TODD HEWLIN / SCOTT SNYDER

Goliath's Revenge

HOW ESTABLISHED COMPANIES
TURN THE TABLES
ON DIGITAL DISRUPTORS

WILEY

Winning the Digital Disruption Game

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*Disruption makes existing markets, industries or technologies obsolete...*

https://youtu.be/VtvjbmoDx-I

A FEW SEE THE SHIFTS COMING….

When wireless is perfectly applied, the whole earth will be converted into a huge brain, which in fact it is… **We shall be able to communicate with one another instantly**, irrespective of distance… **through television and telephony, we shall see and hear one another as perfectly as though we were face-to-face**, despite… thousands of miles; and the **instruments through which we…do this will [fit in a] vest pocket**.”

NIKOLA TESLA
Physicist, Inventor, Engineer (1926)

Ref: Hewlin and Snyder, 2019

3
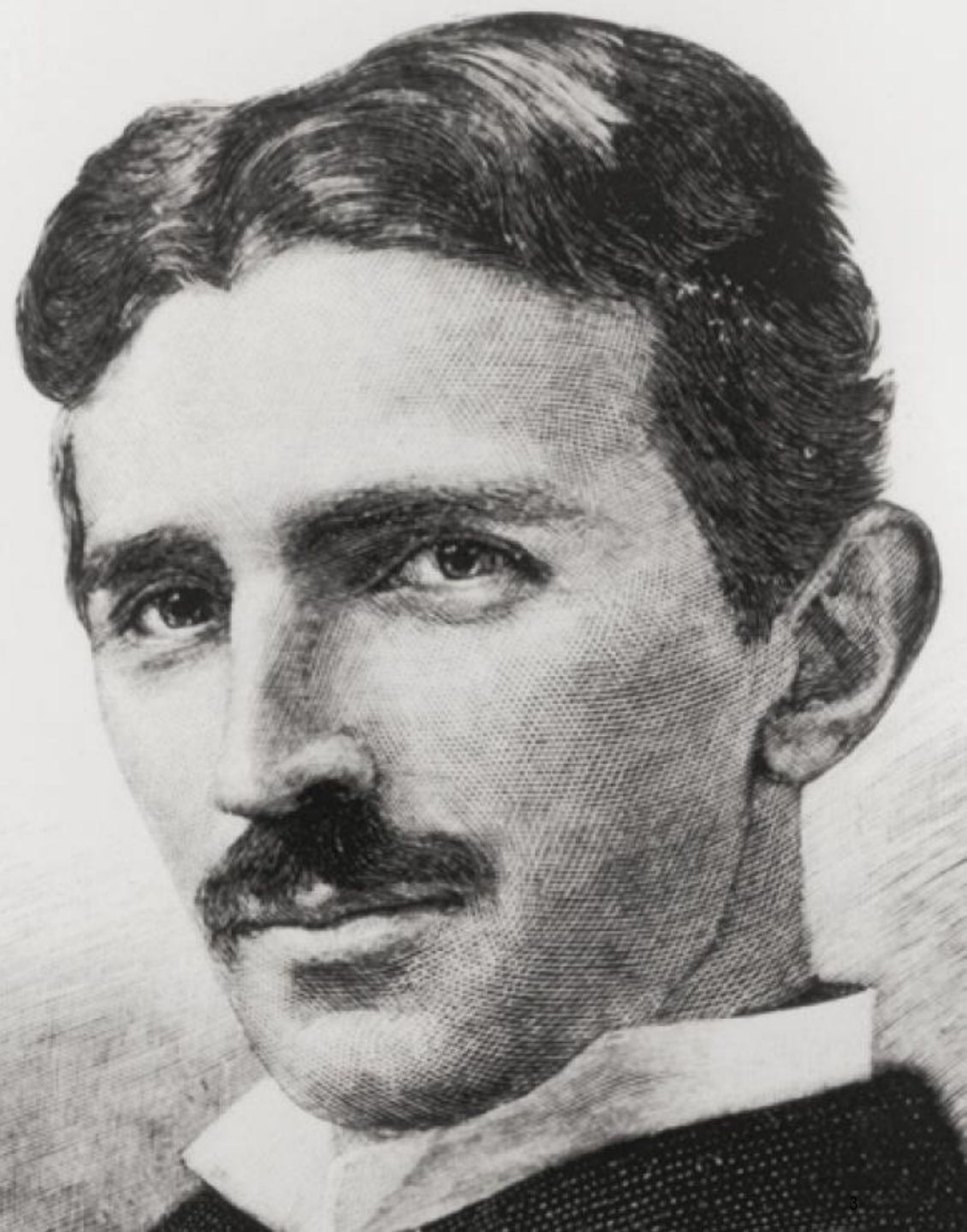
…AND SOME DON'T
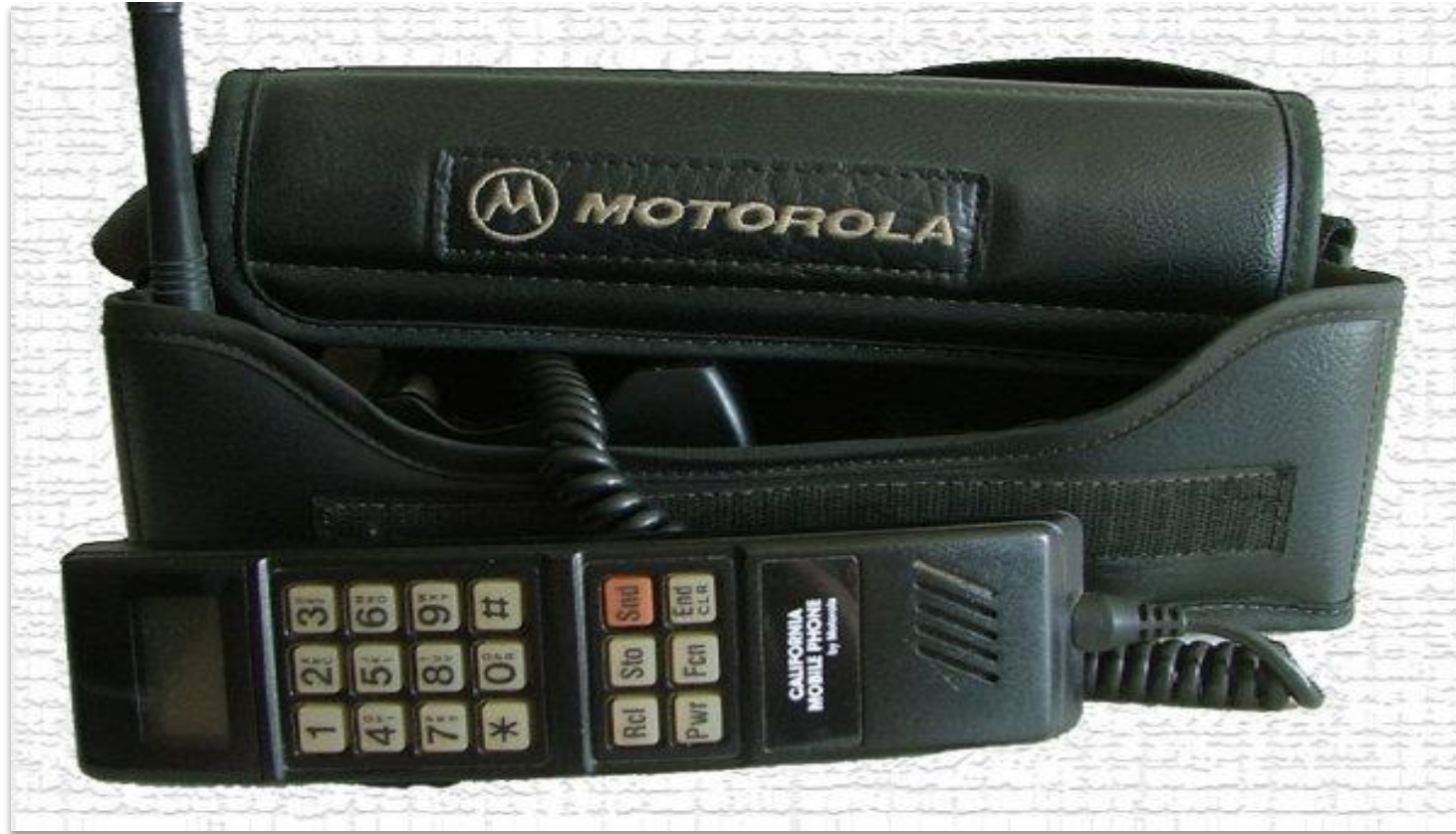
Ref: Hewlin and Snyder, 2019

THE CUSTOMER EXPECTATION RATCHET

- **Digital is creating a new expectation for products, services, and user experiences:**

  - **Immersive** – Enabling users to interact across a range of touch points – screens, voice, gestures, bio-feedback
  - **Cognitive** – Analyzing Big Data and Tapping Collective Intelligence to understand situation and context and personalize interactions
  - **Trusted** – Ensuring the necessary privacy and security is applied based on the specific application/situation

- **This will require not only technology to win, but also a shift in mindset and way of working.**

Ref: Hewlin and Snyder, 2019

BUT AI ALSO CREATES INTERESTING DILEMMAS…

http://www.gstatic.com/b-g/DMS03IIQXU3TY2FD6DLPLOMBBBJ2CH188143148.mp3

Jac Rayner
@GirlFromBlupo

Follow

Dear Amazon, I bought a toilet seat because I needed one. Necessity, not desire. I do not collect them. I am not a toilet seat addict. No matter how temptingly you email me, I'm not going to think, oh go on then, just one more toilet seat, I'll treat myself.

12:22 AM - 6 Apr 2018

73,739 Retweets   404,371 Likes

1.9K   74K   404K

Ref: Hewlin and Snyder, 2019

IN THE DIGITAL WORLD, WINNER TAKES MOST

The END OF AVERAGE

PRE-DIGITAL

Average is Fine

Least successful — Most successful

COMPANIES + CAREERS

POST DIGITAL

Average is Not Fine

Digital "Have-Nots" Digital "Haves"

Least successful — Most successful

COMPANIES + CAREERS

Ref: Hewlin and Snyder, 2019
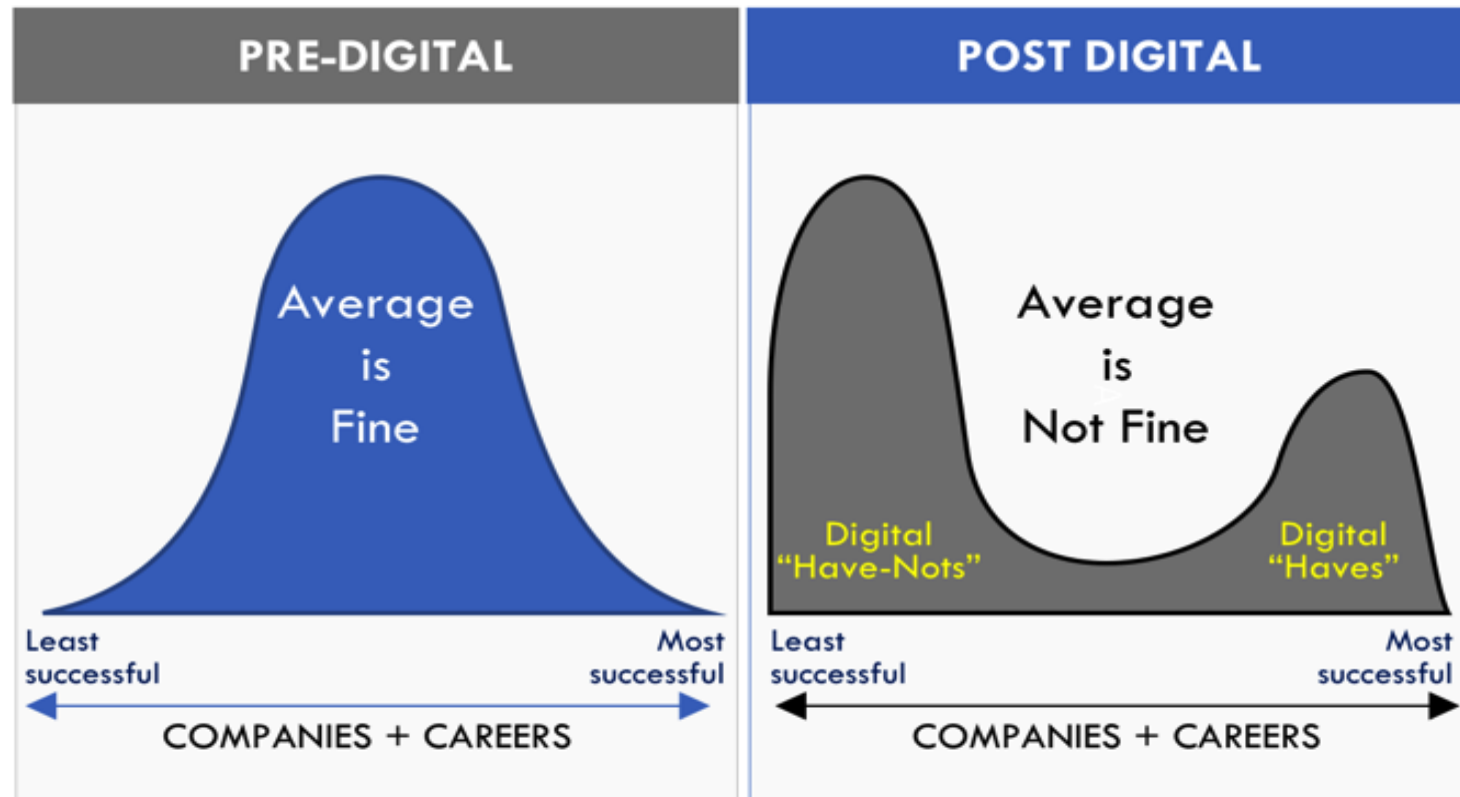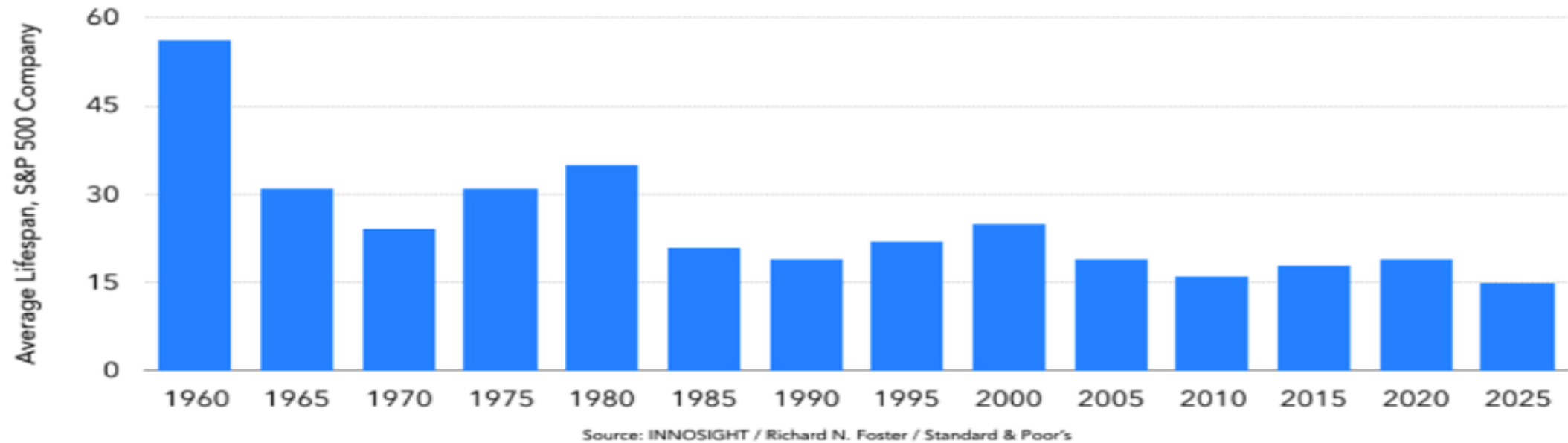
"How did you go bankrupt?"
"Two ways. Gradually, then suddenly."

\- Ernest Hemingway, Author

COMPANIES MUST CONTINUALLY REINVENT THEMSELVES

Source: INNOSIGHT / Richard N. Foster / Standard & Poor's

Nearly 40% of Market Incumbents Displaced Every 3 Years

Ref: Hewlin and Snyder, 2019

TURNING THE TABLES ON DISRUPTION – DOMINOS PIZZA

Domino's Pizza Price % Change
Alphabet Price % Change
Apple Price % Change
Amazon.com Price % Change
Netflix Price % Change

2.25K%
2.12K%
1.77K%
1.25K%
750.0%
562.7%
377.3%
176.4%
-250%

2011   2012   2013   2014   2015   2016   2017

The Motley Fool

Apr 04 2017, 1:50PM EDT. Powered by YCHARTS

Ref: Hewlin and Snyder, 2019

ESTABLISHED COMPANIES CAN BECOME DIGITAL DISRUPTORS

Six Rules for Winning the Disruption Game:

1. **Deliver Step Change Customer Outcomes**
   - Leverage your crown jewels to change the game

2. **Pursue "Big I" and "little i" Innovation**
   - Empower employees for little I to build a culture of innovation
   - Protect Big I from the weight of the core business

3. **Use Your Data as Currency**
   - Fuel and attract innovation by sharing data assets

4. **Accelerate Through Innovation Networks**
   - Create ecosystems to tap into external innovators

5. **Value Talent Over Technology**
   - Close the Digital and Innovation Leadership Gap

6. **Reframe Your Purpose**
   - Attach innovation to a higher purpose
   - Reframe the business you are in to play big
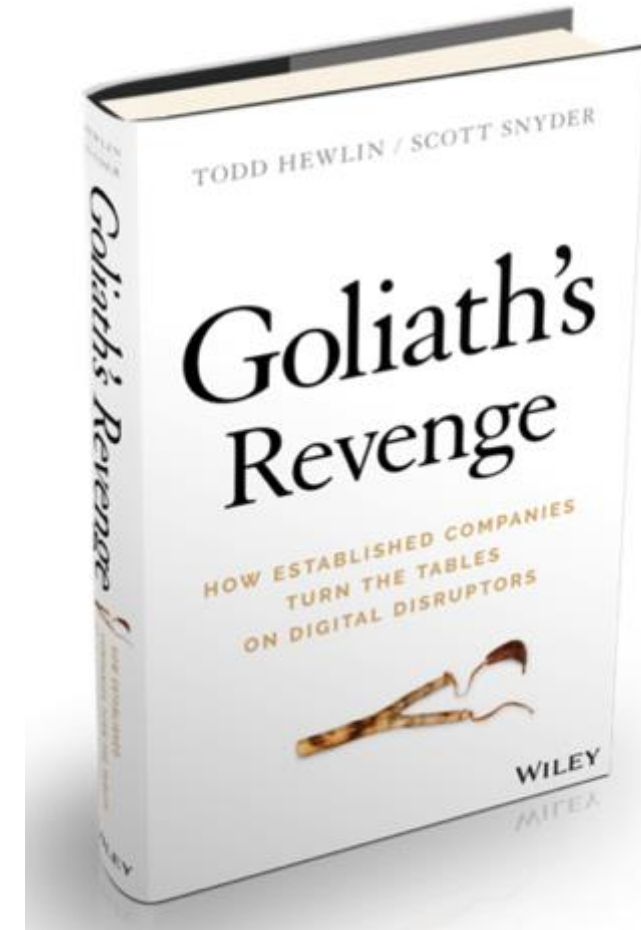
Reference: Hewlin and Snyder
Wiley, Q1 2019

Get more info on ordering book at https://heidrick.com/goliathsrevenge

RULE #1: DELIVER STEP-CHANGE CUSTOMER OUTCOMES

EV OPTIMIZED ROUTE

Ref: Hewlin and Snyder, 2019

Ref: Hewlin and Snyder, 2019

RULE #3: USE YOUR DATA AS CURRENCY

RULE #4: ACCELERATE THROUGH INNOVATION NETWORKS

Ref: Hewlin and Snyder, 2019

RULE #5: VALUE TALENT OVER TECHNOLOGY

RULE #6: REFRAME YOUR PURPOSE

Ref: Hewlin and Snyder, 2019

BUILDING YOUR DISRUPTOR PLAYBOOK

THE *GOLIATH'S REVENGE* PARTHENON

WHAT

Rule #1
Deliver Step-Change Customer Outcomes

HOW

Rule #2
Pursue
Big I and
Little I
Innovation

Rule #3
Use
Your Data
as
Currency

Rule #4
Accelerate
Through
Innovation
Networks

Rule #5
Choose
Talent
Over
Technology

WHY

Rule #6
Reframe Your Purpose

Ref: Hewlin and Snyder, 2019
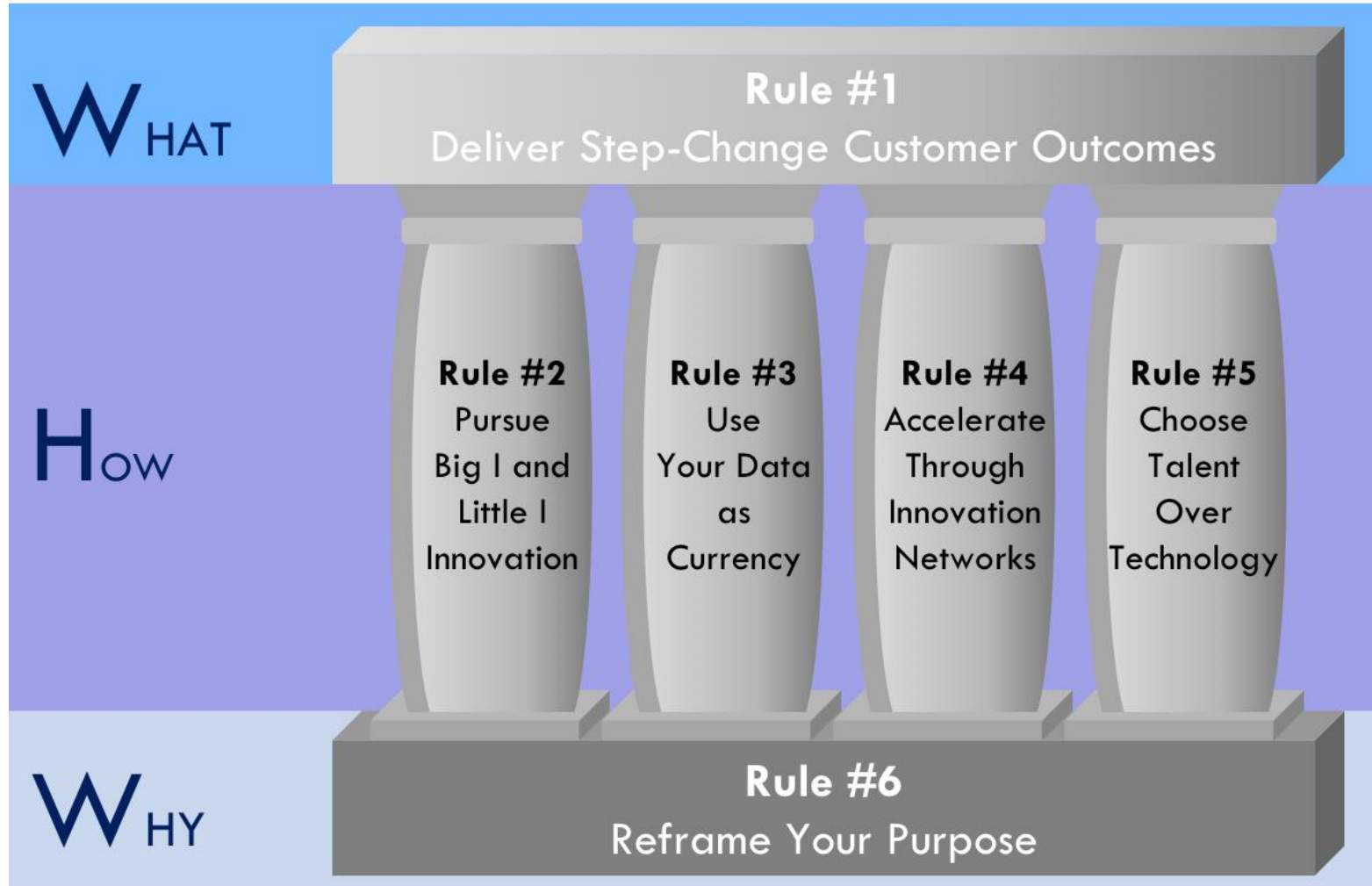
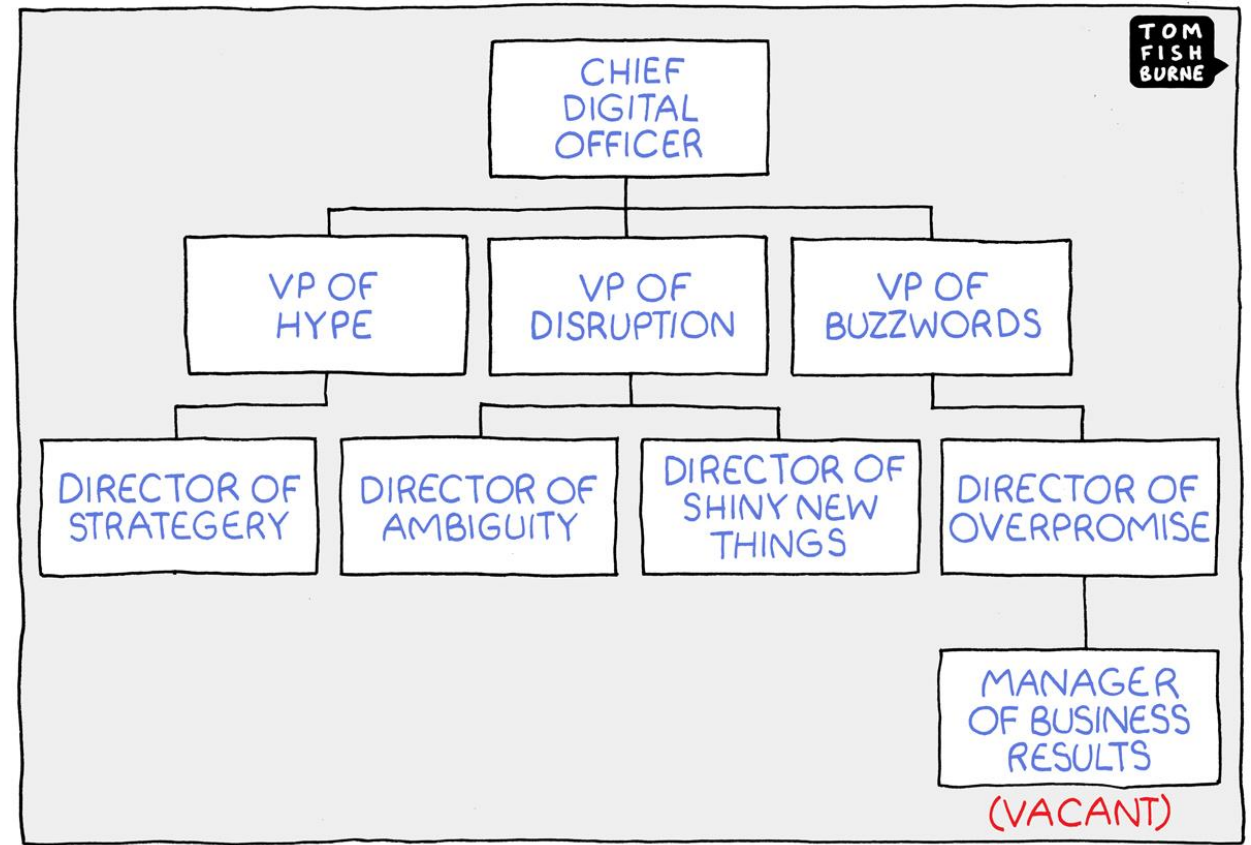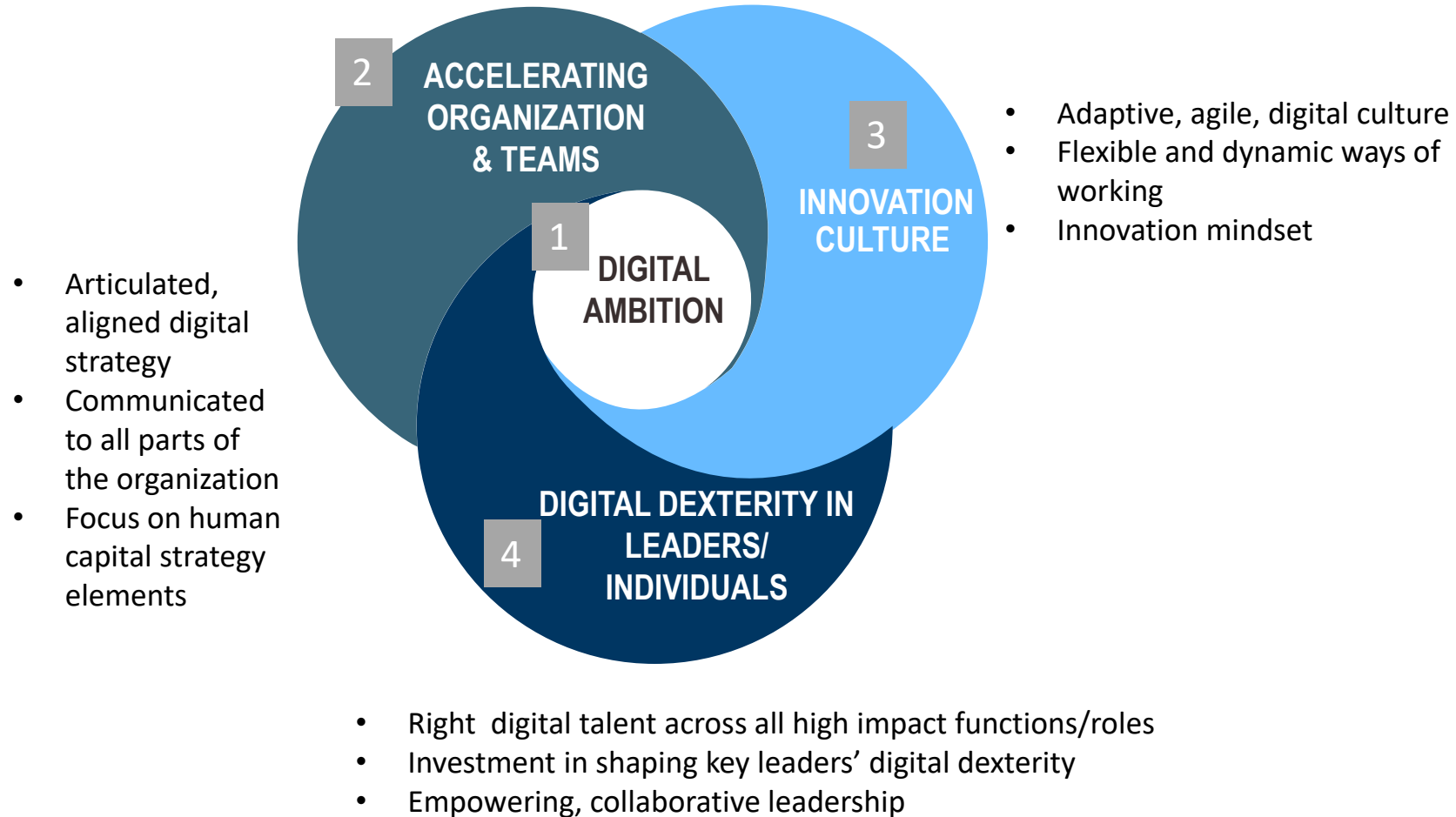# HOW SHOULD YOU ORGANIZE?

FROM?

TO???
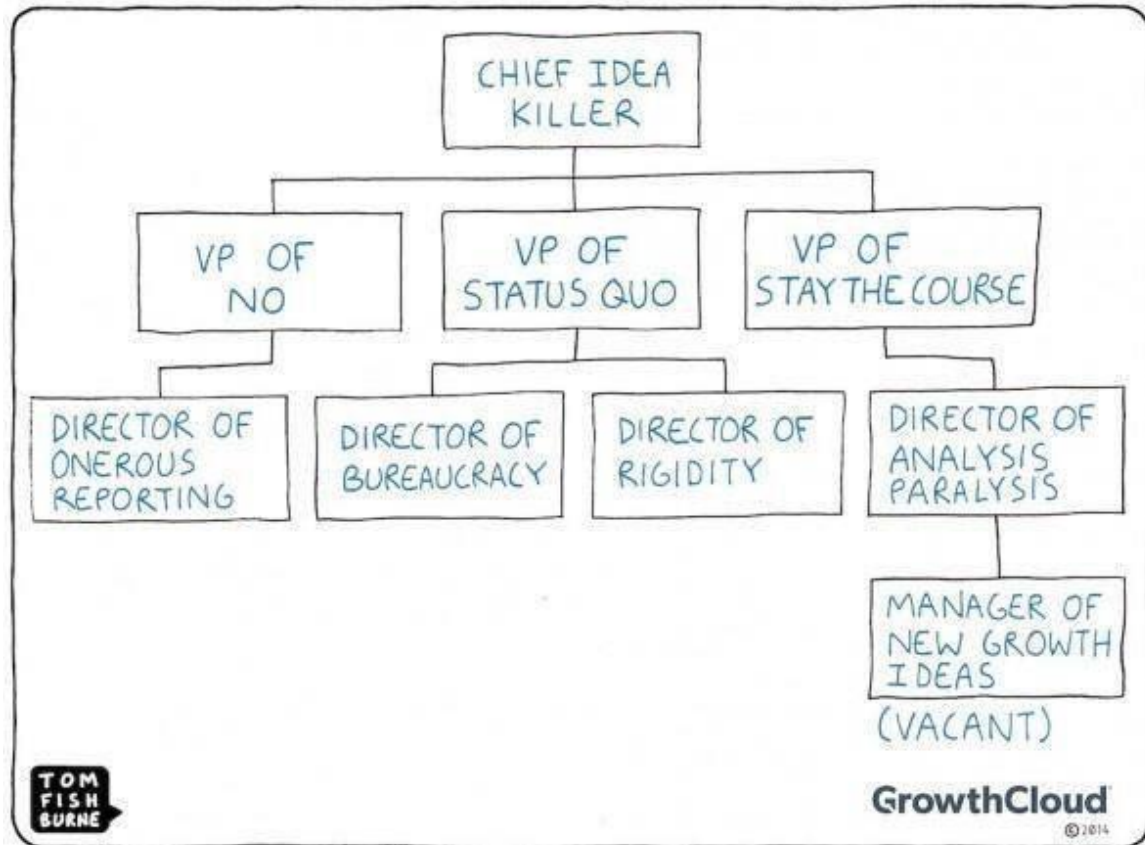
EVERY LEADER SHOULD PLAY A ROLE IN DIGITAL ACCELERATION

Role/Digital Influence	Light Influencer	Moderate Influencer	Driver/Shaper
CEO	Drive the business strategy and support new initiatives related to innovation and digital	Drive the business strategy, with specific goals related to innovation and digital	Drive the business strategy which includes a clear digital ambition and champion a culture of innovation
CIO	Define and manage enabling digital infrastructure	Own all enabling digital infrastructure/services and B2E apps	Own all digital infrastructure and app portfolio
CMO	Set marketing related digital standards	Own overall digital user experience and coordinate all B2C apps	Own all customer facing digital opportunities and incubator lab
CTO	Recommend digital architecture	Own digital architecture and dev standards	Own digital product development and lab
Chief Digital Officer	Evangelize Digital Possibilities, Set Standards	Coordinate Digital Portfolio across business	Lead overall digital portfolio and digital incubator/lab/ventures
Chief Data Officer	Driving data access and modeling standards for digital	Joint development of new AI/data-driven digital products	Digital used to fuel AI/data product portfolio and innovations
Chief Product/ Innovation Officer	Integrate digital into Prodcut dev/innovation activities	Own digital products related to long-term innovation	Own digital product portfolio, lab and ecosystem/ventures
CHRO	Focus on acquisition of select digital skills	Coordinate with digital leaders to design and deliver in-house digital capability-building initiatives	Drive workforce of the future strategy and deliver state-of- the-art digital employee experiences
Corporate Ventures	Recommend/manage CVC investments to support digital	Jointly support digital ecosystem with BU and functional owners	Own digital ecosystem and external digital product incubation

BUILDING A LASTING DIGITAL ADVANTAGE REQUIRES FOCUS ON THE HUMAN ELEMENTS

- Right organization and team structures that enable efficient speed to value for digital
- Collaborative, non-siloed ways of working that nurture digital initiatives

2 ACCELERATING ORGANIZATION & TEAMS

3 INNOVATION CULTURE

1 DIGITAL AMBITION

4 DIGITAL DEXTERITY IN LEADERS/ INDIVIDUALS

- Adaptive, agile, digital culture
- Flexible and dynamic ways of working
- Innovation mindset

- Articulated, aligned digital strategy
- Communicated to all parts of the organization
- Focus on human capital strategy elements

- Right digital talent across all high impact functions/roles
- Investment in shaping key leaders' digital dexterity
- Empowering, collaborative leadership

DIGITAL DEXTERITY WILL BE CRITICAL IN EVERY ROLE

Digital Adopter

Customer Champion

Digital Visionary

Mobilize

Execute

Collaborative Influencer

Purposeful Scaler

Ecosystem Builder

Data Integrator

Creative Disruptor

Solution Orchestrator

Transform

Agility

Adaptive Navigator

Flexible Learner

Resolute Intrapreneur

Digital Strategist (Mobilize)

Digital Driver (Execute)

Digital Innovator (Transform)

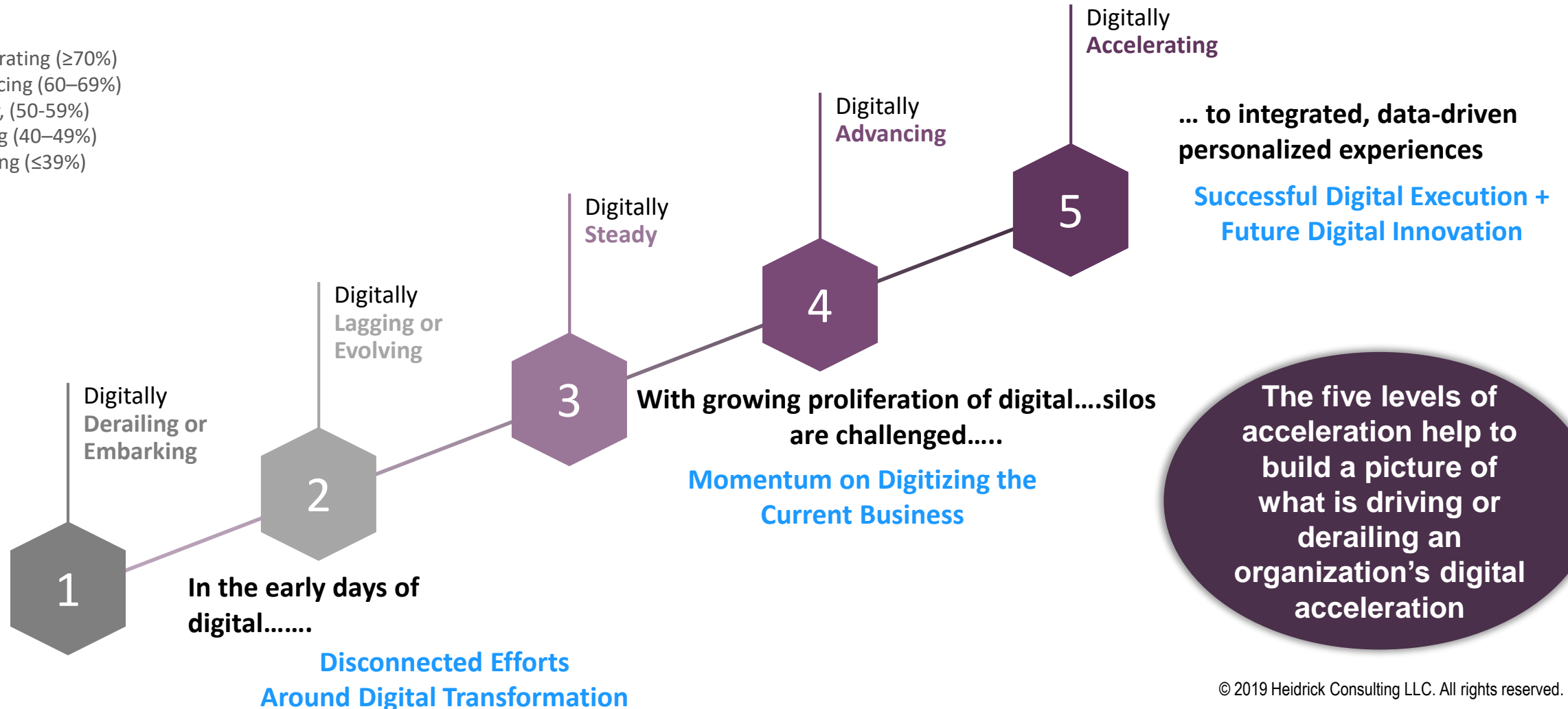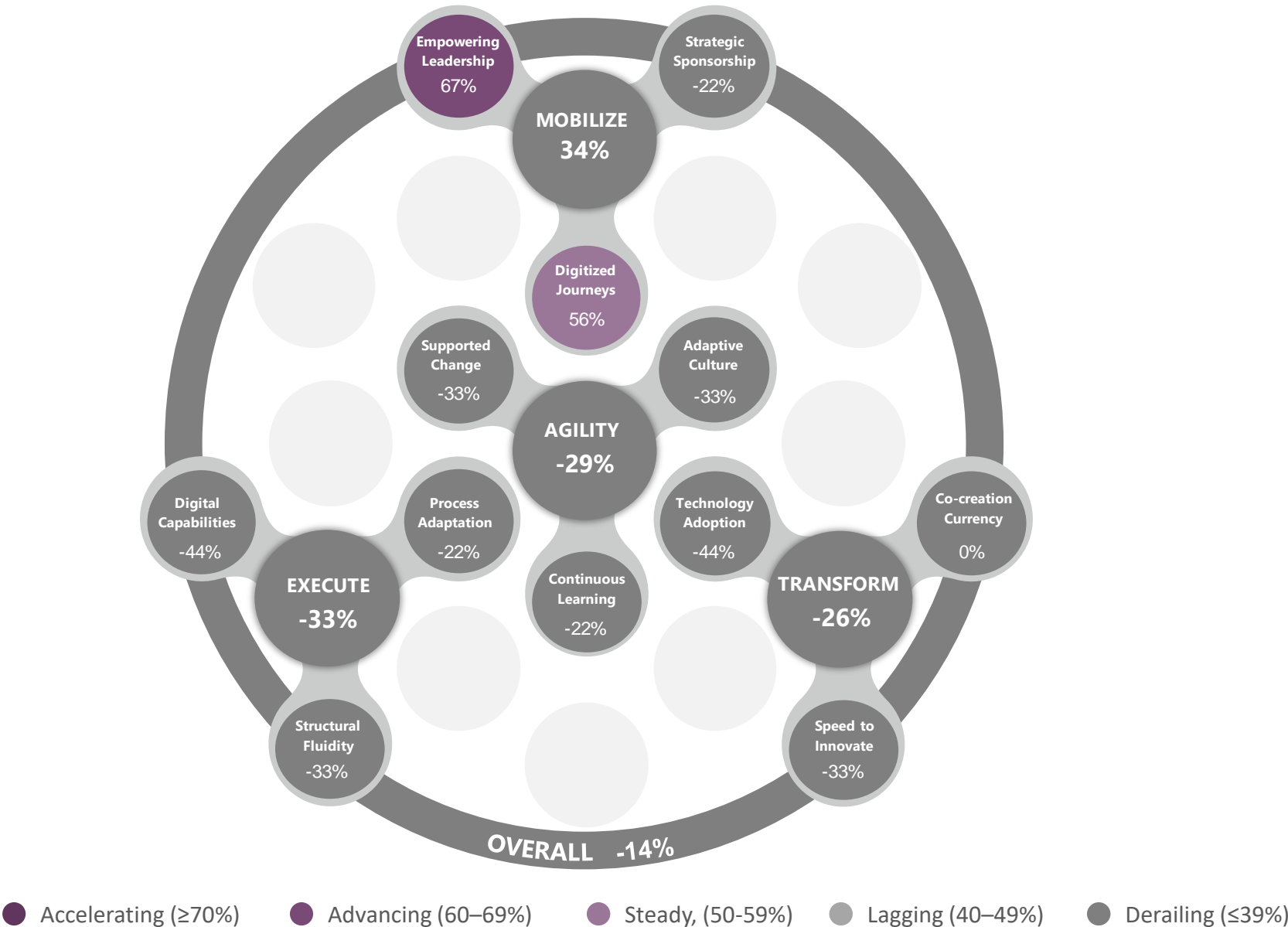Agile Leader
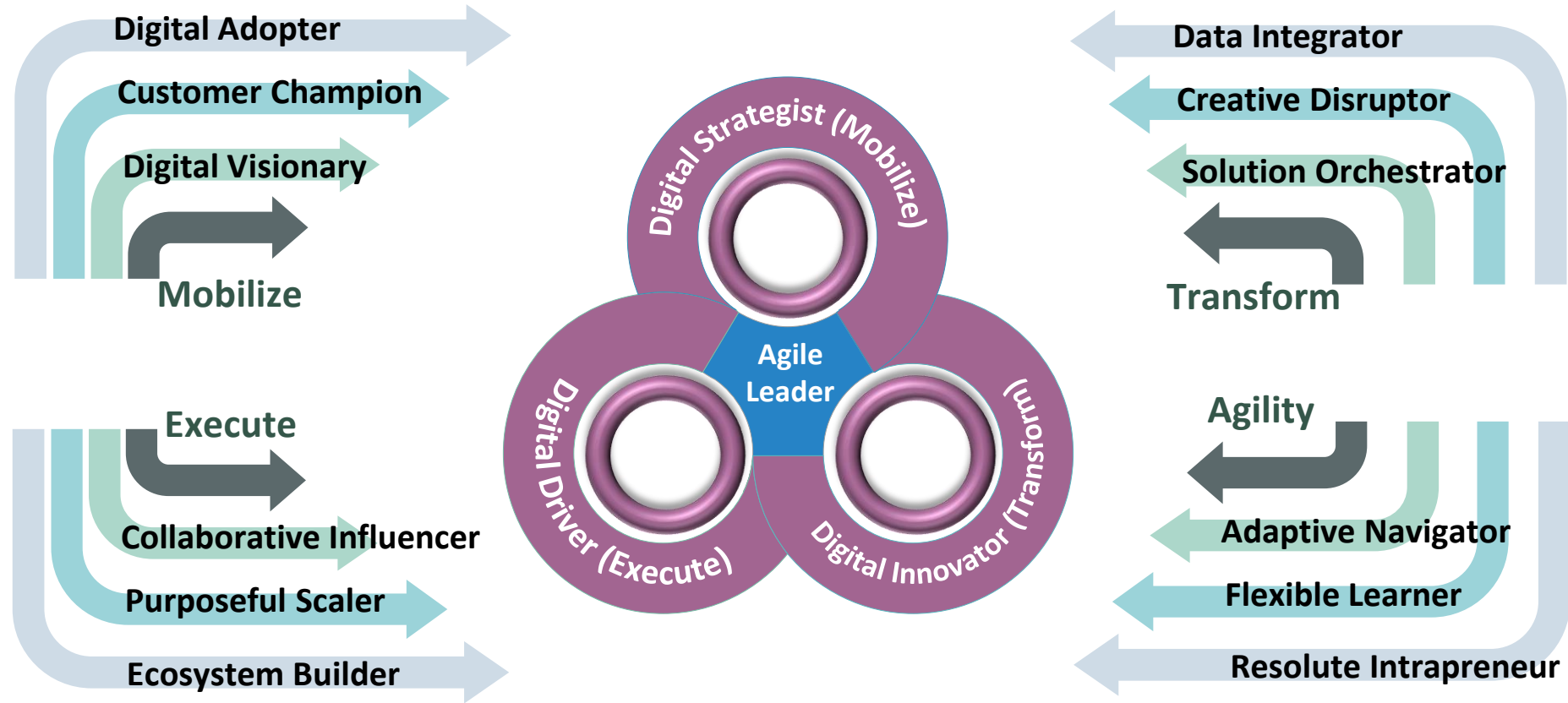
MEASURING YOUR DIGITAL ACCELERATION

WHERE ARE YOU TODAY? WHERE DO YOU WANT TO BE IN 12-18 MONTHS?

- Accelerating (≥70%)
- Advancing (60–69%)
- Steady, (50-59%)
- Lagging (40–49%)
- Derailing (≤39%)

Digitally
Accelerating

... to integrated, data-driven personalized experiences

Successful Digital Execution + Future Digital Innovation

Digitally
Advancing

5

Digitally
Steady

4

With growing proliferation of digital….silos are challenged…..

Digitally
Lagging or Evolving

3

Momentum on Digitizing the Current Business

Digitally
Derailing or Embarking

2

In the early days of digital…….

1

Disconnected Efforts Around Digital Transformation

The five levels of acceleration help to build a picture of what is driving or derailing an organization's digital acceleration

MOST COMPANIES HAVE SIGNIFICANT GAPS

Empowering Leadership 67%

Strategic Sponsorship -22%

MOBILIZE 34%

Digitized Journeys 56%

Supported Change -33%

Adaptive Culture -33%

AGILITY -29%

Digital Capabilities -44%

Process Adaptation -22%

Technology Adoption -44%

Co-creation Currency 0%

EXECUTE -33%

Continuous Learning -22%

TRANSFORM -26%

Structural Fluidity -33%

Speed to Innovate -33%

OVERALL -14%

● Accelerating (≥70%) ● Advancing (60–69%) ● Steady, (50-59%) ● Lagging (40–49%) ● Derailing (≤39%)

DIGITAL ACCELERATION ROADMAP

A path towards building a long term digital advantage by harnessing the human element

DEFINE YOUR DIGITAL AMBITION

- Evaluate current digital strategy, emerging trends, and digital innovators inside and outside of industry
- Define key elements of digital advantage to digitize the current business and become a digital disruptor
- Review and discuss findings in a Digital Ambition Workshop (in parallel with Mirror Workshop)
- Methodology includes key stakeholder interviews and desktop research

DEVELOP YOUR DIGITAL ACCELERATION PLAYBOOK

- Develop recommendations for how to best organize to support a two speed model and accelerate innovation efforts to achieve the ambition and build a long term digital advantage
- *Optional talent mapping exercise to source talent to close gaps can be included*

1   **2**   **3**   **4**

ASSESS YOUR DIGITAL READINESS

- Conduct an assessment of digital innovation capabilities at the leadership and organization levels (DDQ and DAQ)
- Evaluate results/gaps; share results in "mirror walk" workshop with leadership team (in parallel with Digital Ambition workshop)

IMPLEMENT PLAYBOOK AND SUSTAIN MOMENTUM

- Implementation of strategies developed in the Digital Acceleration Playbook
- Accelerating transformation through culture shaping, innovation programs, and digital dexterity training

ACCELERATING ORGANIZATIONAL CAPABILITIES

INNOVATION CULTURE

DIGITAL AMBITION

DIGITAL DEXTERITY IN LEADERS / TEAMS

WHAT IS YOUR 10X PLAY TO BE A DISRUPTOR?

QUESTIONS?

THANK YOU

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