

Business Seminar – Digital

Digital, Spring Semester 2025
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Agenda:

1.Digital

1.1.The impact of new techs (the internet)
in business

2.Industry disruption in the digital era

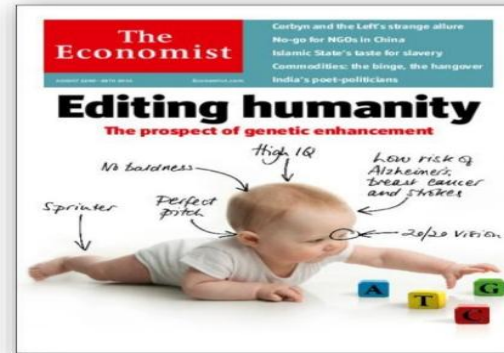
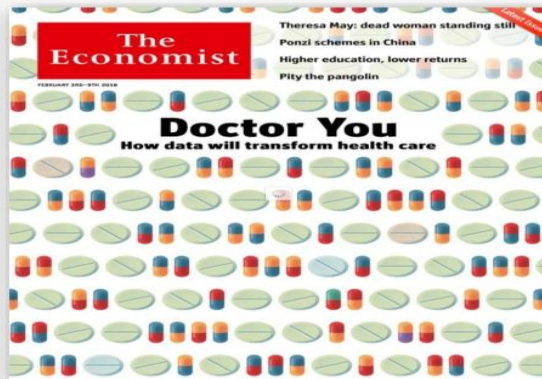
3.Achieving excellence in digital

Digital Transformation



**Digital transformation
Is important because...**

Digital Transformation Examples



... with digital integral to our day to day lives

Digital disruption has been accelerating

51%

of payments
are
made
digitally

90%

of the world's data
has been created in
the last 2 years

2.3B

active social
media users

200B

connected IoT
devices by
2020

55%

digitally impacted
offline sales by 2020

50%

households using
Amazon
PrimeNow

58%

of households
subscribe to
online streaming
services

But COVID is accelerating digital transformation in business even more abruptly

Digital Transformation



- “Digital transformation and digital disruption of companies isn’t really about technology.
- It’s more about the people and how you work differently.”
- “It’s not about being a data scientist. It’s not about being a programmer. It’s about having the mindset that says, I can learn what these technologies do, I can be forward looking, and I can be open minded on how these technologies are changing my business.”

Gerald C. Kane

THE TECHNOLOGY FALLACY



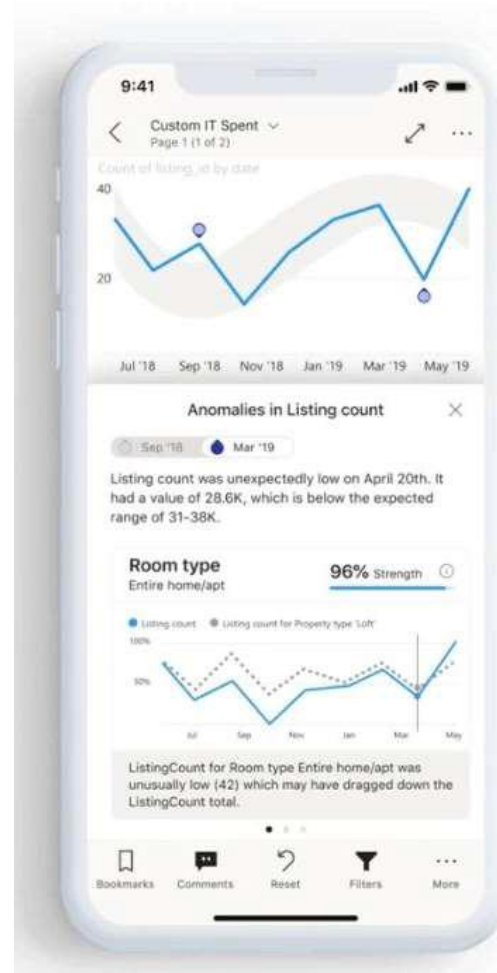
**HOW PEOPLE ARE THE REAL KEY TO
DIGITAL TRANSFORMATION**

GERALD C. KANE, ANH NGUYEN PHILLIPS,
JONATHAN R. COPULSKY, AND GARTH R. ANDRUS

**If you don't know where you
are going, any road will get
you there.**

Lewis Carroll

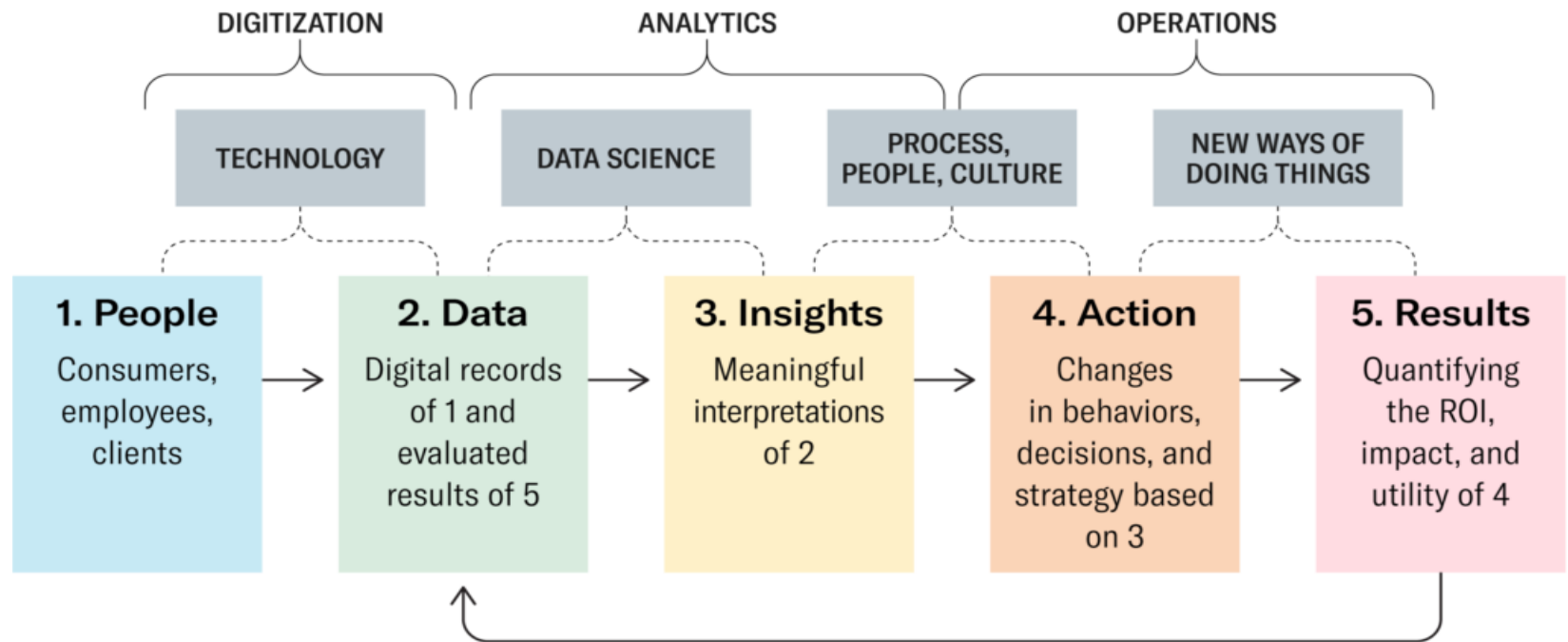
**Data in the
hands of
people, anytime,
anywhere...**



Digital Transformation

The 5 Essential Components of a Digital Transformation

Mapping the journey to becoming a data-centric organization.





Business Seminar

Impact of New Techs (the internet) in Business

1. New concepts of scale and margins, new entrants & **value chain disaggregation** - **source of competitive advantage**
2. A **different** more **demanding** customer (high expectations; high level service)
3. A shift in strategic assets: **Ownership of information** and ¹¹customer journeys more **valuable than “physical assets”**

Digital it's not just about technology....

...source of new business models - examples?



It's Not all About Technology.... source of new business models...



The largest movie house owns no cinemas (Netflix)



Largest software vendors don't write the apps (Apple/Google)



Large phone companies own no teleco infra. (Skype, WeChat)



Popular media owners create no content (Facebook)



The fastest growing banks have no actual money (SocietyOne)



The world's largest taxi company owns no taxis (Uber)



The largest accommodation provider owns no real estate (Airbnb)

Digital for Businesses Across Industries - means Change

**1. Customers' Needs
Must be at the Center**



**2. New Competitive,
Agile Dynamics**



**3. New Operating Models
& New Skillsets**



For businesses across industries this means substantial change

Leaders & Leadership
**1. Customers`
needs
must be at the
center**



Digital is a **force** sweeping
through consumer behavior,
underpinned by a **technology
disruption**

For businesses across industries this means substantial change

Leaders & Leadership

2.New Competitive, Agile Dynamics



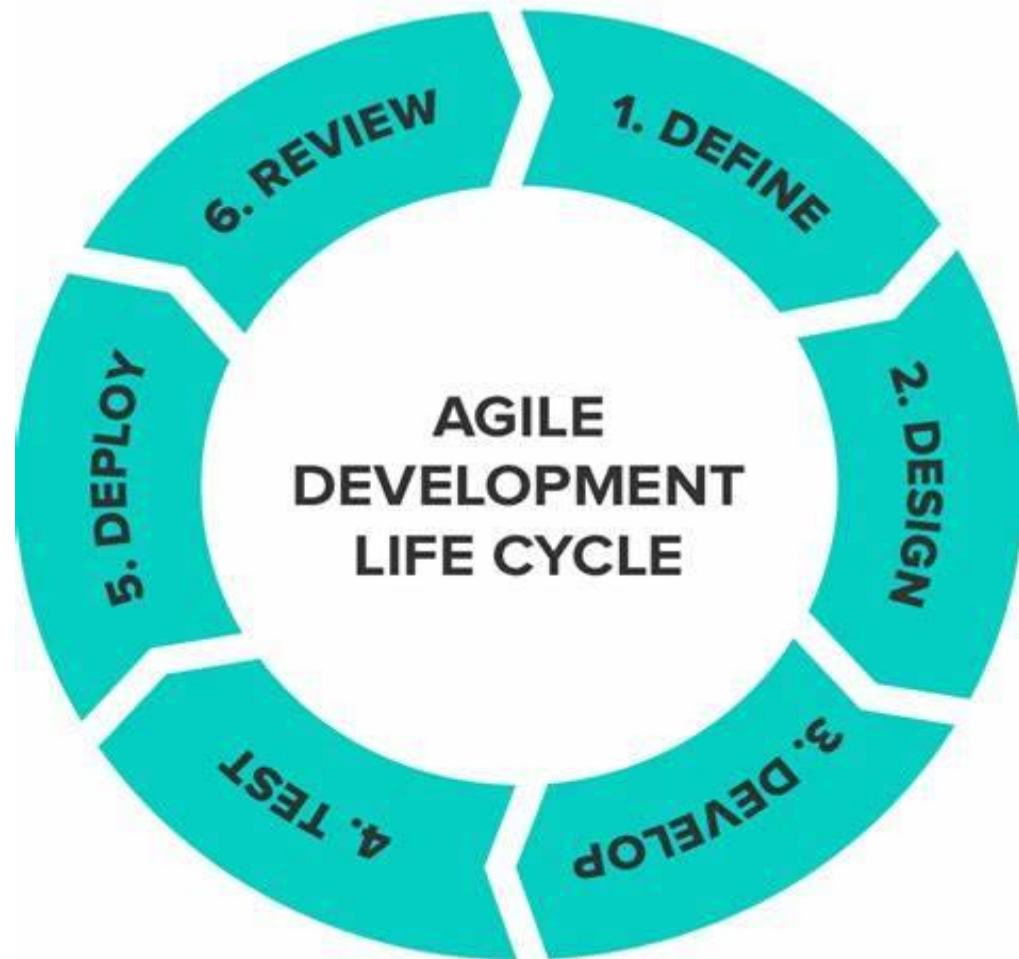
Digital is a **game changer** of fundamental competitive dynamics, driving **new sources** of advantage, new **business models** and different competitors

For businesses across industries this means substantial change

Leaders & Leadership

2.New
Competitive,
Agile
Dynamics
Examples:

- • • • •
- • • • •
- • • • •



For businesses across industries this means substantial change

Leaders & Leadership

3.New operating Model & new skillsets



Digital provides a **set of tools** in the existing business system to **improve insights, reduce costs, and drive revenue**, including advanced analytical techniques leveraging massive amounts of **data**

For businesses across industries this means substantial change

Leaders & Leadership

3.New operating Model & new Skillsets

Examples:

- • • • •
- • • • •
- • • • •



Organizations can change their service and support to meet the new behaviors of their customers and employees.

The Singapore-based bank DBS, for example, serves customers through digital virtual teller machines and kiosks instead of physical branches.

These “digital” forces have come together to reshape entire sectors of the economy

Developments in the digital age

Transparent access to data on a massive scale

Decreasing cost of computing power

Ubiquitous connectivity

Sector

Example impacts

Travel, transportation, logistics



Auto Manufacturing



Banking



Telecom and Media



Health



Strategy is still Strategy – even in the Digital age.....?

Strategy remains...

An integrated set of hard to reverse choices ...

... made ahead of time in the face of uncertainty ...


... to create and capture economic surplus (i.e., to beat the market)



... with some changes

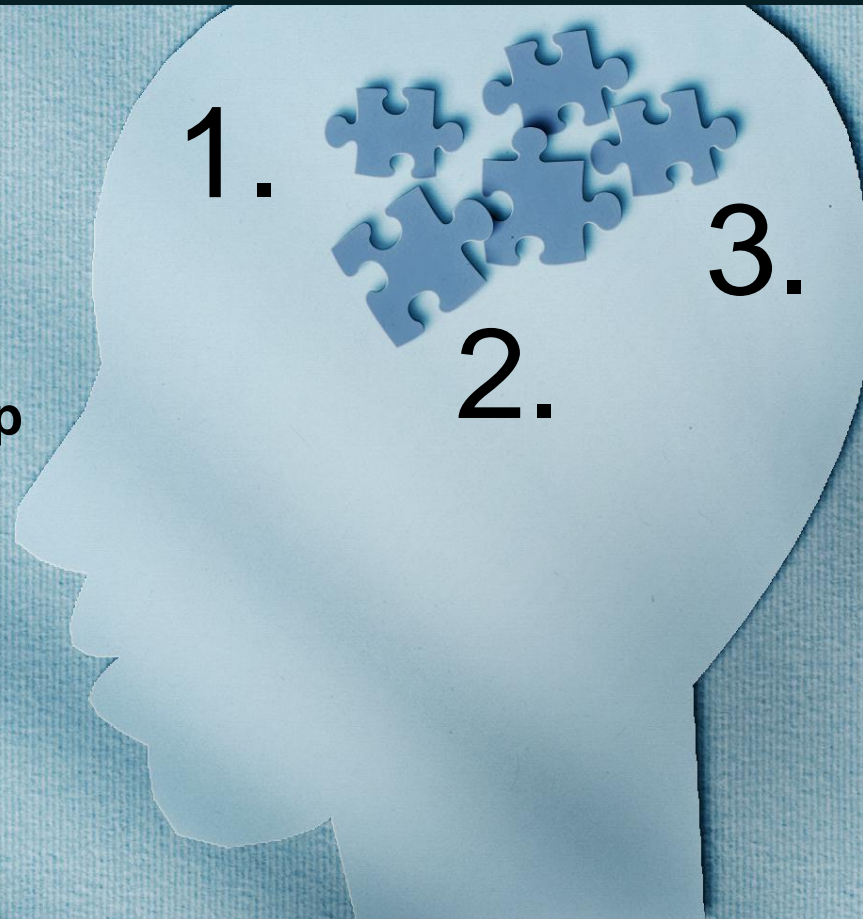
- Level of analysis is moving beyond industries and **much more customer centric**
- Beliefs of how disruption happens are being tested as **forces become more shocking and volatile**
- **Rules of competition** are rapidly shifting
- The **definition of the market and industry structure** is changing
- **Economic ‘laws’** around scale economies and value chain economics are being up-ended

There are Four Questions a **Digital Strategy** should answer

- 
- A** **How is digital likely to change where and how we make money?**
Hack your business model to find out
- B** **What is the value at stake due to digital?**
- C** **What are the specific actions necessary to capture this value?**
War-game like an attacker
- D** **What is the execution roadmap?**

Digital Strategy

A structured approach can be followed to develop a digital strategy



1.Transform to capture value from digital



Transform and/or build the organization

- Capture value through **self-funding initiatives**
- **Change culture** and build capabilities
- Accelerate **talent acquisition**
- Apply **design thinking, business insights (solve complex problems)**

.Create strategic partnerships

A structured approach
can be followed to
develop a digital
strategy



A. Define where the value is

**B. Design pilots and build a digital
roadmap**

**C. Transform to capture value from
digital**

2. Define Where The Value Is...

Hack business model to identify where/how to make money:

- Map **sources of profit/value**
- Identify **threats and opportunities**
- **Baseline** digital capabilities, talent, IT, and culture

Approach to size value

- **Evaluate options to digitize** the existing business
- Generate and size **new ideas**

3. Design Pilots and Build a Digital Roadmap

Define actions

- Prioritize a **portfolio of initiatives**
- Design **‘proof of concept’ pilots**

Architect digital roadmap:

- Outline **operating model requirements**
- **Size capability gap** and define **talent strategy, culture interventions, and communication plans**
- Determine **sequencing, KPIs and investments**

Digital is Pervasive (Present everywhere...)

+ Digital **changes client behavior and needs, drives increased competitive intensity**, and enables **massive changes** in companies operating models

Digital affects companies as changes in business foundations (connectivity, computing) allow for improvements in the core (back end and front end processes) which in turn enable new business frontiers

Digital is Pervasive (Present everywhere)

As a result, **the digital forces have changed entire sectors of the economy...**

Evolve to shorter cycles moving faster to value capture...

Agenda

- 1 Definition of Digital
- 2 Industry disruption in the Digital Era
- 3 Achieving excellence in Digital

Industry Disruption in the Digital Era

Across industries, in the digital universe we have observed **3 major forces of disruption...**
Ideas?



Across industries, in the digital universe we have observed 3 major forces of disruption

1



Power has
shifted to
consumers



2



Intensity of
competition is
increasing



3



Speed of
change is
unprecedented



1. Power Has Shifted to Consumers

- A** Consumers now have the ability to **shop wherever and whenever** they want.
- B** Consumers are more **sophisticated** and more **knowledgeable** and informed than ever before
- C** **Digital services** enable people to **compare offers** and **prices** in a simple way, in a range of markets.

Across industries, in the digital universe we have observed
3 major forces of disruption

2








Intensity of competition
is increasing

2. Hyperscale digital business are concentrating industries...

MEDIA EXAMPLE

Examples

						
Inventory	Music		2 million songs included in Prime	37 million songs		
	Video		17,000 movie titles	15,000 movie titles		25,000 movie titles
	Books	+/- 35 million books worldwide	+/- 1.5 million for each large country (e.g., US, India)		1 million books digitized	
Reach		190 countries	150 countries	110 countries	120 countries	41 countries
Digital market share worldwide		19% ¹	27% ¹	63% ²	36% ³	31% ³

1 Commerce, books for amazon

2 Music

3 Video

Across industries, in the digital universe we have observed
3 major forces of disruption

3

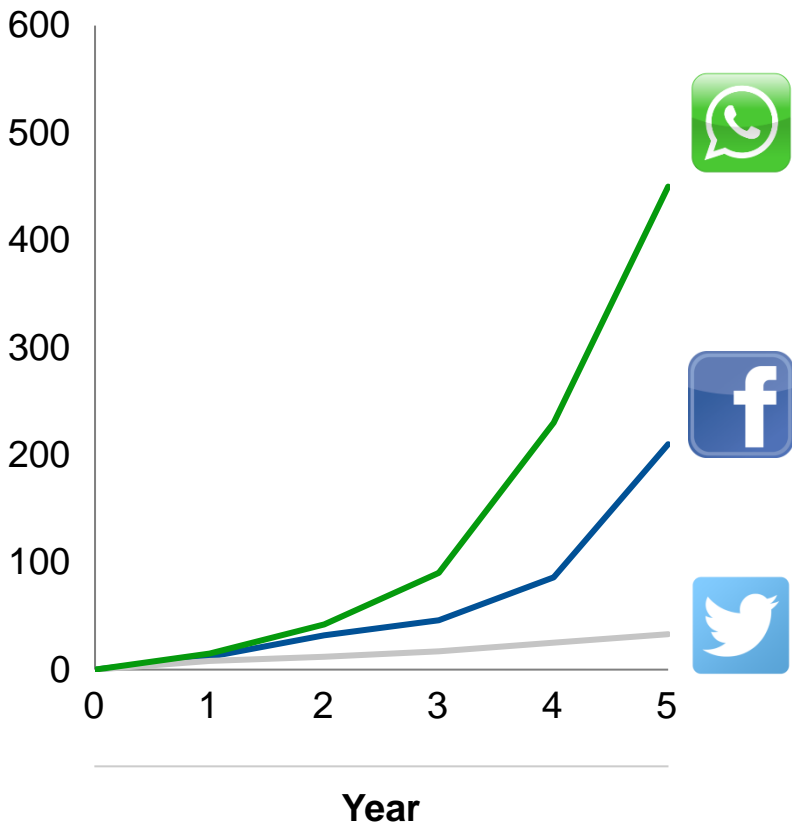


**Speed of
change is unprecedented**

3. Speed of change is unprecedented...

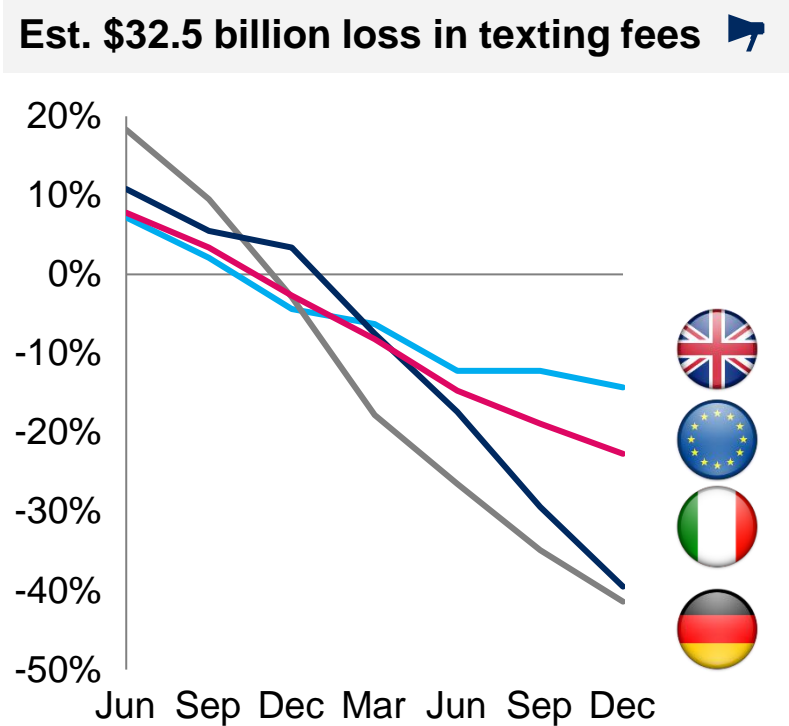
WhatsApp social messenger has scaled even faster than Facebook ...

Global monthly mm of active users since launch



... driving rapid decreases in SMS messaging

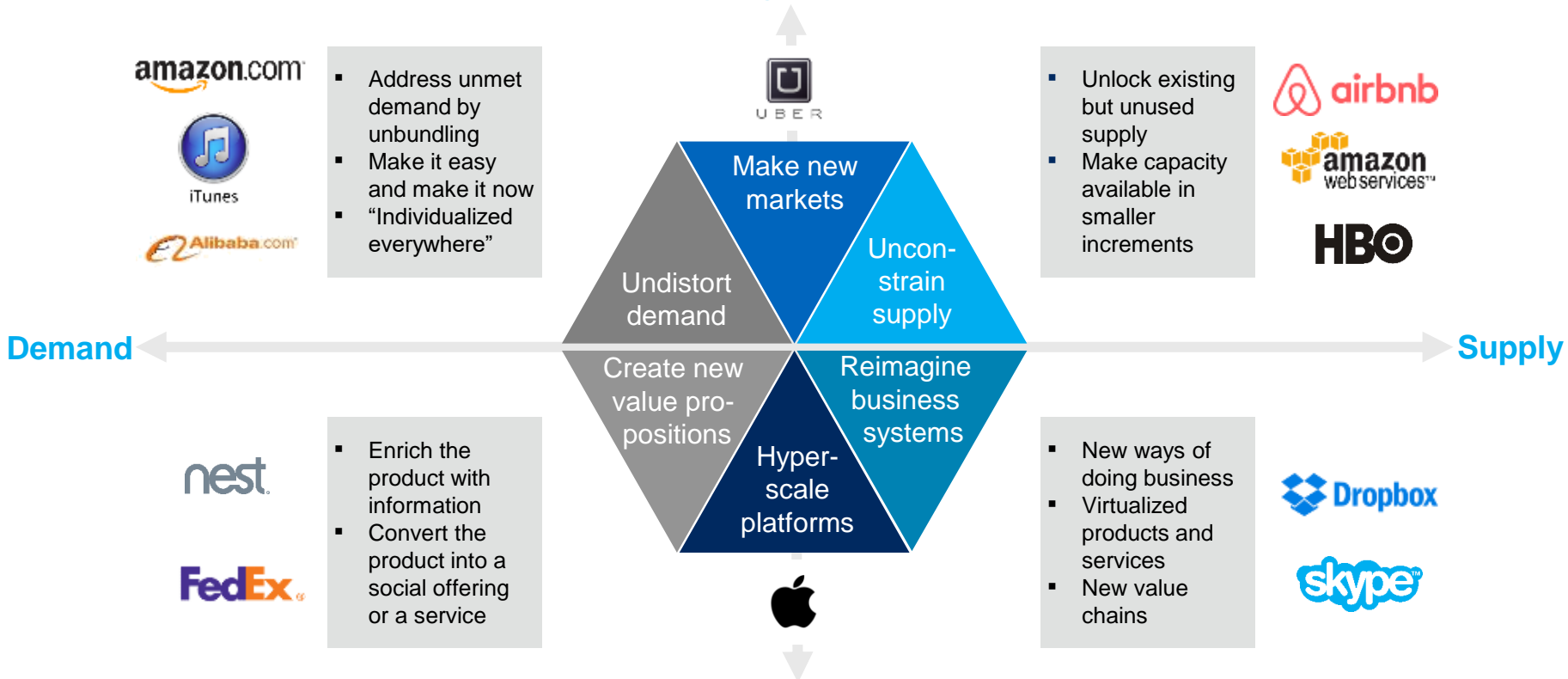
Year on year Vodafone SMS volume growth



Digitization can disrupt industries when it changes the nature of supply, demand, or both

- Find new ways to connect supply and demand, e.g., by lowering transaction costs

Improve something that was there before



Create something that wasn't there before

- Create operating leverage through process automation and network effects
- Lock in customers and suppliers by offering **free access to information**

In summary

Three major forces are disrupting industries: **power is shifting to consumers, intensity of competition is increasing**, and the **speed** of change is much faster

Digitization **can disrupt industries** when it **changes the nature of demand, supply, or both**, and by improving existing offers or creating new ones

The **nature of the disruption** is supported by **different strategies: creating new value propositions or increasing convenience; better connecting supply and demand**, either by **creating new markets** or hyperscale platforms; or improving supply, by **facilitating access to resources** or reengineering entire business systems

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3.1 Digital Leaders Excel Across Four Dimensions

Strategy



Bold, long-term
orientation

Linked to business
strategy

**Centered around
customer needs**

Culture



Risk appetite

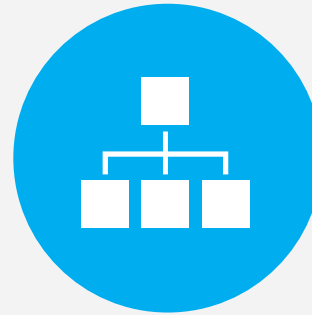
Test and learn

Speed / Agility

**Internal
collaboration**

External orientation

Organization



Roles and
responsibilities

**Talent and
leadership**

Digital investment

Governance / KPIs

Capabilities



Connectivity

Automation

Data-driven
decision-making

Content

Customer
experience

IT architecture

In sum: The Digital Mantra

Customer Centricity at the Core (Business)

Strategy

Think not just digital extensions but **digital transformation** of the core business and make bold moves

Culture

Think big, take risks, test and learn, move fast

Organization

Create ringfenced units with all resources and required accountability and **establish very clear KPIs**

Capabilities

Do not be constrained by current capabilities, part to start, and invest to build capabilities long-term: **digital, big data and customer experience**



Questions:

Leading companies can shift from traditional to digital.

How can leading companies adapt?

They can do that by themselves...or
they can acquire skills and enabling cultures from other
industries....

Digital Leaders Excel Across Four Dimensions

Strategy

Bold, long-term orientation

- Quality of digital initiatives
- Digital ambition
- Primary drivers of digital strategy
- Time horizon of the digital strategy

Linked to business strategy

- Alignment between digital and larger corporate strategy
- Role of digital in strategic planning process

Centered around customer needs

- Role of digital in the Customer Decision Journey
- Mobile strategy



Harvard
Business
Review

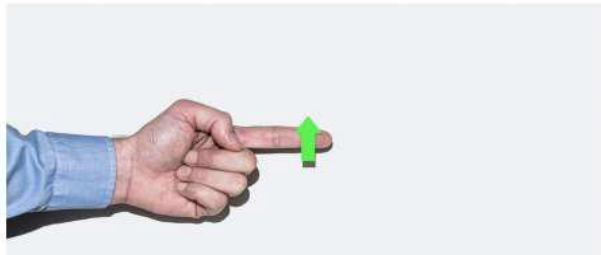
Managing Organizations | Why Is It So Hard to Become a Data-Driven Company?

Managing Organizations

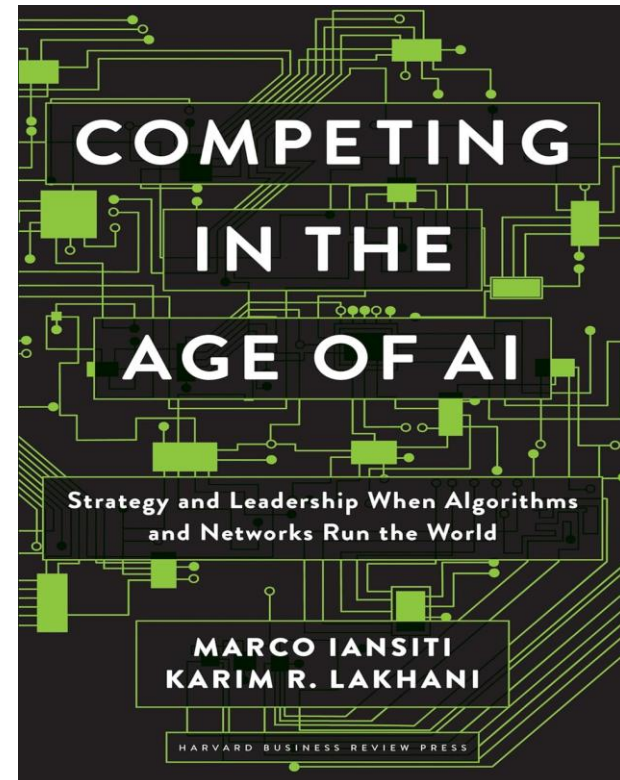
Why Is It So Hard to Become a Data-Driven Company?

by Randy Bean

February 05, 2021



management revolution. So why, after nearly a decade of investment in data initiatives, are firms continuing to struggle in their efforts to become data-driven? One answer is that becoming data-driven takes time, focus, commitment, and persistence. Too many organizations minimize the effort or fail to correctly estimate the time which these kinds of wholesale business transformations require.



Scale, scope and learning