

CIODAY 2019

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Designed for Digital

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Two transformations that both involve digital technology—and yet are VERY different

Becoming **DIGITAL**

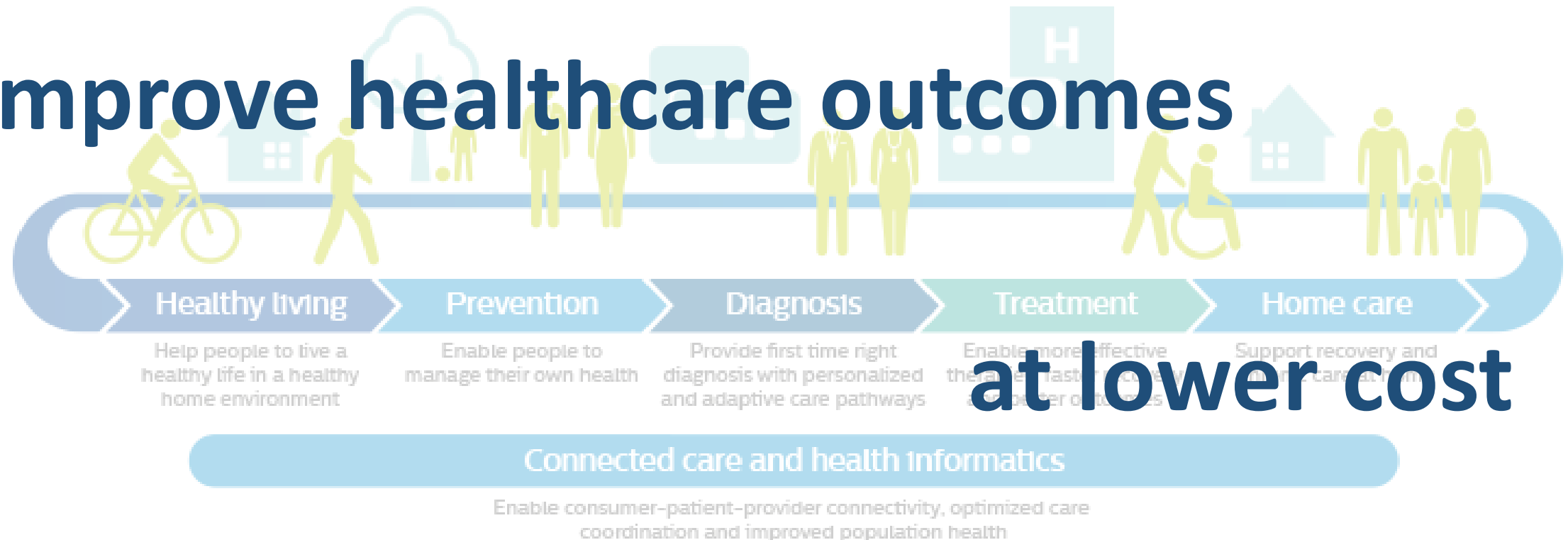
Using digital technologies to *rapidly innovate* digital *customer offerings* to deliver *new value propositions*

Becoming **DIGITIZED**

Using digital technologies to create *operational excellence* in *business processes*

Philips' new focus: digital, integrated "HealthTech" solutions to improve healthcare outcomes at lower cost

Improve healthcare outcomes



From selling products to digital offerings: integrated healthtech solutions example



Source: Adapted from video “Philips Respironics Dream Family - Innovation In Sleep Therapy” available online at: <https://www.youtube.com/watch?v=dCGIIMMWbcl>

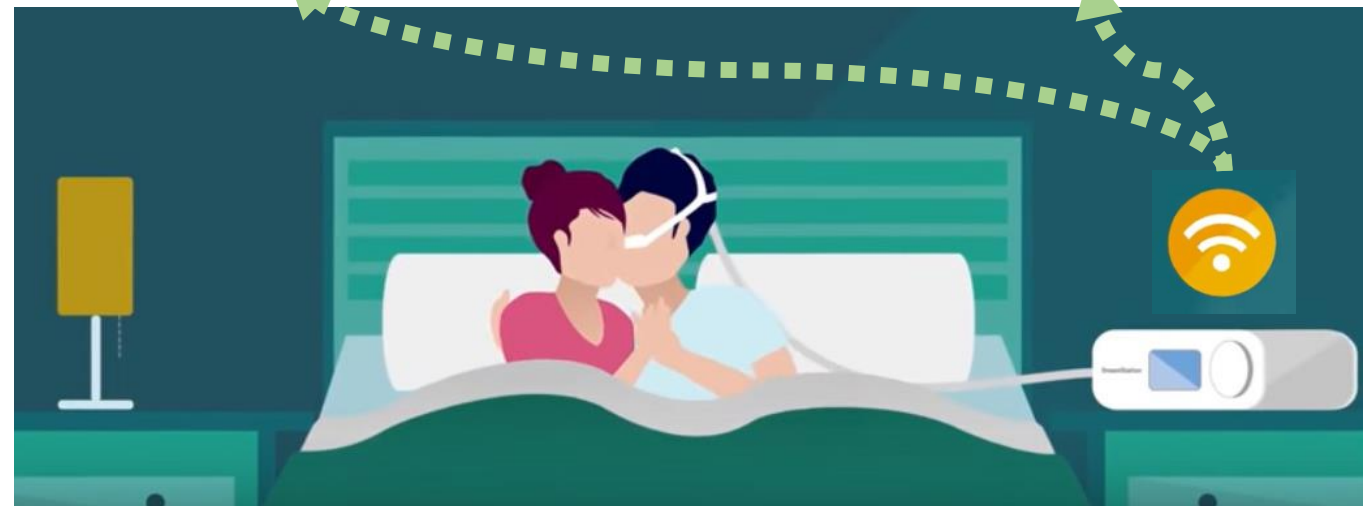
Digital offerings at Philips: integrated healthtech solutions

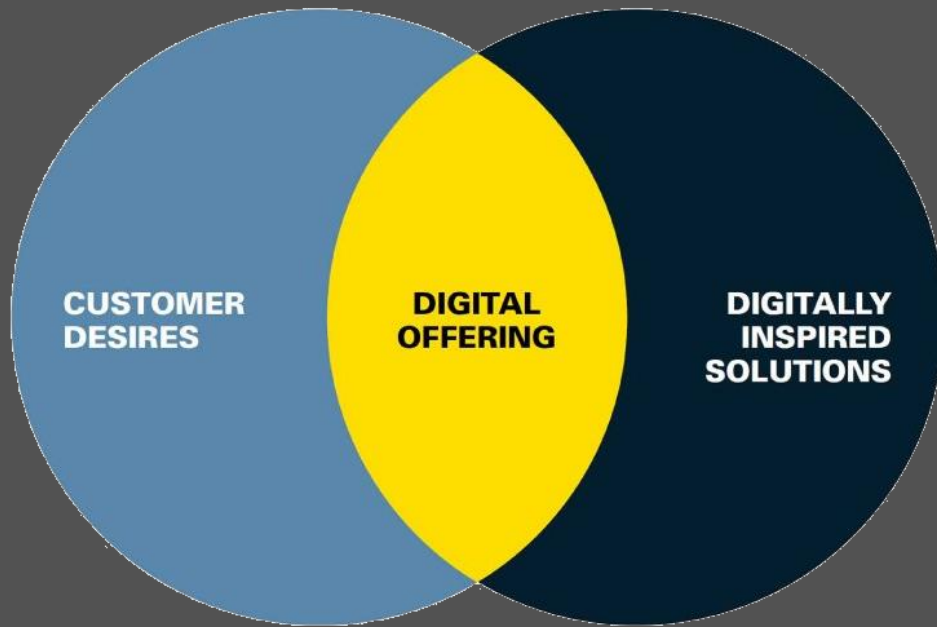


“Continuing to only focus on **separate products**—here is an MRI scanner, here is a CT scanner, here are pathology scanners—**doesn’t solve the problem for the customer**. It’s not how much better you make a product, it’s **how much better you make the system**. So we take a holistic systems and solutions approach.”

Frans van Houten, CEO

From selling products to digital offerings: integrated healthtech solutions example





Digital Offerings

Information enriched solutions wrapped in a seamless, personalized customer experience

Building digital offerings successfully requires re-designing the company

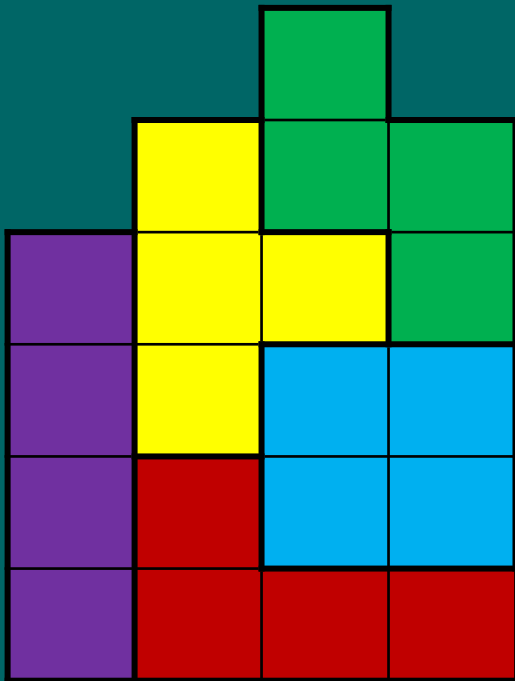


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Frans van Houten, CEO

“We had to **change the way we worked... Roles and responsibilities** change in the company. It means that, in terms of **culture** and **behavior**, you need to make sure that people [are] **prepared to work together** for a bigger goal **with the customer** as the driving force of all we do. [...].”

Frans van Houten, CEO



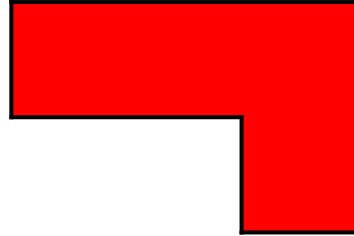
Digital Business Design

The holistic organizational configuration of people, processes, and technology to define value propositions and deliver offerings made possible by the capabilities of digital technology

Five building blocks for digital transformation to define and deliver digital offerings for new value propositions

Operational Backbone

Do you have reliable operational processes that support the new business models of your digital offerings?



Digital Platform

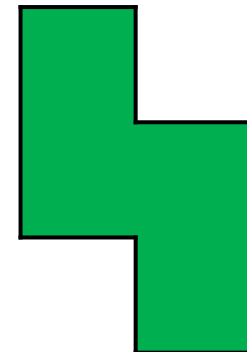
How can we rapidly build digital offerings without creating a mess?



shared components

External Developer Platform

Will you be able to build everything to solve your customers' problems all on your own?



ecosystems

experiments

Shared Customer Insights

Do you know what your customers value (are willing to pay for) when it comes to digital?

co-creation

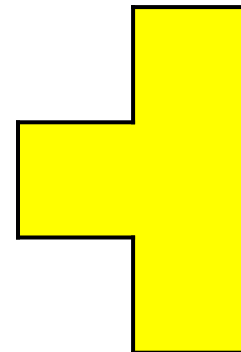


autonomous teams

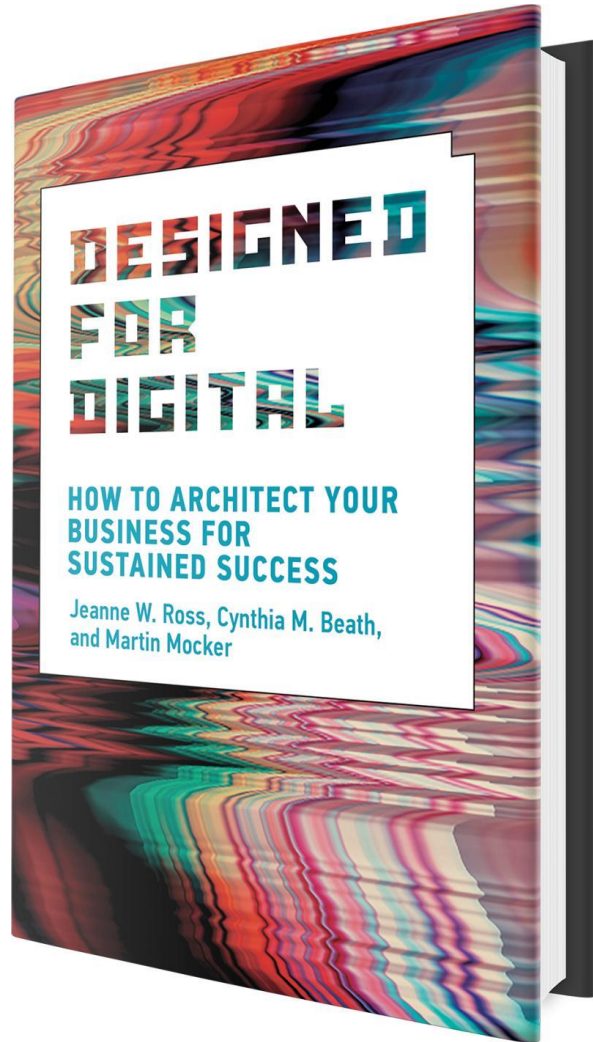
Accountability Framework

Who's building these new digital offerings and components and how?

integration vs. separation



Enjoy CIODAY 2019. And then... read our little book.



Designed for Digital

How to Architect Your Business for Sustained Success

By **Jeanne W. Ross, Cynthia M. Beath**
and **Martin Mocker**

Not all companies are digital born—but all must offer customers new digital value propositions, or risk disruption from those who will.

This insightful, well researched book is filled with real-world examples and practical advice to help “big, old” companies reimagine a digital future where rapid innovation fuels growth.

—Meg McCarthy, Board of Directors, Marriott International



(It's got red in its cover and the holidays are coming up. Just saying...)