
Impact and reach	Physical locations	Departmental/ corporate silos	Interconnected	Segmented value chains	P2P networks
Info mgmt	Word of mouth	Highly structured	Loosely structured knowledge	Immersive streams	Self aware embedded knowledge
Intelligence	Dumb devices	Hard coded	Deterministic business rules	Probabilistic pattern based	Predictive
Examples	Assembly line technologies	Payroll, ERP, CRM	Social and collaboration	Ad networks, gamification	Decision support, VRM

#9: We serve 5 generations of customers & workers, by digital proficiency, not by age

# Five generations of digital not by age, but by digital proficiency



# Employees want to design and manage their own experiences in the future of work

## More Than A Job

Deliver  
innovation

Create cool  
products

Get work done

## Brand Authenticity

Craft customer  
experiences

Delight  
customers

Address  
customer  
concerns

## Personal Pride

Build personal  
brands

Advance careers

Learn new skills

## Team Pride

Achieve a higher  
mission

Develop cross-  
functional  
capabilities

Understand their  
jobs

#10: You need more than a Chief Digital Officer to infuse digital into your organization. You need a broad bench of Digital CXO's

We must invest in digital artisans

Authentic | Relevant | Transparent |  
Intelligent Speedy | Artistic | Non-  
conformist



“Digital Darwinism is unkind to  
those who wait”

**“Start with the business model, hone in on the business value”**

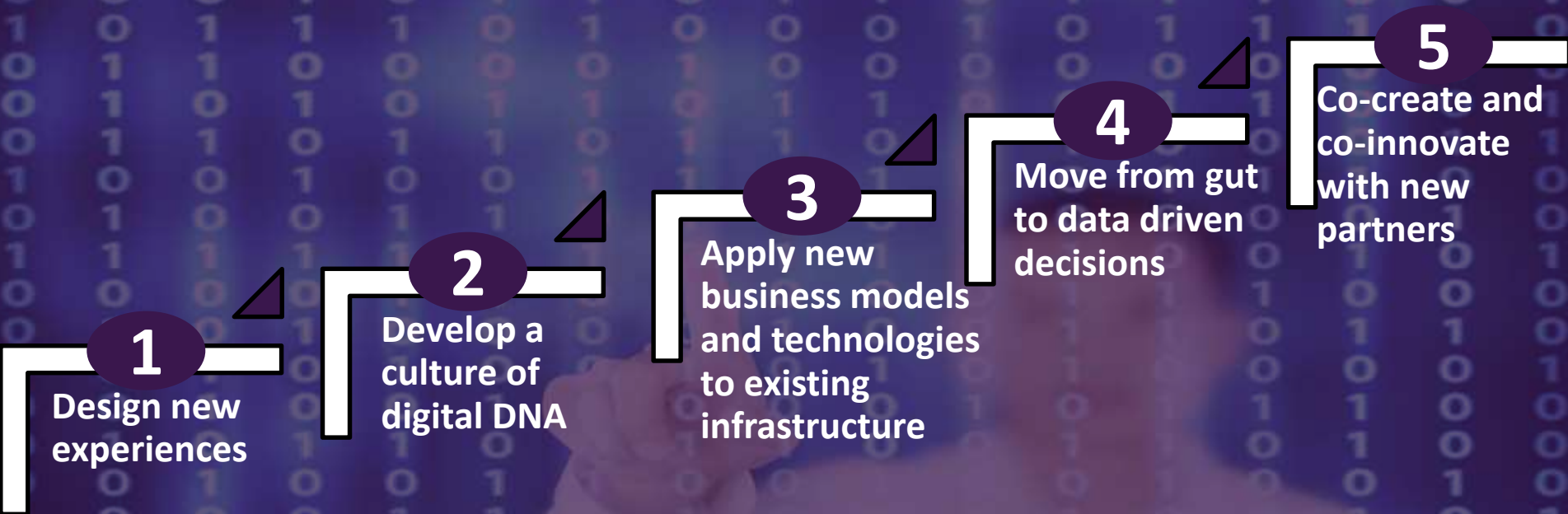
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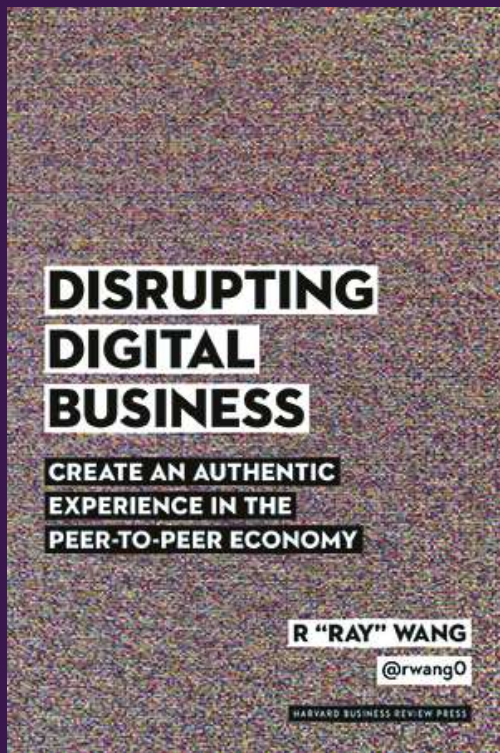
# Understand your organization's digital DNA



# Five steps to disrupting digital business



# Thank you



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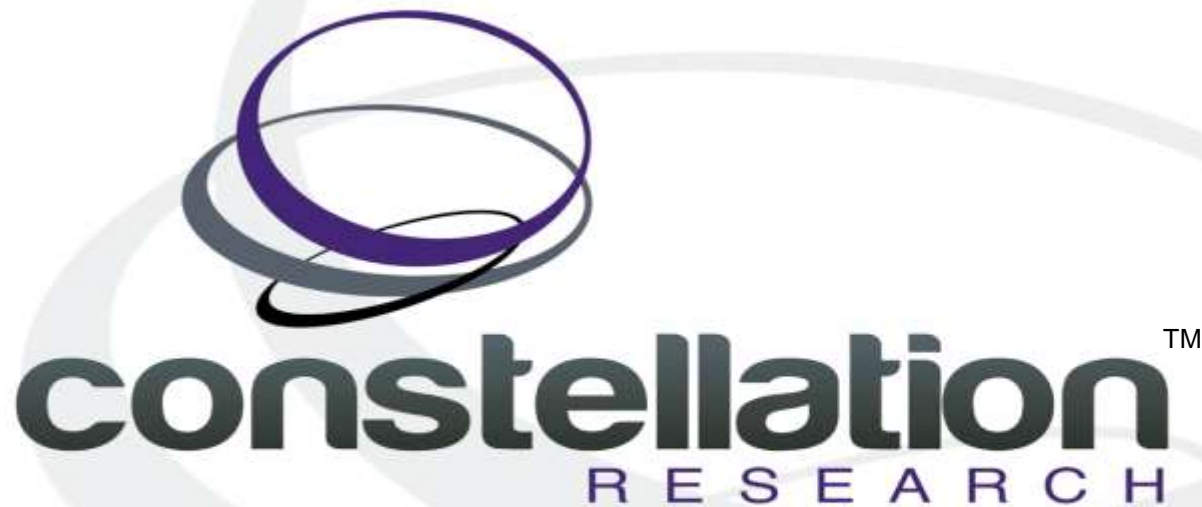
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# Questions And Answers



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