

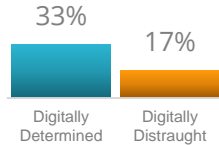


How to Move Your Business From Digitally Distraught to Digital Determined

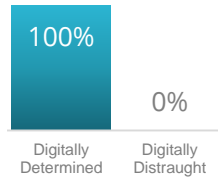
Meredith Whalen
SVP, IT Executive, Industry, Software and Services Research

Is Your Organizations Digitally Determined?

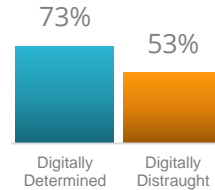
EMBEDDED DX ORGANIZATIONAL STRUCTURE



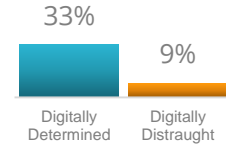
INTEGRATED ENTERPRISE-WIDE DIGITAL STRATEGY



DX FUNDING FROM CAPITAL BUDGET



ENTERPRISE-WIDE INTEGRATED DIGITAL PLATFORM



Are You Confident Your Are on the Right Path?

Where does your organization stand in comparison to other worldwide when it comes to leveraging digital technology to transform your business?

DIGITALLY DETERMINED

Exceeds peers
or best in world

48%

DIGITALLY DISTRAUGHT

Exceeds peers
or best in world

20%



The Digital Determination Blueprint



The Digital Determination Blueprint

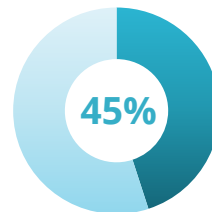


The Culture of the Digitally Determined

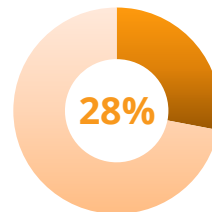
DIGITAL AT SCALE

Building capabilities around scaling digital to delivery hyper-personalized digital services at scale

DIGITALLY
DETERMINED

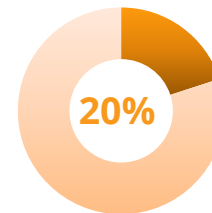
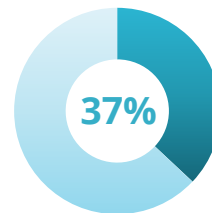


DIGITALLY
DISTRAUGHT



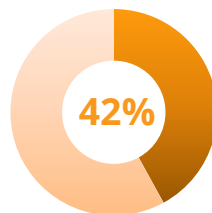
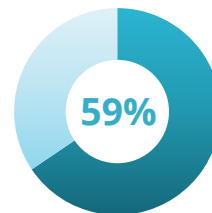
TALENT EXCELLENCE

Prioritize change management, collaboration and innovation culture



CUSTOMER EXCELLENCE OF PRODUCTS/SERVICES

Prioritize customer excellence in delivery of products/services



The Org. Structure of the Digitally Determined

The DX Special Projects Team



Discovering DX

Define DX Mission

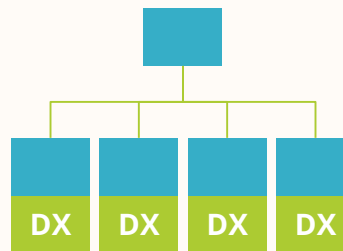
The Office of Digital Transformation



Establishing DX Governance

Establish DX Priorities for Enterprise

The Embedded Digital Business



Accelerating DX

Implement DX Across Enterprise

33%

of Digitally Determined

17%

of Digitally Distraught

The Digital Business Unit



Creating innovative offerings

Create a disruptive business

Source: IDC

The Digital Determination Blueprint



The Digitally Determined Have a Focused Strategy

46%

The Digitally Determined

17%

DX is the Strategy

The enterprise strategy is to use DX to transform markets with new business models and services

29%

Integrated Strategy

Integrated, continuous enterprise wide DX innovation is in place

54%

The Digitally Distraught

8%

Impromptu DX

DX initiatives are tactical and disconnected from enterprise strategy

26%

LOB DX

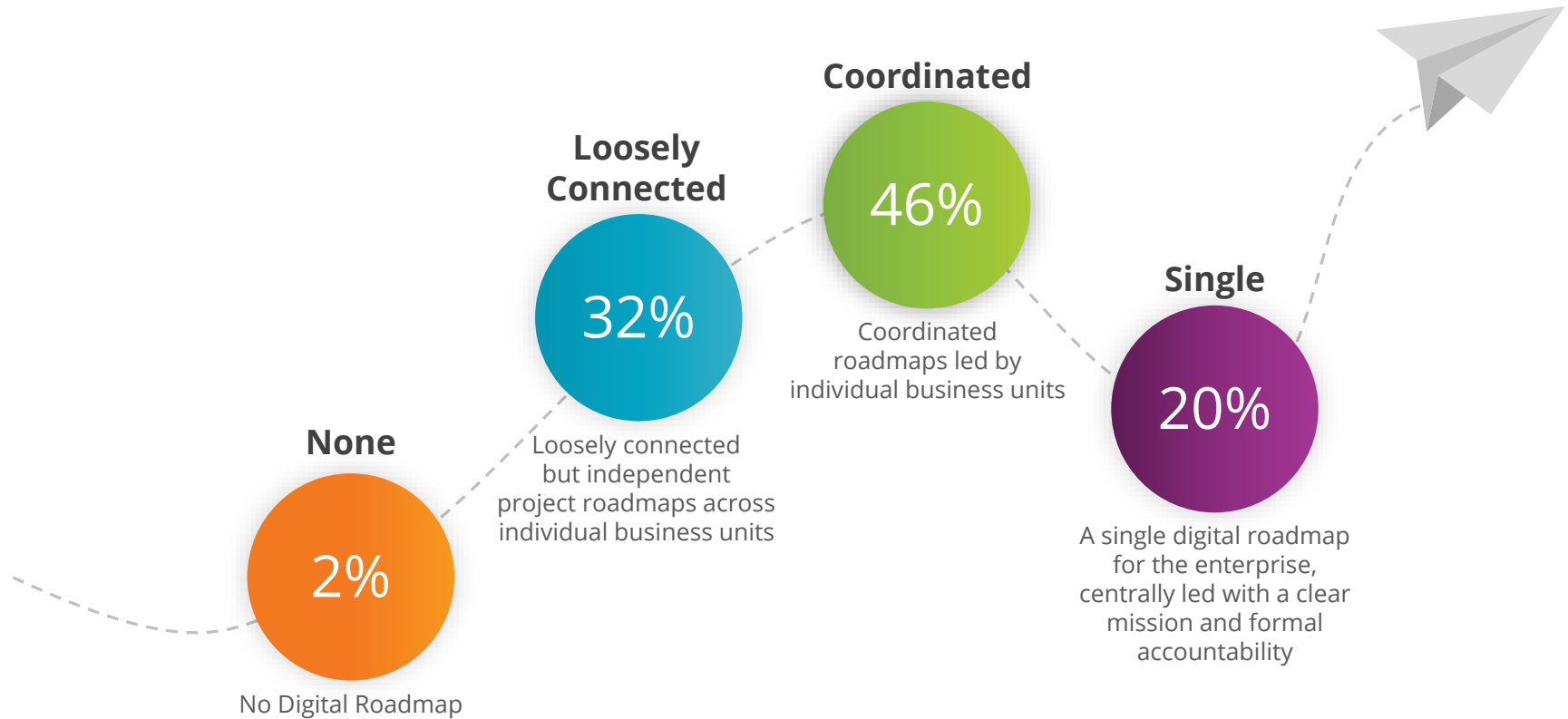
DX initiatives are initiated at the function or LOB level

20%

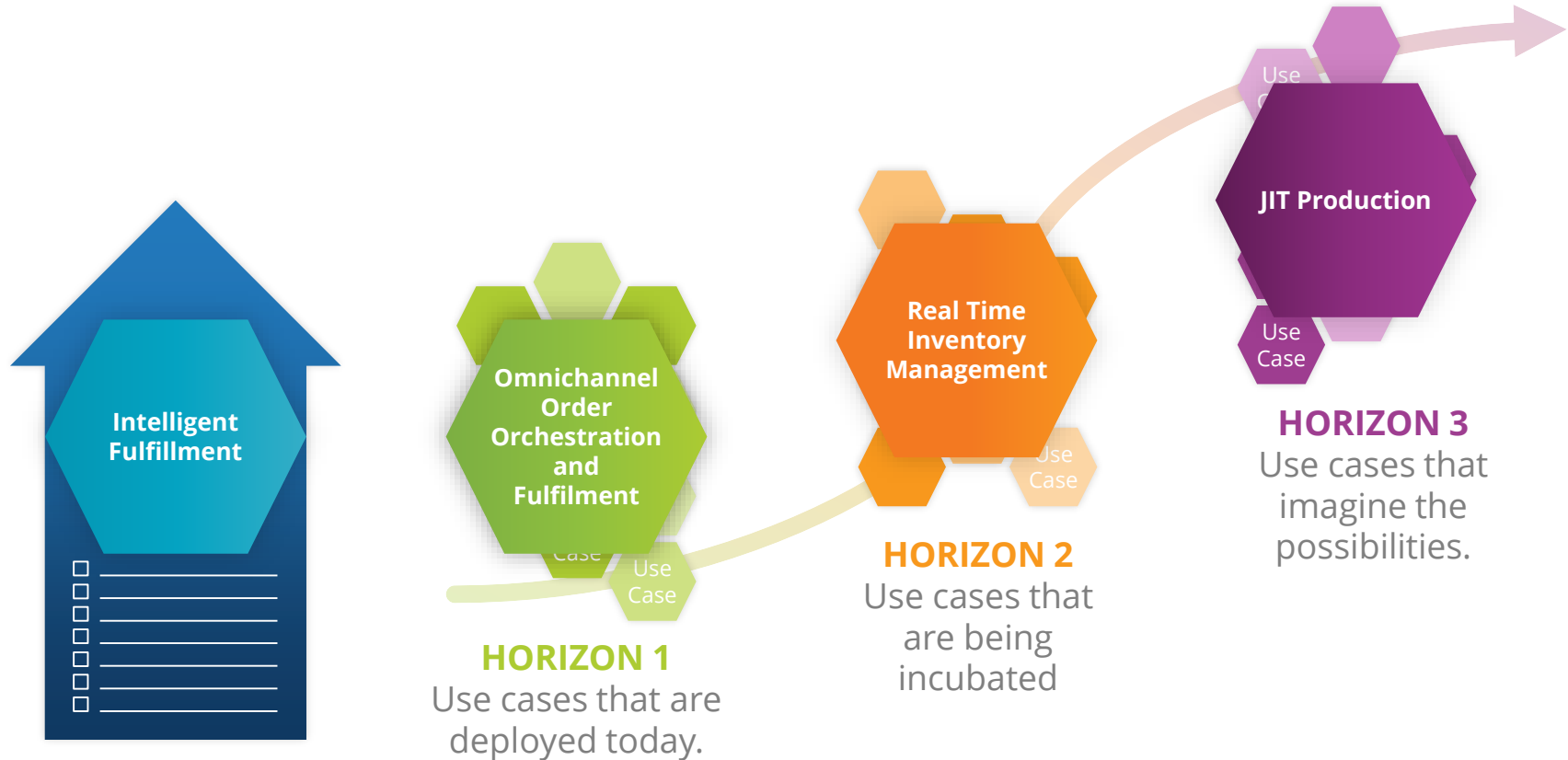
Short Term DX

DX initiatives are tied to enterprise strategy but with short-term focus

Develop a Single Roadmap Tied to Digital Strategy



Break Digital Roadmaps into Horizons



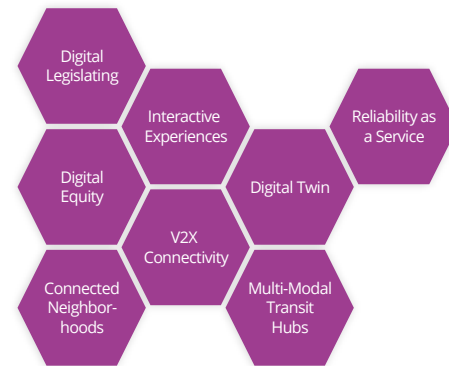
Smart City Digital Roadmap by Horizons



HORIZON 1



HORIZON 2



HORIZON 3

 Priority 1: Easy to deploy, impactful and measurable

 Priority 2: More complex but highly desirable

 Priority 3: More difficult, costly and/or complex

A Digitally Determined Strategy



The Digital Determination Blueprint



The Digitally Determined Take Long Term Investment View

DIGITALLY DETERMINED

Capital Budget

73%

DIGITALLY DISTRAUGHT

Cost Cutting Efforts

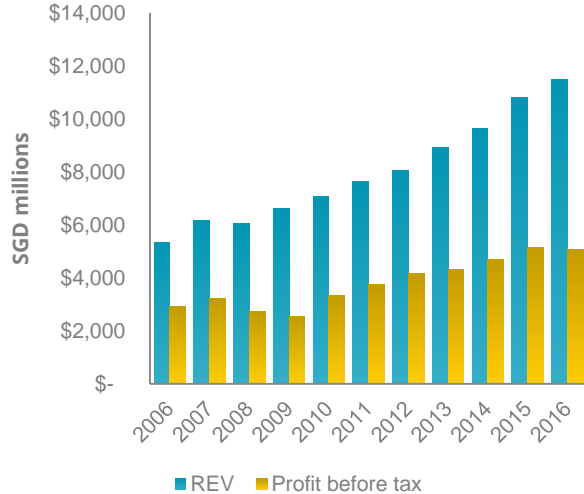
52%

Demonstrate that Digital = Inherent Value

THE FINANCIAL RETURNS OF DIGITAL

Digitally Determined Bank

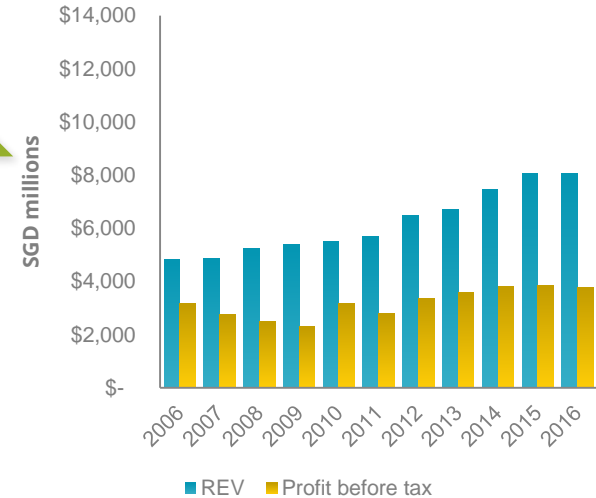
Financials over 10-year period (\$M)



43%
more in
revenue and
\$1.3B
more in profit!

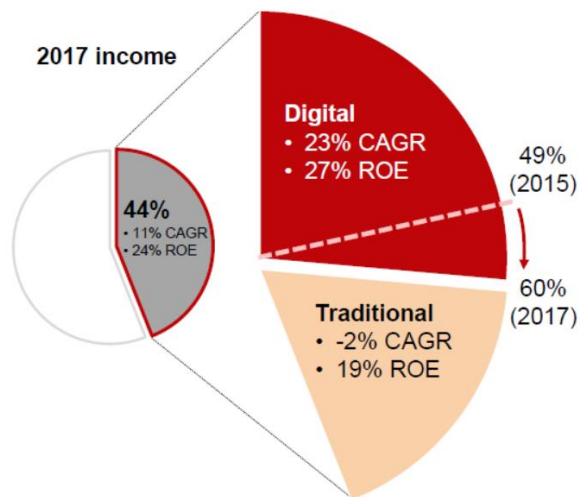
Digitally Distraught Bank

Financials over 10-year period (\$M)



A Digitally Determined Financial Case

First bank to develop methodology to measure digital value creation
Consumer and SME (Singapore, Hong Kong)



Two distinct segments based on customer behaviour

- Digital (D): predominantly **online / mobile interactions**
- Traditional (T): predominantly **offline interactions**

We have been progressively helping our customers adopt Digital behaviours

The Digital segment is growing faster, with superior ROE

2017 figures annualised based on 1H17, where applicable; CAGR refers to 2015-2017 income

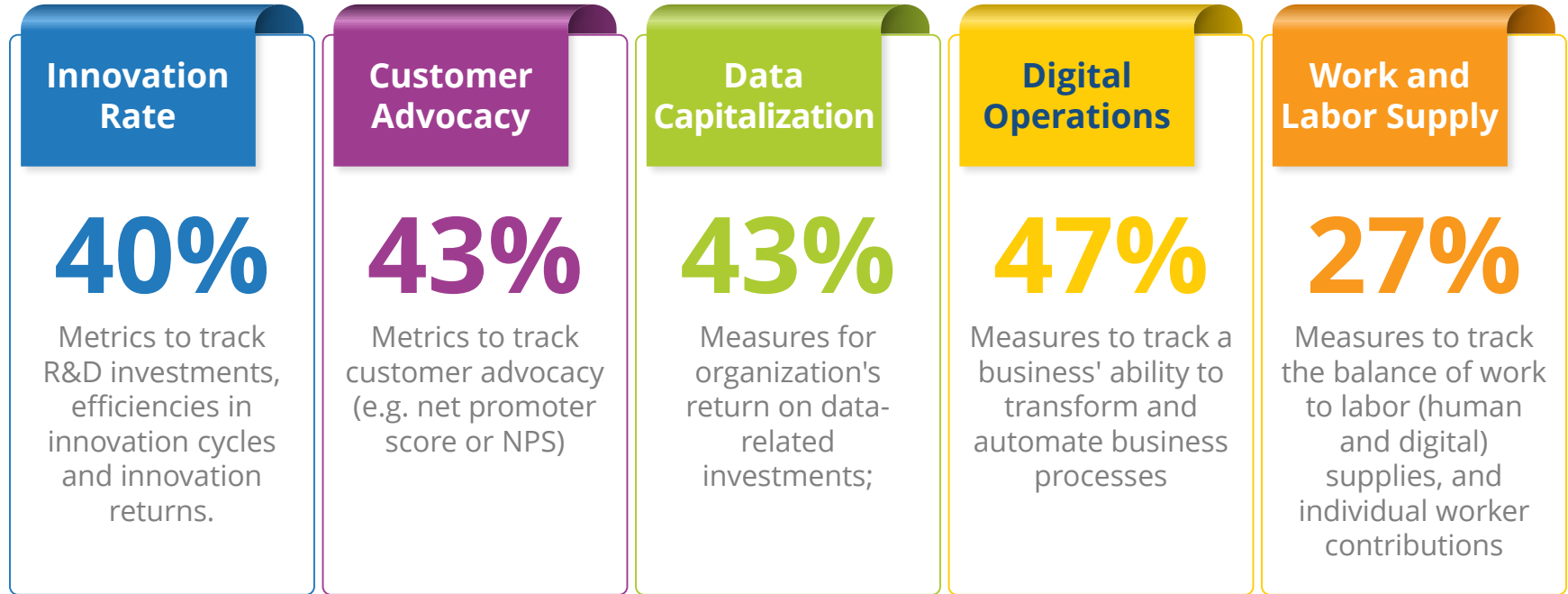


39% of organizations
do not have
digital KPIs

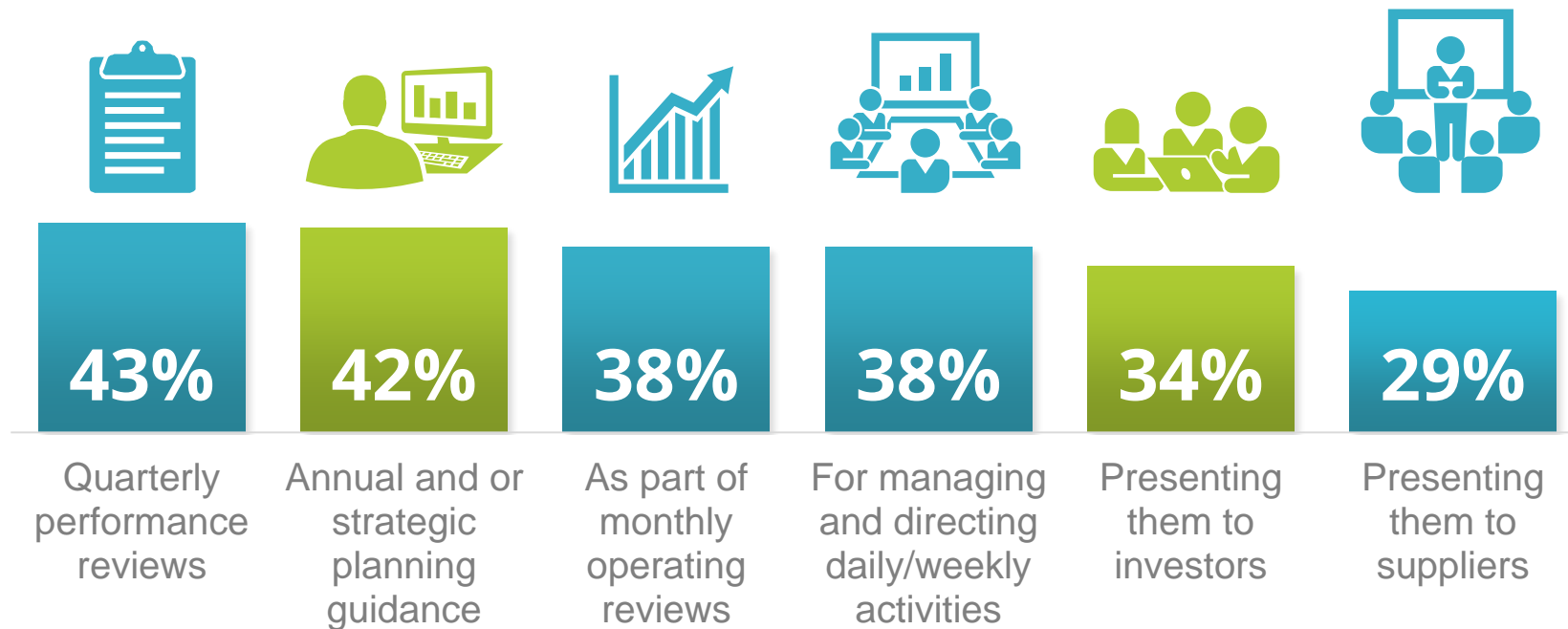
Develop New Digital KPIs

Success Metrics	Innovation Rate	Customer Advocacy	Data Capitalization	Digital Operations	Work and Labor Supply
Financial KPI	40% of company capital budget allocated for DX initiatives by 2020	20% more profitable customers each year for 3 years	Platform strategies drive data-related IT investments to exceed 25% of total IT by 2019	Achieve 50% market share for target DX product or service by 2020	50% of executive compensation tied to digital MBOs
Business KPI	40% of DX Innovation Initiatives approved for implementation by 2020	Improve customer NPS score to positive 50/100 by 2019	Platform-related revenue accounts for 10% increase in total revenue each year over 5 years.	Introduce 1 new DX product or service each year for the next 3 years	Percentage of on-demand, knowledge worker labor hour increases by 10%/year over 3 years.
Operational KPI	Companies spend 10% less per year on DX failures over 3 years	Increased customer interactions for 50% of non-profitable products within 1 year	APIs reduce data acquisition and sharing costs by 50% over 3 years	Increase the % of self healing processes by 10% per year for three years.	10% of repetitive enterprise interactions are augmented by AI each year for 3 years.

The Digitally Determined Employ More Digital KPIs



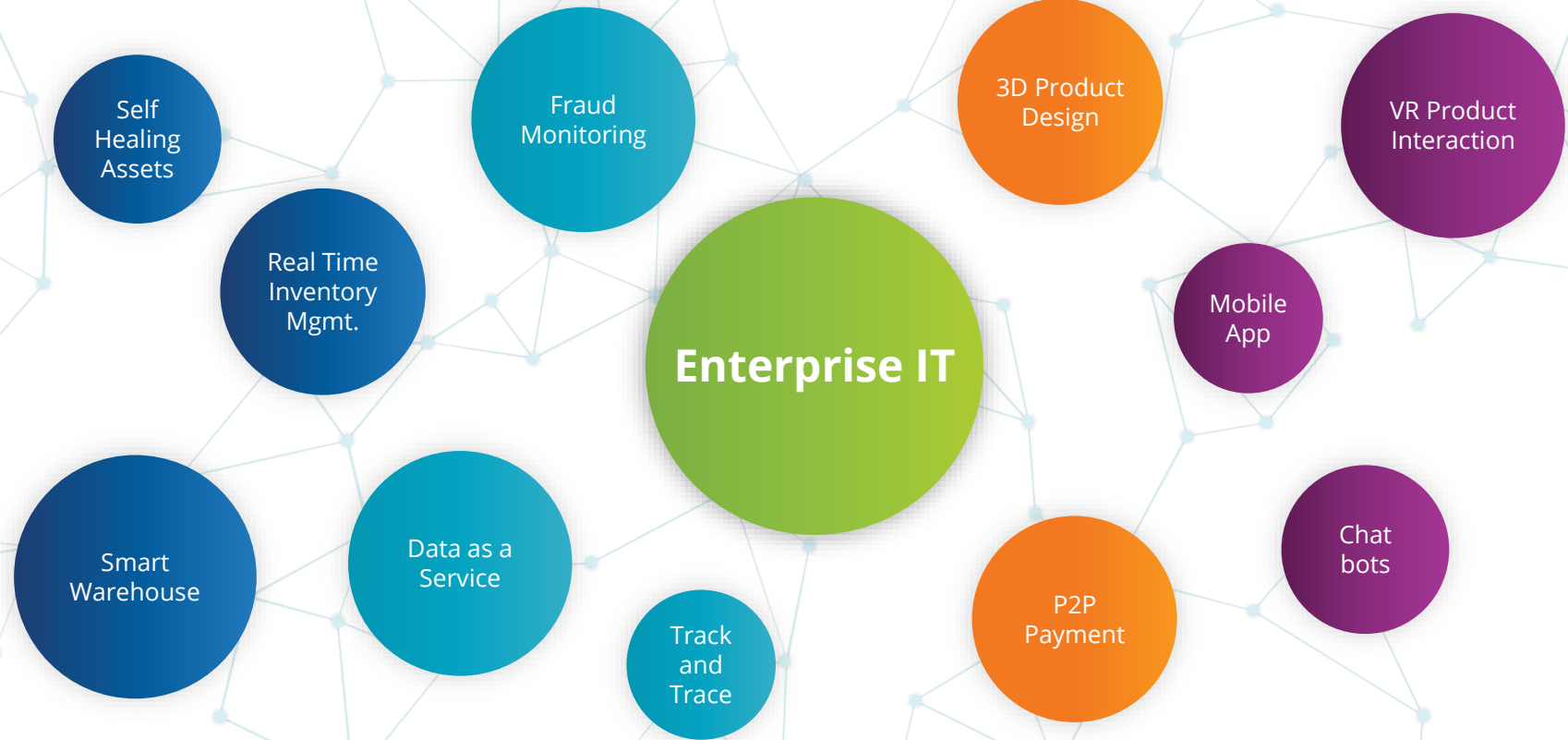
The Digitally Determined Use KPIs for Strategic Planning and Investor Communication



The Digital Determination Blueprint



Islands of Innovation



Digitally Determined Have Fewer Islands

DIGITALLY DETERMINED

Islands of Innovation

10%

DIGITALLY DISTRAUGHT

Islands of Innovation

30%

The Digitally Determined More Likely to Have an Integrated Platform Strategy

The Sidecar

21%

We have two separate technology environments (one for the core IT platform and another for the digital innovation) which are connected by leveraging APIs



The Standalone Platform

33%

We have an external facing digital platform serving a network of connected customers, partners and suppliers that use (and pay for) the information and services provided through the platform



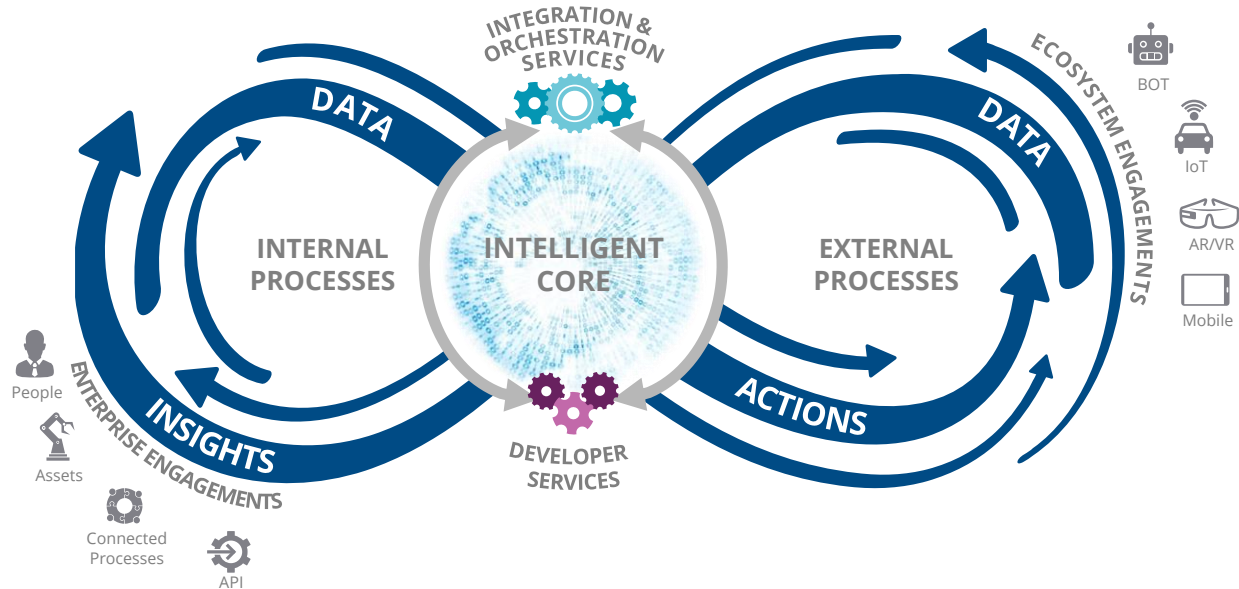
The DX Platform

33%

We have a fully integrated enterprise-wide technology architecture enabling digital products, services, and experiences; while modernizing and integrating the internal IT environment.



The Key Elements of a Digital Platform



1

Cloud-based API strategies that **orchestrate** exchange of data across your ecosystem

2

Agile application architectures on PaaS using microservices and containers

3

New customer experience technologies that fully support customer and ecosystem-facing business models

4

An intelligent core based on data management, cognitive, artificial intelligence, and machine learning

A Digitally Determined Platform Strategy

ING is investing in EUR800 million in digital transformation initiatives through to 2021 as part of its Think Forward programme.

The primary focus is to move to a single integrated banking platform in the Netherlands and Belgium.



Convergence will enable faster time-to-market and improve IT efficiency through re-usable components and smarter use of data



- Integrated single customer view and insights
- Leveraging internal and external data, enabling new customer solutions
- Meeting (regulatory) reporting requirements more easily
- Providing foundation to move to globally scalable platform

95% of core data in standard terms



- Common components for targeted personalised solutions
- Scaling fast via global propositions and leveraging local capabilities and developments
- Integrating easily with (global) third parties

80% of globally scalable components available across countries



- One ING Private Cloud as foundation for agile and digital banking
- Easy, efficient and instantly available infrastructure services
- Enabling faster time-to-market for new services
- Optimising IT infrastructure landscape and cost base

10x faster deployment time: from days to minutes

5



Why are Digitally Determined Making More of the Right Choices?

Is your CEO under significant pressure to execute a successful DX transformation?

DIGITALLY DETERMINED

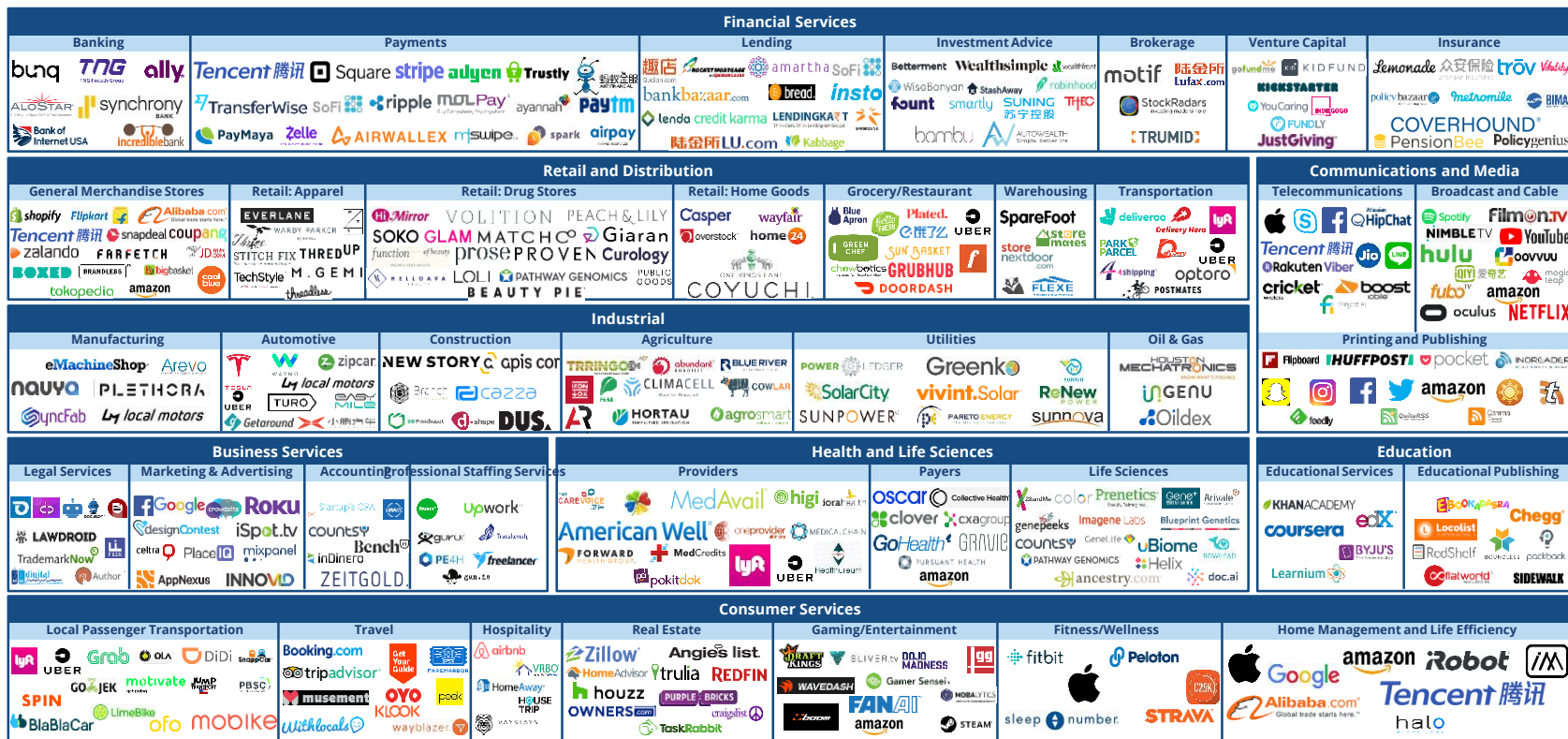
64%

DIGITALLY DISTRAUGHT

57%

Not In My Industry (NIMI) Syndrome

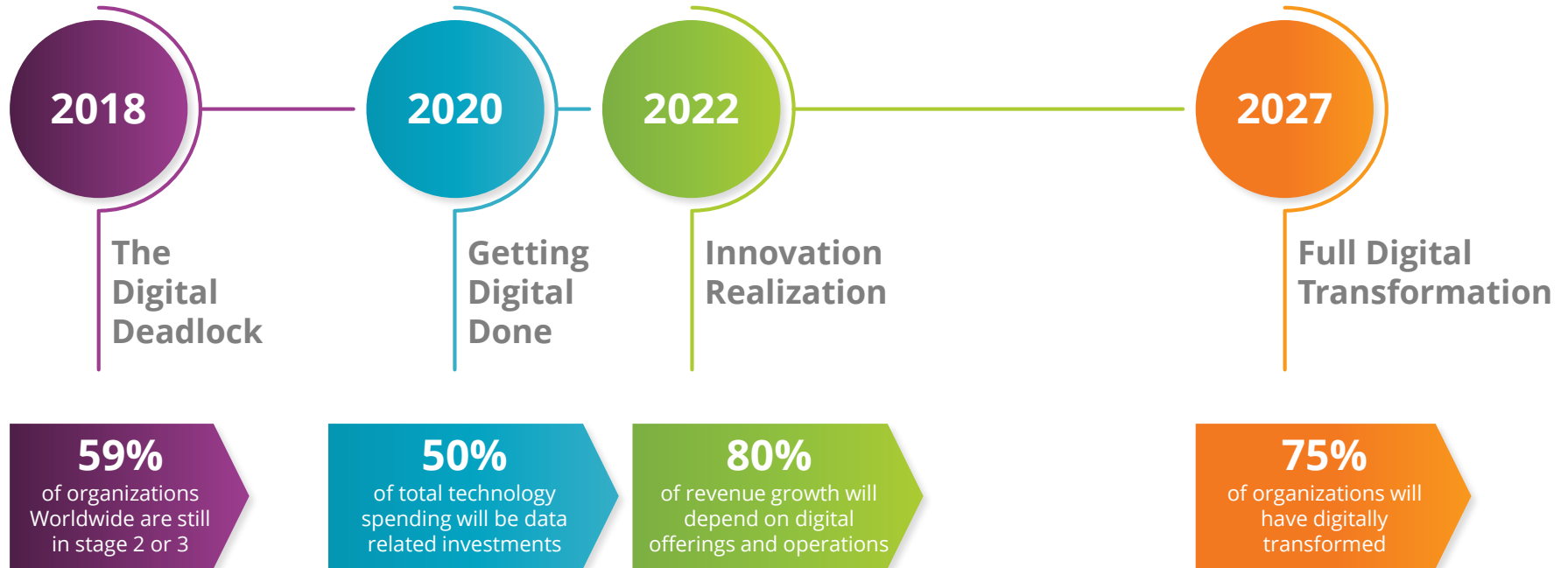
IDC MARKET GLANCE: DIGITAL DISRUPTORS



Source: IDC, 2Q2018

For areas on which IDC publishes market share data, the top 3-5 market share leaders are represented.
For areas on which IDC does not publish market share data, vendor selection is up to analyst discretion.

It is Important to Address the Challenges Now



de·ter·mi·na·tion

noun

1. firmness of purpose; resoluteness.
2. the process of establishing something exactly, typically by calculation or research.



FROM IDC AND CIO

Guidant is your **digital transformation partner**, offering the best of the CIO practitioner network with industry-defining technology advisory services from IDC.

To thrive in the digital economy, organizations must transform to treat technology and data as their lifeblood, embrace innovation, and digitally enhance the customer experience. Our fact-based research, leadership programs, and peer community provide the tools for success.

Educate and Validate Decisions

Our research provides insights into the applications of emerging technologies while addressing foundational decisions around IT modernization, platforms, and digital security.

Translate Insights into Action

Our community of technology executives and networking events facilitate candid peer discussions about best practices.

Develop Digital Leadership Skills

Our leadership and coaching services help you develop the business and innovation skills needed to lead in the new digital enterprise. And when success is achieved, we help you promote your team's success, in turn elevating your career.

Save Time and Resources

We wrap all this in a concierge service that provides industry and geography context.