Today's Webinar Will Begin Shortly:

The Myth and Reality of Digital Transformation: A Debate

QUESTIONS?

Use the questions box on your screen

AUDIO ISSUES?

Use the global dial-in number in your confirmation email

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Lux Research

The Myth and Reality of Digital Transformation: A Debate

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Agenda

1 | **The Digital Debate**

2 | Matching maturity to action: ensuring digital success

3 | Recommendations

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AI has the potential to deliver additional global economic activity of around **$13 trillion** by 2030

— McKinsey Global Institute

AI could contribute up to **$15.7 trillion** to the global economy in 2030, more than the current output of China and India combined.

— PwC

"

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Chemicals company fails to launch digital projects

The company was enthusiastic about digital transformation. However, even after 2 years, the company failed to launch a single industry 4.0 project.

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Read More About this Case Study

Industrial pump manufacturer transforms into a digital company

By involving key business segment stakeholders early on, offering a master class in digital thinking, and adopting agile processes, the company transformed itself into a fully digital company within 4 years.

AI company sells at fire-sale price

Element AI raised more than $250 million and hired around 500 employees including leading AI experts. The company was recently sold for $230 million.

Read More About this Case Study

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Health2Sync integrated Fitbit data into its diabetes management platform

In addition to food diary and glucometer data, Fitbit data on sleep and exercise significantly increased healthy behaviors and decreased average fasting blood glucose levels.

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85% - 95%

Of digital transformation
projects fail

90%

Of data science and AI projects
never make to production

30%

Of AI projects in production are
scaled across the organization

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Agenda

Digital fails due to a mismatch between **organizational maturity** and a company's **digital transformation goals**

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Failures are largely related to gaps in digital transformation maturity

MATURITY LEVEL	1	2	3	4	5
Strategy	No digital resources, experience, culture, or business models Data sharing non-existent			Extensive experience in and resources for digital Strong culture of digital, data sharing, and employing digital business models	
Execution	Processes for digital lacking			Digital processes and governance well established	
Technology	Poor standards around data collection, storage, analysis, and privacy/cybersecurity Human driven decisions/actions			All data automatically collected, cleaned, and analyzed in secure/privacy-enhanced manner Autonomous decisions / actions	

Chemicals company fails to launch digital projects

The company was enthusiastic about digital transformation. However, even after 2 years, the company failed to launch a single industry 4.0 project

Why They Failed

- Small digital team

- Lacked clear guidance from leadership

- Didn't leverage professional help

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Avoiding Failure
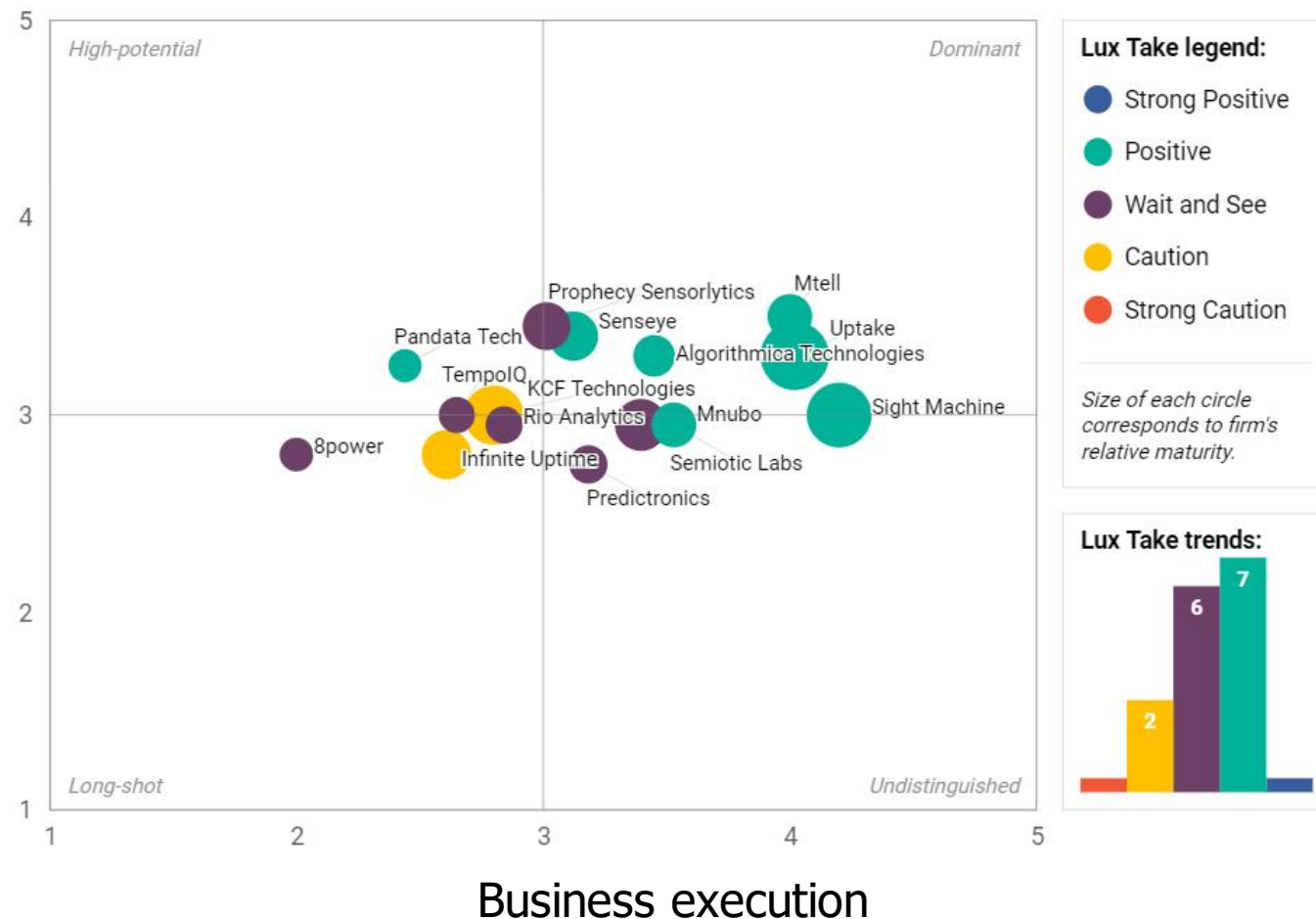

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Avoiding Failure

Landscape, evaluate, and pilot efficiently

Set clear criteria for pilots with acceptable milestones

Minimize bureaucracy and make decisions efficiently with clear expectations on data required

Lux Innovation Grid – Predictive Maintenance
Technical value

Business execution

Failures are largely related to gaps in digital transformation maturity

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Failures are largely related to gaps in digital transformation maturity

MATURITY LEVEL	1	2	3	4	5

Strategy

Chemicals company fails to launch digital projects

Execution

Oil refinery scraps digital process optimization

Technology

AI company sells at fire-sale price

Agenda

1 | The Digital Debate

2 | Matching maturity to action: ensuring digital success

3 | **Recommendations**

Recommendations

1 Determine how you want to use digital. Identify where you are today and where you want to be with regards to digital transformation.

2 Understand your organization's digital transformation maturity as it relates to strategy, technology, and execution. Identify gaps in your maturity and try to address those gaps.

3 Failures are unavoidable. Use the maturity analysis to reduce failures. Use agile methods and fail fast. Use these failures as steppingstones to success.

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