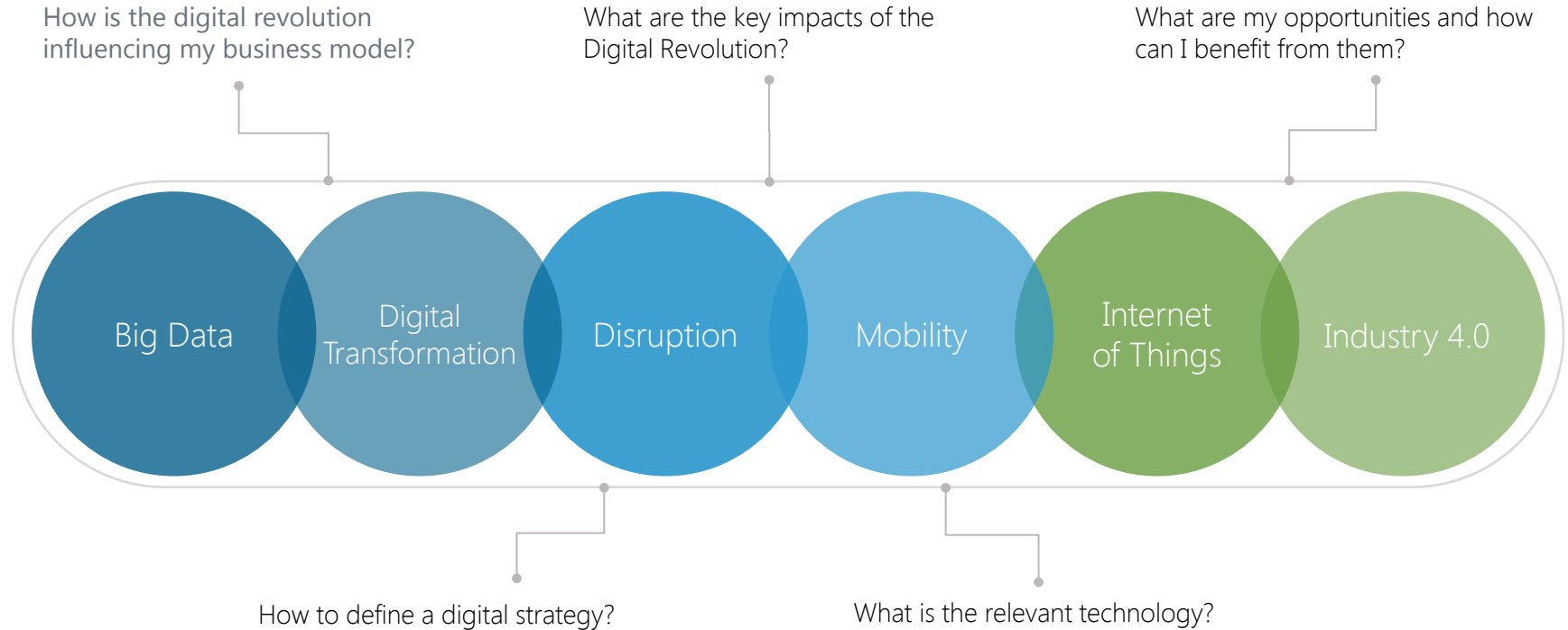


# How to capitalize on digitization – 6 key aspects for successful digital transformation

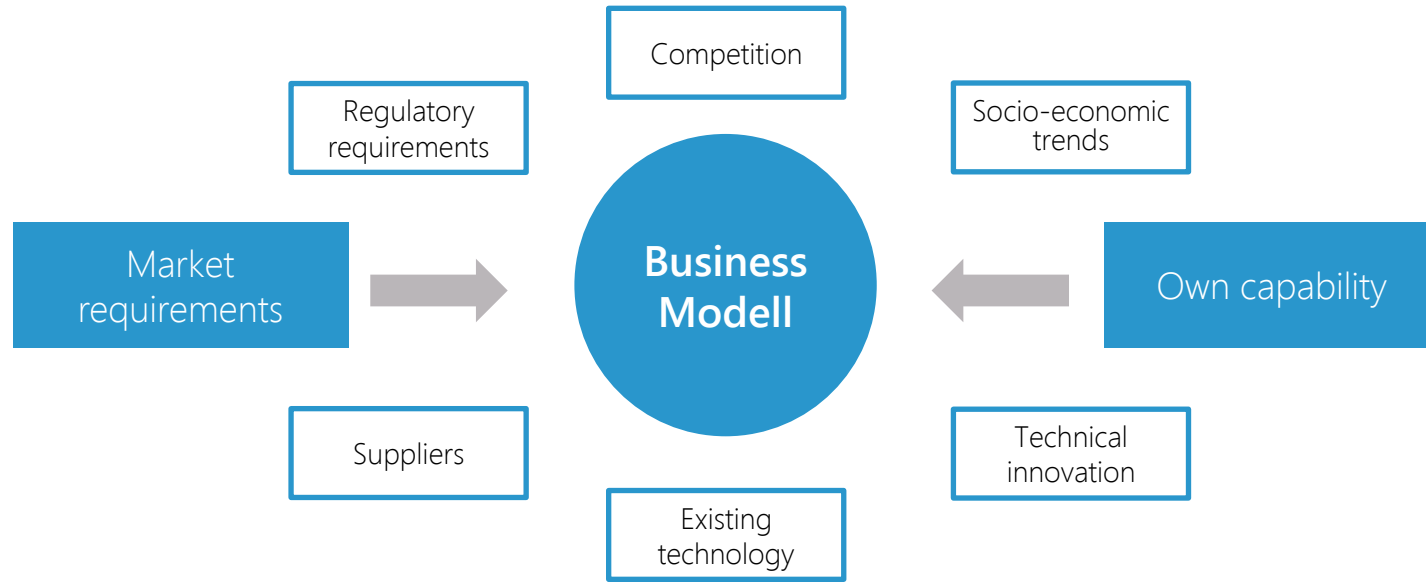
Scheer Approach for Digital Transformation

# Challenges of digitization



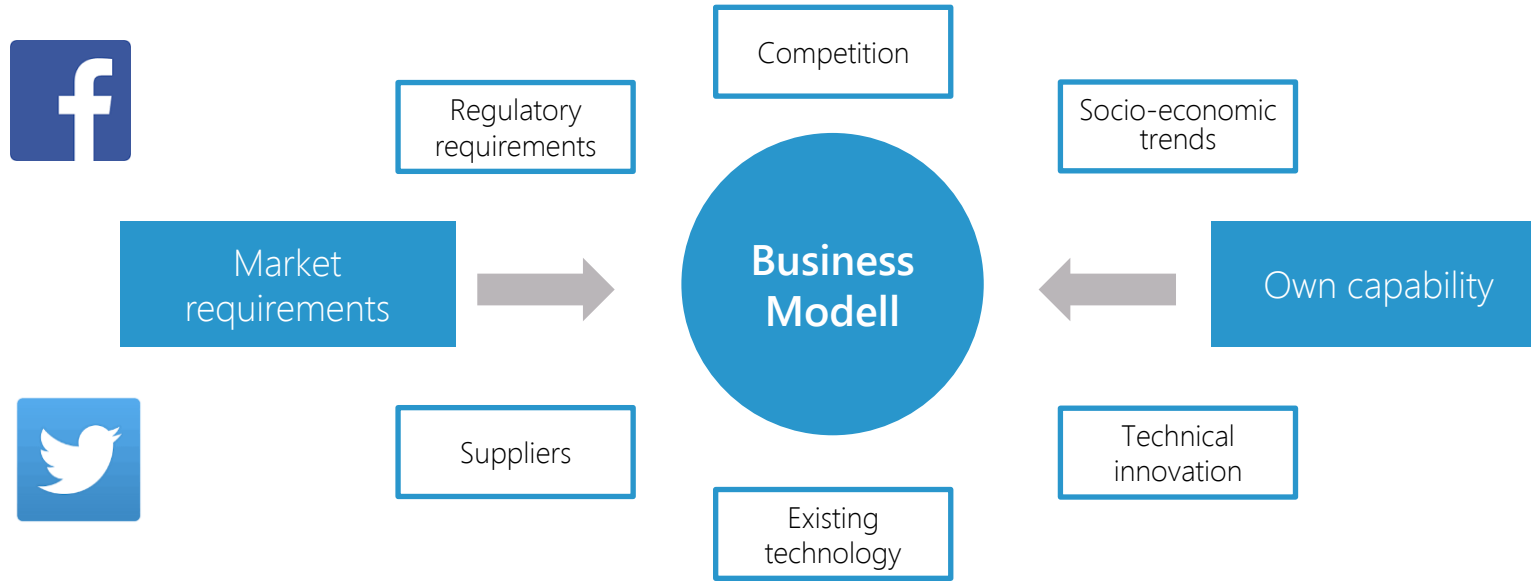
# The key question – Business model impact

Business models are influenced by many factors. In classic strategy frameworks customer requirements and/or own capabilities are the main drivers of strategy development.

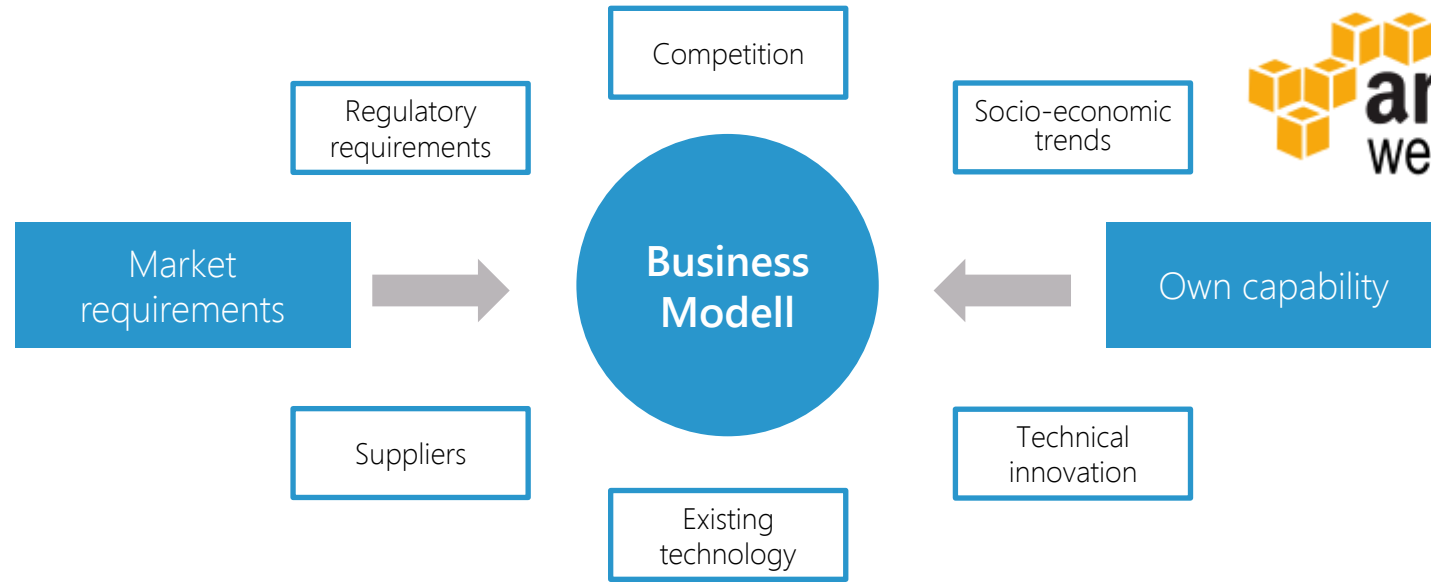


Does digitization change this paradigm?

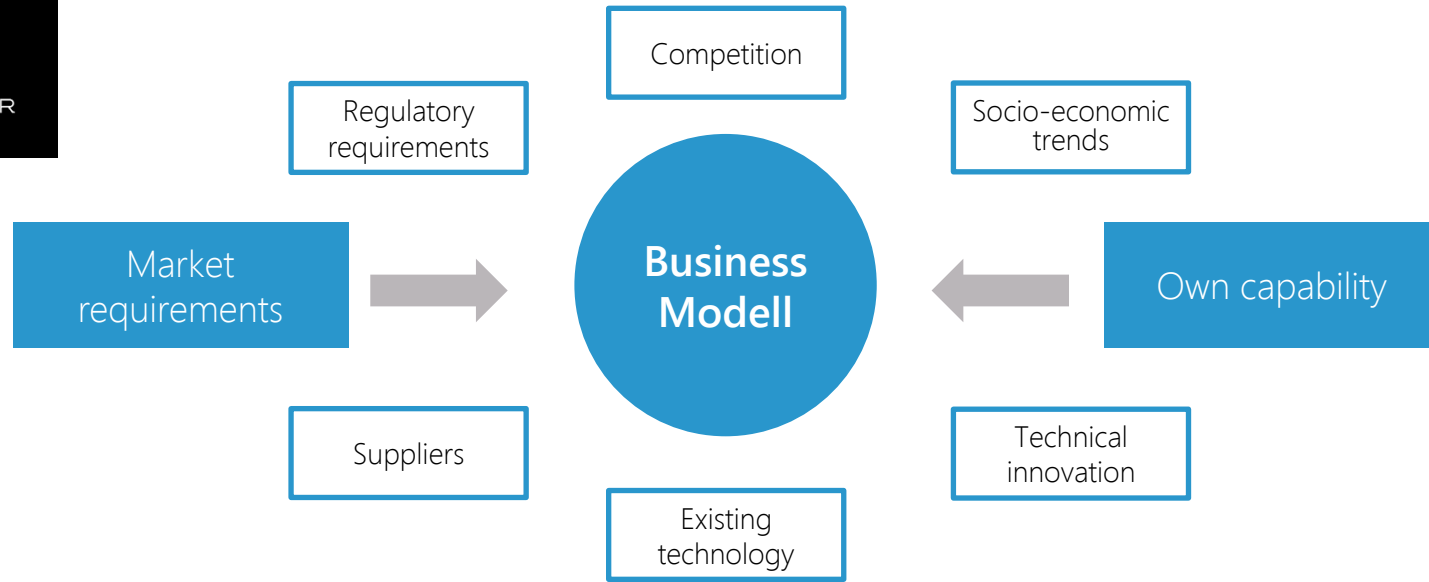
# The key question – Business model impact



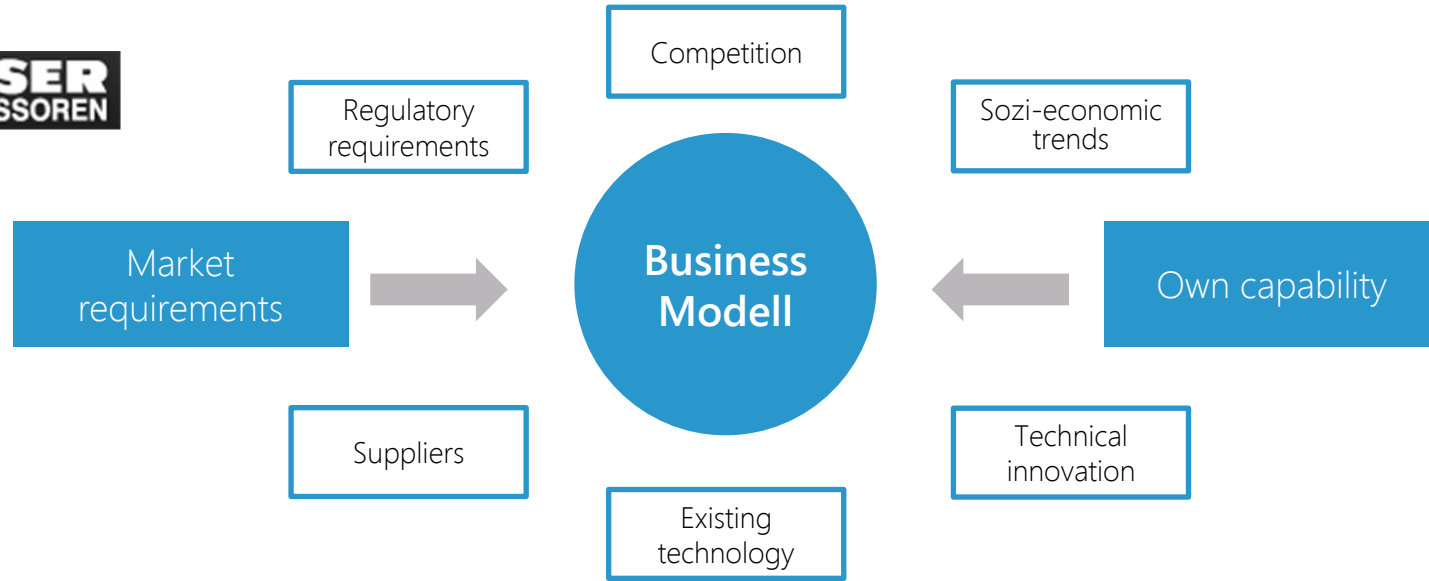
# The key question – Business model impact



# The key question – Business model impact

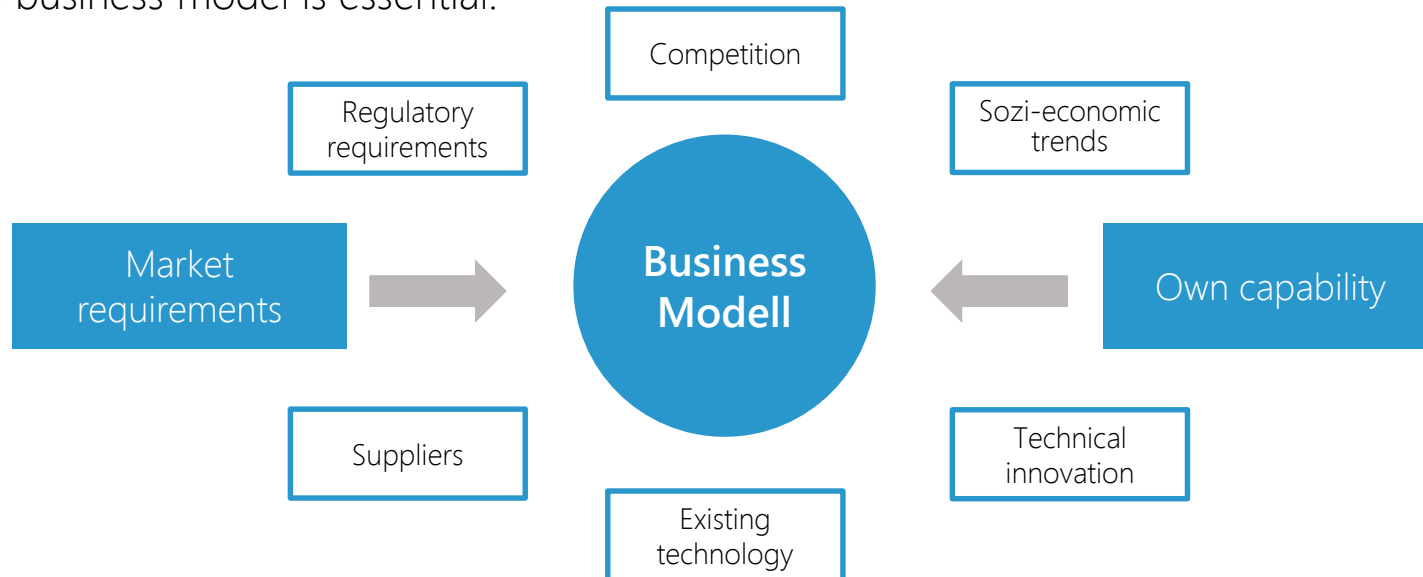


# The key question – Business model impact



# The central question – Business model impact

- Strategy development does not have to be invented new.
- There is no common pattern for successful digitization.
- Digitization does not have to be disruptive.
- The business model is essential.





# 4 Phases of digital transformation

## 1 Define Strategic Focus

- Identification and prioritization of strategic options
- Description of relevant value chains
- Initial evaluation of digital potential
- Analysis of relevant processes

## 2 Re-engineer Business Model

- Identification of chances and risks
- Definition of E2E<sup>3</sup> process scenarios
- Prioritization of implementation measures and evaluation of business model impact

## 3 Plan Transformation

- Aggregation of measures to projects
- Definition of business case per product
- Project Roadmap and portfolio

## 4 Implement Transformation

- Implementation of defined measures
- Implementation of technical transformation

# 1 Define Strategic Focus



Understand Strategy




Analyze Business Segments

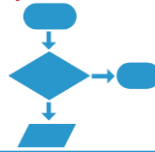


Identify Trends

**Customer Journey**




Understand Customers' Needs

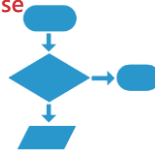


Understand Customer Process

**Own Enterprise**




Understand Own Capabilities

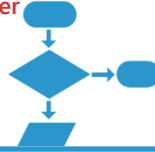


Analyze Own Value Chain

**Business Partner**



Understand Supplier Networks




Understand Partner Value Chain

**Synthesis**

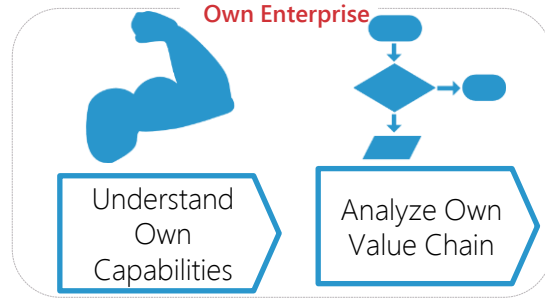


Derive Digital Potential

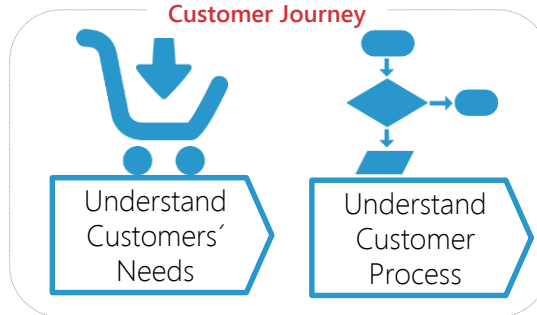


Prioritize Strategic Actions

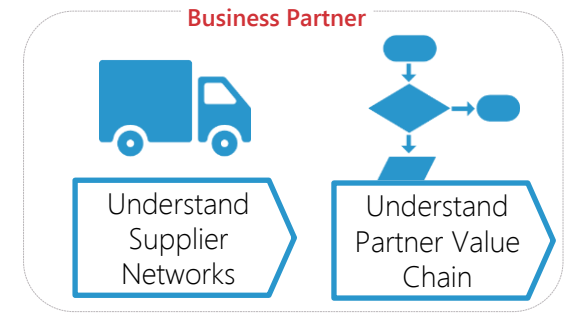
# Example Airport: There is a complex value chain network



- Airport provides infrastructure for travel (Buildings, Runways, IT Infrastructure, Services)
- Direct customers are mainly airlines and retail
- Although Passengers are not direct customers the airport needs to be attractive to them

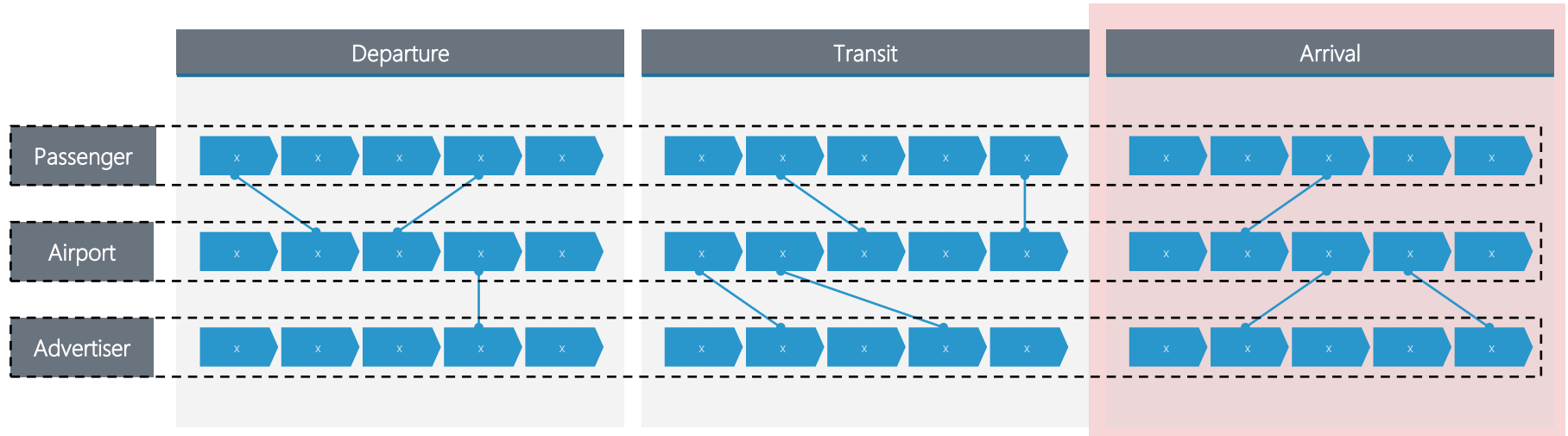


- Customer journey starts way before entering airport
- Other players like logistic- & service providers play an important role in the customer journey



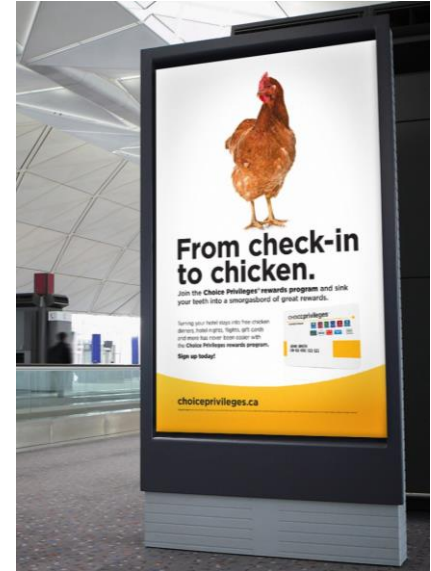
- An airport has dozens of business partners such as IT/Telco-, Service-, Facility Management-providers

# Example: Value Chains analysis of an airport



Digital potential can be derived from the holistic analysis of the different value chains. Key are the digital touchpoints i.e. where the process chains are intersecting.

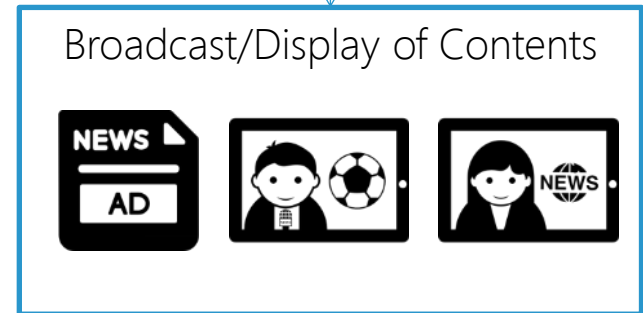
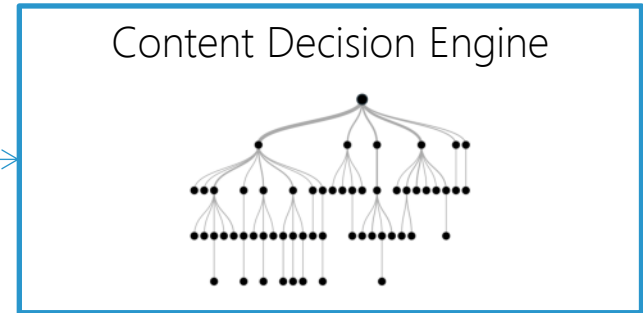
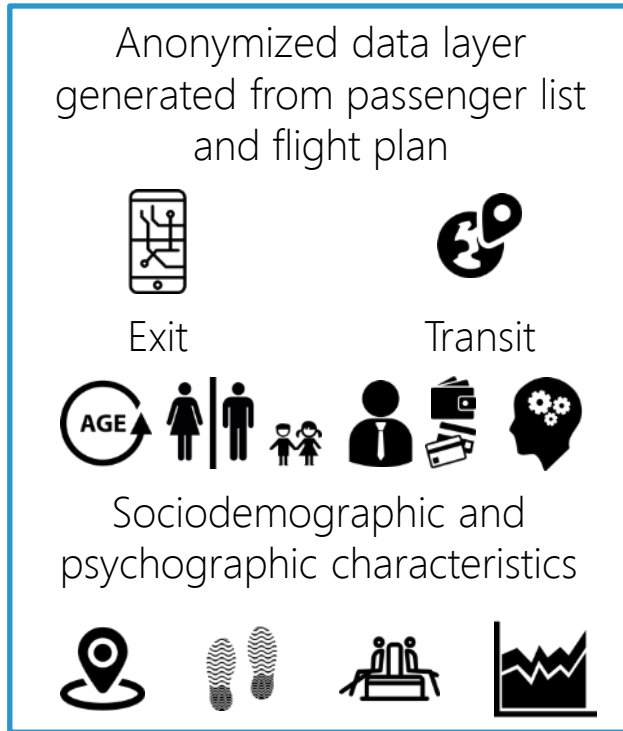
# Bilboards at Airports



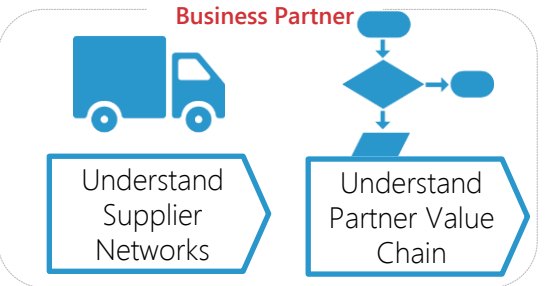
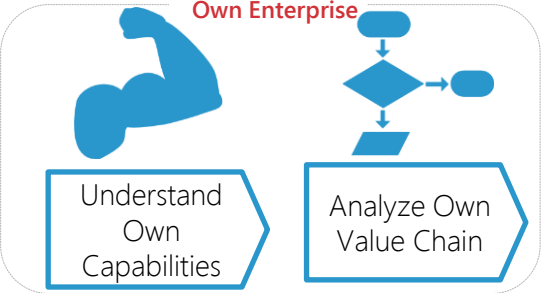
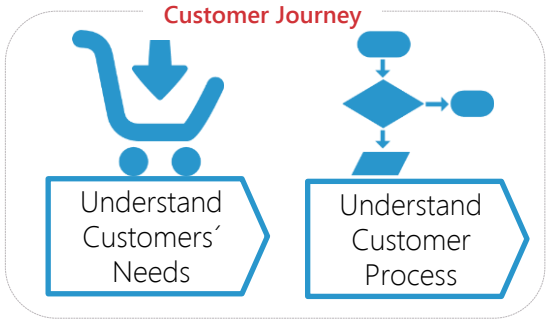
# Use case: Personalization of advertising



Plane lands and passengers proceed to baggage claim



# 1 Define Strategic Focus



# Summary – 6 Key aspects for successful digital transformation

A systematic approach significantly increases chances to realize digital potential

1

Useful digital potential is derived by analyzing the relevant value chains

2

Not everything that technically can be done should be done – the business case is the deciding factor

3

Disruptive business model innovation can create competitive advantage – but not every organization is capable to cope with disruption

4

Optimizing or enlarging of existing business models utilizing digital potential is also a suitable way

5

There is no “silver bullet” - Focusing on manageable activities in clearly defined and relevant strategic fields is better than looking for „The next big thing“

6