Quotes from *Future Ready: The Four Pathways to Capturing Digital Value*

Attributable quotes from the book, *Future Ready: The Four Pathways to Capturing Digital Value*, for journalists to use in their stories. Please credit the source with the full name of the person providing the quote and their job title.

Quotes from Authors

"The digital era is a great opportunity for leaders to reinvent the firm. The most successful firms will become future ready, developing ambidexterity: constantly innovating to improve customer experience while also reducing costs. Those that don't become future ready will likely suffer a death by a thousand cuts, with startups, players from other industries, and agile competitors slicing bits out of their business."

——Stephanie Woerner, Principal Research Scientist and Director, MIT CISR

"The good news is that all four pathways lead to success. The more firms progress on their transformations, the better the growth and margin benefits. But measuring firm growth and margin in real time and attributing these metrics to transformation progress is very difficult, as firm performance often lags and is impacted by many factors."

——Stephanie Woerner, Principal Research Scientist and Director, MIT CISR

"We define a firm undergoing a digitally enabled business transformation as having two simultaneous goals: (1) using digital technologies and practices to speed up and wring out costs by standardizing and automating processes; reusing data, processes, and technology; and identifying areas where productivity can be increased. (2) At the same time, these firms are using digital technologies and practices to innovate, creating new offers and services, identifying new ways to engage customers, and developing new business models and revenue streams."

——Stephanie Woerner, Principal Research Scientist and Director, MIT CISR

"Having a top management team that understand the role of digital in the firm's success makes a huge difference. Our MIT CISR research shows that large firms whose executive teams has that understanding – which we call digital savvy – outperformed other firms by more than 48 percent based on revenue growth and valuation."

——Stephanie Woerner, Principal Research Scientist and Director, MIT CISR

"One of the most common questions we are asked is how to change the culture so it will support the transformation to Future Ready. Changing the culture happens when people change the way they think and work – changing their habits."

——Stephanie Woerner, Principal Research Scientist and Director, MIT CISR

"We identified four significant, disruptive changes firms have to deal with to develop new operational and customer experience capabilities – Decision Rights, Platform Mindset, New Ways of Working, and Organizational Surgery. We call these changes 'organizational explosions' because that's what it feels like when it happens—firms are blowing up the way they used to do things to remove barriers and move faster. When well-managed, these four explosions smooth the way for the journey toward becoming future ready and also create a more agile, digitally savvy, and collaborative culture."
——Peter Weill, Senior Research Scientist and Chairman Emeritus, MIT CISR

"In the digital era, how firms create and capture value is changing. Operational efficiency and direct customer experience are still critical, but the focus of digital business is shifting to include delivering great digital offerings and creating go-to destinations for customers with partners. This shift is driven by changing customer expectations toward integrated digital experiences that fulfill their more complete needs coupled with digital capabilities making real-time collaboration easier and cheaper."
——Peter Weill, Senior Research Scientist and Chairman Emeritus, MIT CISR

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"Future-ready firms are ecosystem-ready—whether they lead or participate in an ecosystem or both—and work digitally with a wide variety of partners. The firms that lead ecosystems—we call them ecosystem drivers—create go-to destinations for their customers and partner with other firms providing a broad range of curated products. The firms that participate in ecosystems—we call them modular producers—provide digitized products that easily plug and play into those ecosystems. We found that firms operating in ecosystems grew faster and were more profitable."
——**Ina Sebastian, Research Scientist, MIT CISR**

"Creating value from ecosystems is often overlooked or deferred, but as firms move to more digitally-enabled and partner-based business designs, ecosystem value is becoming more important and a bigger influence on firm performance. Firms create significant value from ecosystems when they leverage partnering to offer go-to destinations, which increase reach (getting more customers) and range (offering more products). Capturing value from ecosystems relies on developing revenues from the ecosystem, either from an ecosystem the firm leads or participates in, and realizing new value from customers and operations through partnering."
——**Ina Sebastian, Research Scientist, MIT CISR**

Quotes from Leading Organizations

"When every business becomes a digital business, every executive needs to take digital transformation personally. The last thing you want in your team is the belief that digital is somebody else's problem."
——**Jean-Pascal Tricoire, Chairman and CEO, Schneider Electric**

"I have to confess: it's not always clear what you can call the future. But it is clear that you must have a point of view on the future. You want to make sure that you have thought about it enough such that you have enough ideas to be able to be adaptive and to be responsive. The winner over the next 10 to 12 years will be people who have been able to build nimbleness, flexibility, adaptability, and responsiveness into their way of working."
——**Piyush Gupta, CEO, DBS**

"Deciding which particular pathway to follow was just the first step in our business transformation journey; the bigger challenge as a CEO was to closely manage the organizational changes (or explosions, using MIT CISR's term) required to build a truly digital enterprise. Beyond the technological implications, the change management efforts need to be at the top of the CEO agenda."
——**Fernando A. González, Chief Executive Officer, CEMEX**

"We continued to make tangible progress in a number of areas, including compliance remediation, societal impact initiatives and new ways of working. This next step will break down silos in our organization and will link directly to the ongoing radical changes to how we work—one of the key initiatives in the Better Bank plan. The combination of a simpler organization and a more agile setup directed towards business development will increase our execution power, achieve a faster time to market and realize synergies across our operations, all aimed at becoming even more competitive for our customers."
——**Chris Vogelzang, CEO, Danske Bank**

"We made the commitment to electronic medical records as our foundation for all of our future transformational work. It did not just capture and store records, but it became the way physicians and clinical staff collaborate to deliver care. It made our organization more powerful as an integrated model of care. It was a big step, and one of the first of such systems in the market."
——**Prat Vemana, Chief Digital Officer, Kaiser Permanente**

"Kaiser Permanente's integration of care and coverage is a powerful and distinctive model within the health care industry. This model focuses on delivering high quality, affordable care rather than the common fee-for-service model used elsewhere. The broad array of capabilities underlying the "care and coverage" model spans all aspects of payer and provider offerings and is instantiated in our technology. Our shift to be a digital-first system, coupled with support for physical access for those who need or want it, has resulted in seamless delivery of everything from enrollment, to appointment and advice, to medical records, to prescriptions, to lab work. Our members and patients have an amazing breadth and depth of technology available to them via our digital assets."
——**Diane Comer, Chief Information and Technology officer, Kaiser Permanente**

"[One of the] biggest challenges we're having is the change management with people. I'm not at all worried about the technology. It will work well. It is to change the way people work. That is going to be tremendously difficult."
——**Goren Liden, IT Director, Tetra Pak**

"The old notion of a linear supply chain is gone. We need to work in an ecosystem, in close partnerships with our development partners, who also are our suppliers. And at the same time, we need to work in close collaboration with our customers. It's a very, very big challenge to do it all simultaneously."
——**Laurence Mott, Executive Vice President of Development and Engineering, Tetra Pak**

"What we start with is what we consider a bite-sized piece of the customer experience. So, we may say digital merchandising is a bite. How do we immerse the consumer into the vehicle online? And as we go, if it's a little too big, we break it up, and it becomes two teams with two missions."
——**Jim Lyski, Chief Marketing Officer, CarMax** [explains how the teams were organized]

"We have a daily dashboard that shows the number of web visits, how many people hit our website and our apps yesterday, how many people took the next step of saying, "Hey, I'm interested in a car," which is what we call a lead. . . . So, every day, all these teams are focused on their piece of the pie. And that's sort of the marriage of micro and macro."
——**Gautam Puranick, Chief Data Officer and Head of Business Strategy and Analytics, CarMax**

"The future for our industry will be driven by the quality of the customer experience, not just the quality of the products and services. Our customers are increasingly expecting to have the same kind of experiences in working with businesses that they have in the consumer space."
——**Fernando A. González, Chief Executive Officer, CEMEX**

"CEMEX Go Developer Center is the natural next step in the successful advancement of our digital platform, after reaching more than 30,000 clients in all of the countries in which we operate. Digital ecosystems are changing the traditional parameters that firms use to compete, and this new stage of CEMEX Go will enable us to maintain our leadership of the digital transformation of the global construction materials industry."
——**Fernando A. González, Chief Executive Officer, CEMEX**

"We started to learn how the best technology organizations operate, how they engineer systems, how they think about customer experience, how they think about experimentation, how they move quickly. . . . We also learned about their culture and which cultural elements we could take on board. . . . The biggest aha moment for me was that none of these firms started out engineering things the way they ought to be. Not one. In fact, they all started out looking a lot like we looked. . . . They had big legacy systems, they had monoliths, and they weren't scalable. They couldn't move fast, and [so, they] had to change. Legacy debt, same story. If they could do it, so could we."
——**David Gledhill, Former Chief Information Officer, DBS**

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"GANDALF was an amazing rallying call to our people. It had a bigger impact on our people than anything else we have done, because it started to make them think about what was possible. It was an immediate culture pivot to shock people to think differently, like a lightning rod. Many of us have built our whole careers by doing things the old way. All of a sudden, we were told, that's different now. GANDALF was really what broke the glass for us and enabled us to describe a different way of running the firm without having to excuse the past."
—— **David Gledhill, Former Chief Information Officer, DBS** [DBS aspired to be the D in the GANDALF – Google, Amazon, Netflix, Apple, LinkedIn, and Facebook]

"Often when organizations undertake digital transformations, they focus on winning the "head" through vision and data-driven processes. Equally, if not more important, is winning the "heart". We must ensure employees are aligned on this journey by recognizing and appreciating their work and giving them opportunities to be the change and make a difference . . . We can't hope to be a big start-up with a digital culture while keeping everything centrally controlled. We have been working to enable empowerment throughout the organization, and we have seen that little things go a long way in changing the culture."
—— **Lee Yan Hong, Head of Group Human Resources, DBS**

"From a governance perspective, we wanted to pursue a two-in-a-box approach. That's related to the entire notion of us wanting to operate in the guise of a start-up. In a start-up, the two main people are the CEO and the CTO. The business and technology are joined. If you're a digital business, those two have to be synced. So, for every platform, we have a business and a technology lead These two people make all the decisions for that entire platform: they have joint KPIs, so they are both delivering one dream."
—— **Bidyut Dumra, Head of Innovation, DBS**

"We will shift our firm's way of working to a more hybrid model that will reduce our office footprint, combining remote working with collaboration, brainstorming and socializing in an inspiring office environment. . . . I believe that continued and consistent digitalization and simplification will create a more effective and flexible organization. Our purpose-led performance and digitally savvy workforce are key to our ongoing efforts."
—— **Joost Farwerck, CEO and Chairman, KPN** [reflected on the future in the 2020 annual report]

"We didn't decide immediately that [Domain] would be separate. What we decided was they should be separable. From a technology point of view, you want to create strategic options; you don't want technology to be a thing that holds back your strategy."
—— **Robyn Elliott, Former Chief Information Officer, Fairfax Media**

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