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THE STRATEGY JOURNEY

How to transform your business operating model
in the digital age with value-driven, customer
co-created and network-connected services

Julie Choo and Graham Christison



Forewords & Endorsements

I have spent 25 years leading and driving innovation and change in Financial Services but following the global financial crisis in 2008 I felt there was a need to build a team who could re-architect the business, reset our business strategy, understand our point of departure and build a roadmap to take us on the journey to realise our vision. It took me 2 ½ years of searching for individuals across the globe with the right character, skill-set & experience that could help me on this journey. That’s when I met Julie and Graham, unique individuals in their own right but bringing them together as a powerful, innovative and galvanising duo to drive, lead and transform the way we thought about setting, executing and delivering business strategy transformation.

THE STRATEGY JOURNEY book is a hugely important and timely guide to the business community. It demystifies the former ‘black art’ of making a strategy executable by connecting all the existing best practises in the transformation discipline together, adding key missing elements and ‘joining-the-dots’ through data to make the ensuing framework and methodology practical and accessible to both business executives and transformation professionals alike. The result is a pragmatic, engineered, data driven approach to devising and executing transformation that all businesses need to establish their digital future and to develop agility to react to environmental based threats such as what we experienced with COVID-19. As a seasoned senior executive and business founder with strategy execution experience built over many senior leadership roles in the Global Investment Banking and Financial Consulting sector, it’s the best, most complete approach I have seen in my career.

It doesn’t surprise me that Julie and Graham’s unique talents & combined experience could create such an accessible and complete book given my first-hand experience of them and the fundamentals of the methodology. I have been the early sponsor of it from as early as 2014, when I introduced them to each other, as we embarked on driving and delivering a set of global transformation programs for an investment bank.

I have two final thoughts before you read further. “No one likes to create but everybody likes to edit” - Julie and Graham have created a wealth of text and content in THE STRATEGY JOURNEY that can be re-used and applied in your organization. And it’s “Always better to invent the future than try to predict it” – using this book as a guide will allow you to invent the way you do, manage and execute strategy on your journey.

Stuart McClymont
Managing Director at JDX Consulting - Head of Market Infrastructure Services

As a busy CEO and Entrepreneur of a growing tech company and platform business, it is difficult to find the spare time to read and learn, even if we all know we should, especially when it can help the strategy of your business. This is why I really like THE STRATEGY JOURNEY, as it is full of illustrations, tips and case study examples that tell the story of WHY you would take on the challenge of building a business and evolving it through networks and communities, as I have been doing with my business - it speaks to me and should do with other similar entrepreneurs. The book is practical and teaches entrepreneurs to leverage the power of communities to turn their ideas into products and services for their tribes through co-creation. This is how many future businesses will grow especially in challenging times.

Gina Bianchini
CEO Mighty Networks

I hope you enjoy the book as much as I did! Since reading THE STRATEGY JOURNEY I have found myself referring to the book on a number of occasions. It was enjoyable to read but its true value will come in the future as an "Ace up my sleeve".

As a seasoned transformation director in many large organizations responsible for their global transformation programs, and now a CTO of a growing SME who has recently taken my organization from operating with paper and phones into the digital world, I recognize many of the tips and techniques in the book. I wish I had them and am indeed glad that I have them now in this “one stop shop” for Strategy, to inspire me to continuously evolve my organization’s digital transformation journey.

If you need to design and build a new digital platform solution or a SaaS business and introduce apps as well as digital services into the architecture of your incumbent or more traditional business model, as I have been doing to transform my organization for today’s digital economy, then this book is for you. The roadmap to the Digital Operating Model recommended by the authors is the real path so many businesses need to take if they are to fight against disruption, survive, and even begin to thrive in the challenging environment that we have today.

While reading the book, it became clear to me that THE STRATEGY JOURNEY has been written to cater for a wide target audience. This book would be a great tool for someone who is starting their first "Strategy Journey" but also a seasoned "Strategist" would get a lot out of the book. One thing (of many) I especially liked about the book is the way it covers both Technology and Business aspects well. It is full of practical tips and techniques, that will help any professional responsible for implementing digital transformation in and across their organization big or small.

I found THE STRATEGY JOURNEY to be a good balance of theory, case studies and the authors’ experience. The book covers all the key Strategy principles in a clear, easy to read and condensed format. It uses case studies of well known brands to reinforce the importance of a specific Strategy principle. I have found in the past books on Strategy can be heavily theory-based, something you read them once, it can be difficult to stay engaged whilst reading, and you don’t really use them again. THE STRATEGY JOURNEY is the complete opposite. It’s a book that I will certainly keep within arms reach and reference *regularly*.

Richard Weir
Chief Technology Officer (CTO), PayVantage Global, Singapore, Australia & New Zealand

THE STRATEGY JOURNEY is a masterpiece. It weaves together novel elements with existing concepts and disciplines for a sweeping scope of subject matter, artfully ‘joining-the-dots’ from strategy to execution in a digital context. It does this in the language of the business and with a rare coherence and clarity. It is highly practical with each element usefully illustrated through real business examples to evidence the application of the content and show its value. Regardless of your role within an organization, this book will help you understand how business really works, where it is going, and importantly how to build the capability to achieve the business agility required for continual business transformation.

THE STRATEGY JOURNEY underscores the critical role business architecture plays across the entire journey from strategy to execution and in the orchestration of change. It highlights the importance of value led thinking, driven through co-creation processes between customers, the business and business architects, facilitated by a common shared language. This book is a must-read for every business architecture practitioner as the answer to our greatest challenge and opportunity lies within it: how to understand, speak the language, integrate into, and deliver relevant value within the bigger picture context of business and its strategic journey.

Whynde Khuen
Founder of BizArchMastery.com, Founder S2E Transformation,
Partner & Co-founder of Business Architecture Associates, Fellow Institute of Digital Transformation

I have been in the consulting business for 30 years and have probably forgotten more methodologies and frameworks than I care to remember. One thing I do remember very distinctly was a small format, 50-page booklet which was handed out by my first employer, one of the large global consultancies. Each page illustrated and explained one strategy tool. They were all in there, from the Boston Matrix to Value Stream Maps and from Porter’s Five Forces to the SWOT Matrix. I thought it was super useful, but of course, these tools were just.... well, tools in a toolbox. What enabled me to create value in my assignments was the much broader understanding of a transformation journey and how to succeed on such a journey. This really wasn’t taught in business school, but rather at in-house training at the large consulting firms of the day. And of course, on the job over time.

And this is what I really enjoy about THE STRATEGY JOURNEY. It does not only explain a framework for strategy, transformation, and some tools to you – which it, incidentally, does very well – but explains the entire journey and all the different aspects you need to consider. It talks about the why, the what, and the how covering critical elements seldom touched upon in these types of books such as leadership, culture, managing stakeholders, and so on. This is what makes it so useful and practical, along with the many case studies.

Another reason which makes it a really worthwhile read is that it is current and in sync, with the digital age we live in. We are all acutely aware of megatrends such as digitization and consumerization. THE STRATEGY JOURNEY takes it’s starting point in these trends and the consumer. It weaves topics such as the digital economy, customer centricity, co-creation, and customer journeys into the broader theme of strategic transformation.

Companies across industries – from retail to financial services, and from manufacturing to the public sector – are facing needs to innovate across all those areas, and then bring that innovation to life across the enterprise in a transformation journey. The holistic approach taken in THE STRATEGY JOURNEY is particularly suitable for such endeavours.

Transformation, or change if you will, will be more important than ever in the 2020s. THE STRATEGY JOURNEY is a great asset for those who want to embark on, or work in, such transformation journeys. Reading it from start to finish, and then keeping it handy as a reference, will equip you with many of the things you will need on that journey as a leader, owner, or consultant.

Victor Kotnik
Deloitte Consulting, Managing Partner Sweden

In my role as a growth advisor, having helped transform many companies through service design and digital architecture innovation, from the largest of tech firms where I have driven 8-figure revenue returns to smaller SMEs who are only starting their digital transformation journeys, I would have previously loved to have had a reference like this book. It provides an essential reference guide for any organization with a growth or transformation agenda.

THE STRATEGY JOURNEY is a comprehensive compendium of the frameworks, the processes and the templates behind strategy and its execution through the various lifecycles of a business’ journey and growth. The focus on service design and especially digital services leveraging the power of data and AI technologies in a cloud and service-led ecosystem is the big step that many businesses need to take going forward.

The roadmaps in the book provide both the C-suite and practitioners of any-sized organization with methods to adapt how they have operated in the past to improve their performance and growth potential in today’s and tomorrow’s digital world.

Peter Ikladious
Growth Advisor
Vice President Marketing at Safety Culture, Former Executive Director, Head of Product Management,
Head of Digital Transformation, Solution Sales Lead, Growth & User Engagement Lead at IBM (2014-2019)

Over the years, we’ve worked with many customers and businesses who have tried to use different frameworks to help drive their business strategy through to execution. However, on many occasions, this has been hampered by a disconnect between the ambition, knowledge, and tools.

Rapid change and recent disruption have made this disconnect even more noticeable. Now and in the future, to thrive and even survive, it’s imperative that organizations become operationally resilient by implementing an approach that can be adapted to meet the needs of a changing world.

In THE STRATEGY JOURNEY, Julie and Graham’s approach takes individuals, functions, and whole organizations on a journey that not only includes the narrative, but also training and digital versions of the frameworks (for example digital target operating models and digital twins).

Based on years of experience and practical examples, THE STRATEGY JOURNEY helps to uncover and use organizational data and insights to align big strategic ideas with actions on the ground.

Peter McNally
CEO BusinessOptix

THE STRATEGY JOURNEY is written in a concise and easy to read manner. The graphics and design help you to capture the key messages. Digital transformation is a complex subject but the authors have summarized the topics into three easy to read sections and enable you to discover the WHY, WHAT and HOW in your business transformation needs. The various templates and canvases empower organization leaders and small and medium enterprise (SME) business owners to carry out their business transformation taking into consideration technology as an enabler, leadership, and organization culture in a structured manner. THE STRATEGY JOURNEY can be a handy business strategy manual and workbook.

Michael S S Chow
President of The London Institute of Banking & Finance (Alumni Singapore)
Board Director/Council Member of UK Association of International Accountants
Advisor to Chung Hwa Medical Institution, RHT Intelligence Network PL and RHT Strategic Advisory PL
Member of the Panel of Judge for Brands for Goods Award
Ex Board Director of United Nations Association of Singapore

THE STRATEGY JOURNEY offers a lot of value on two fronts, not often addressed in one cohesive story and discussed together.

- Having initiated and led operating model transformation programmes for FTSE100 clients and coached 100s of early stage start-ups, through their business growth journeys, I’ve seen how these journeys play out in a broad range of environments. THE STRATEGY JOURNEY is a must-have reference for anyone building or running an organization in the digital age.
- Being particularly passionate about the human dimensions of change and as the founder of MyKagami.com, a digital platform that empowers individuals to create and own their personal self-development journeys, I can also attest to the value brought by this book - from the ideas , frameworks and case studies within, for individuals embarking on their own transformational journeys.

Yoram Percale
Founder MyKagami.com, Coach in Residence King's College Entrepreneur Institute

Julie's insight, numerous examples, illustrations, and approach toward understanding the design and elaboration of customer-driven strategies are quick to understand. This book is a must if you're serious about improving the execution of your digital transformation.

Daniel Lambert
VP Business Architecture at Benchmark Consulting, Venture Capitalist, CIO.com contributor

When the CEO of Standard Bank Intl, developing, communicating and executing our strategy was a critical responsibility for me, Graham was the shining light in the strategy team. We both believed that cultivating and implementing an effective strategy was not based on a collection of abstract theories, but rather trying to determine what will matter and developing a clear, innovative plan to transform and achieve those goals.

In the words of John Templeton “It’s impossible to produce superior performance unless you do something different.”

This book is a practical guide to doing strategy differently: bringing to life techniques and examples, relevant in our digital world, on how “to do” strategy differently, purposefully and to continuously transform. It brings together the elements required to consider how a business should structure and deliver innovation-driven-transformation. In a digital world where clients, colleagues and the community matter to be successful, the concept of co-creation is critical. Not getting better, not transforming and innovating is tantamount to failing – this book provides a recipe for how to apply a culture of continuous learning and deliver better results.

Both Graham and Julie have decades of practical experience; their research has its roots in the real world and the evidence of the book’s effectiveness is sourced from the real world. This clearly isn’t abstract theory.

I would consider reading this book as equivalent to ‘an end-to-end MBA refresher’ for senior executives, teaching them to think differently and providing a structured methodology to continuous-transformation from Strategy to Execution.

Jenny Knott FCCA FMSI
Independent NED and Founder of FinTech Strategic Advisors

Organizations need to remain relevant to their customers, investors and to society. Customers are well informed and their expectations have never been higher. Employees are demanding greater clarity, empowerment, and context to their work. Businesses need to adapt to meet all of these needs.

THE STRATEGY JOURNEY provides an easily accessible contextual framework and a set of practical methodologies for Business Owners, C-Level Executives, Managers, Coaches and Business Advisors which enable businesses to successfully navigate towards their strategic goals. It supports the critical foundations of both startups and larger organizations looking to re-calibrate and transform. Most importantly, it enables businesses to become more responsive, rather than reactive, to the fast changing world we live in.

The business world continues to evolve at great pace and COVID-19 has further highlighted the importance of “Enterprise-Wide Agility” and a culture of “Continuous Value Creation“. Only the most adaptable firms will thrive, while others simply focus on surviving.

Richard Bell
Executive Coach and Business Advisor

An excellent, timely and practical book on business strategy for business practitioners and coaches.

I joined a round table session as Chairman of the Asian Entrepreneurs Exchange (AEX), a not for profit organization to business alliance of trust in the Asia region, to discuss the idea of the book and how it could help SMEs with their digital transformation journeys and I’m so glad I did.

It is therefore very gratifying for me and my AEX colleagues to learn that the book is ready for launch.

Excellent and timely because the book title says it all. It is not merely a book on business strategy in theory per se but rather a circular loop of strategy journey that includes business transformation; the one most critical challenge faced by companies, big, small and new startups, to be able to remain relevant and sustainable in the digital economy going forward, and on the immediate term, the rather severe post COVID19 challenges and market shift.

The book suggests THE STRATEGY JOURNEY as a framework to manage digital transformation in a structured way. It connects the dots, using data science, via roadmaps focused on helping businesses to thrive in the digital economy.

There are many good practical values for business coaches as well as practitioners, because it presents two very helpful frameworks - the Thinking Framework and the Problem Solving Framework. Not just thinking but also practical guides on doing as well.

The frameworks are relevant to all businesses, especially small businesses. All businesses must transform to leverage emerging technology to better serve the markets or customers. Otherwise, they will certainly lose their relevancy and competitiveness, perished by competition, or disrupted by a new business model.

To help readers better understand the frameworks and pathways of THE STRATEGY JOURNEY, the book provides numerous business examples, tips and tools.

This book is easy to read, and it is filled with thoughts provoking ideas and complete with guiding frameworks as well as real business examples.

A must read to walk THE STRATEGY JOURNEY in the digital economy!

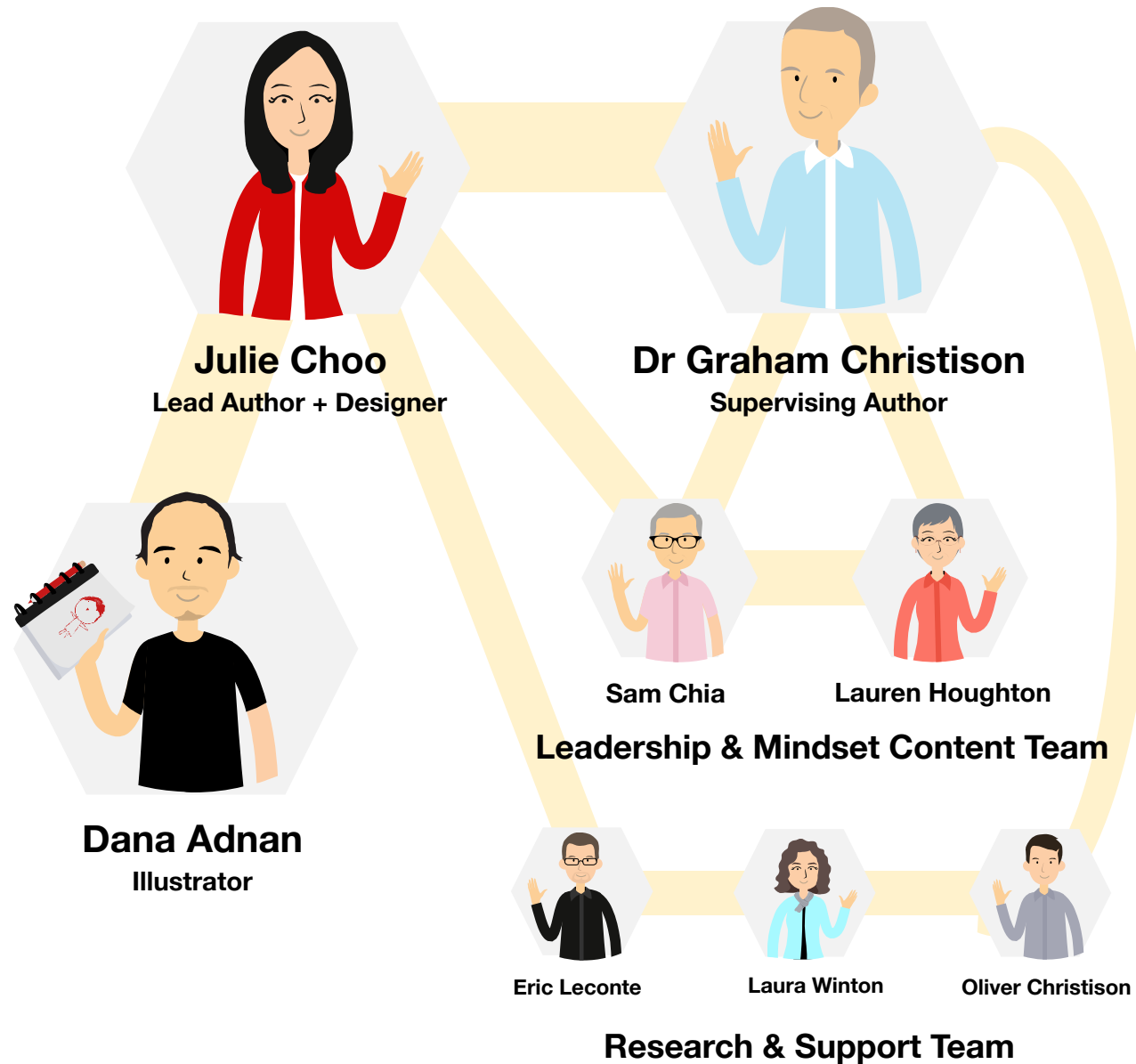
Teng Theng Dar, BBM
Chairman, Asia Entrepreneurs Exchange Ltd
Distinguished Advisor, School of Applied Science, Temasek Polytechnic
Singapore Non-Resident Ambassador to the Sultanate of Oman

I must congratulate you (Julie and Graham) upon the concept and content - it's first class.

As a project/programme manager with 20 years plus experience perhaps not unsurprisingly I find myself often dealing with senior stakeholders when defining programmes and the underlying challenge is understanding what business benefits they are expecting to deliver by the intervention and how they link to business strategy. You would be surprised (or perhaps not) how many times they can not answer that question and you have to hand hold them on a journey to capture and define what the organization needs. Hence why I am subscribed to your book!

Clive Smith
Senior Project Manager at UK Research & Innovation

Core Team



Welcome to the strategy journey

As lead and supervising authors of this book, we wanted to tell you the story of this book and its strategy journey. Why did we create this book? What was its goal and the value that it provides? And how has it evolved from concept to its launch in the midst of the Coronavirus-COVID19 Pandemic, where businesses and jobs, operating models and supply chains are all facing unprecedented disruption.

The strategy journey of this book has taken many transformations:

- It started as a suggestion and idea from a former colleague, boss and client of ours (Stuart McClymont) who wanted training support for this team of strategy & architecture consultants to serve his clients better and to help him grow his business from a small boutique consultancy, started with funding of £250,000, to a consultancy capable of taking in 25 to 100 million in revenue in just five years...
- We raised funds via a Kickstarter project in December 2017 to set out on the journey to write the book with a Framework built on all our career experiences that would help enterprises operate more effectively based on transforming their operating models...
- As we began researching and writing the book, our data-driven engineering, scientific and entrepreneur backgrounds led us to explore how we could use the Framework as a data science led resource and learning asset that could empower businesses big and small, for-profit and non-profit, to take a dot-joining approach to business and digital transformation, as it would appear the mighty Amazon has done. We have incorporated the three principles that every enterprise must operate with to achieve success in the digital economy ... to be value-driven, customer co-created and network connected as they transform their organizations into the future ...
- Finally, as businesses face ever increasing threats of disruption from the digital economy and the more recent turmoil caused by the Coronavirus-COVID19 Pandemic, we transformed **THE STRATEGY JOURNEY** into a guidebook that will support enterprises to join-the-dots, using data, via three practical and directed PATHS or roadmaps focused on helping them survive and thrive in the future. The book teaches practitioners of strategy, service designers, architects, and any one involved in the ongoing transformation of an enterprise to take a more holistic and end-to-end approach in how they conduct their businesses for the longer term, based on how customers and users think, act and behave, while still being able to incorporate strategically driven quick wins with the aid of data and digital technology.

This book has been divided into three sections to help you discover and investigate the WHY, WHAT and HOW of THE STRATEGY JOURNEY for the business or enterprise that you serve. It will empower you to apply digital transformation effectively and efficiently, and deliver more value-add, better and faster in your business, for your customers and clients and in your career.

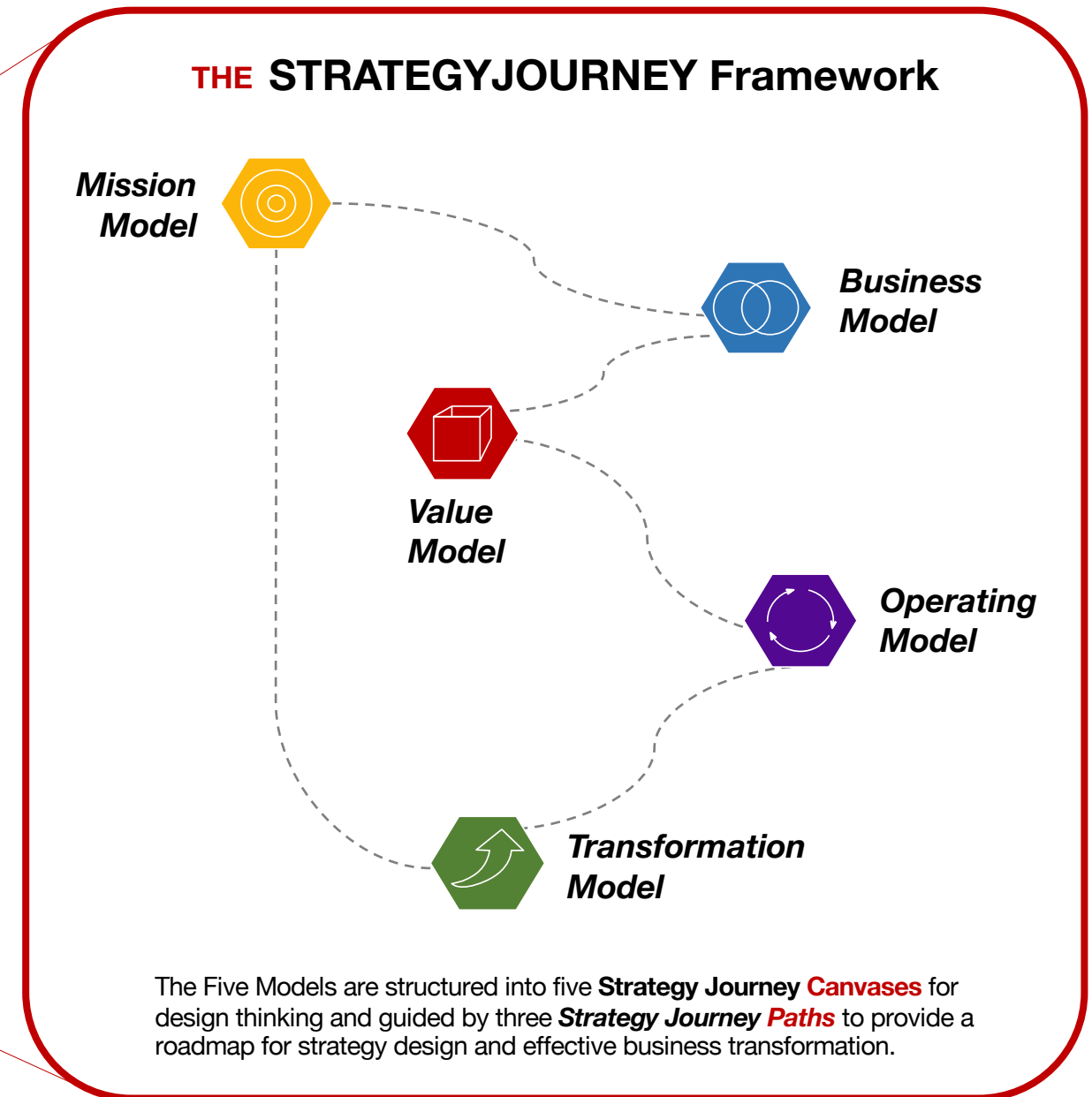
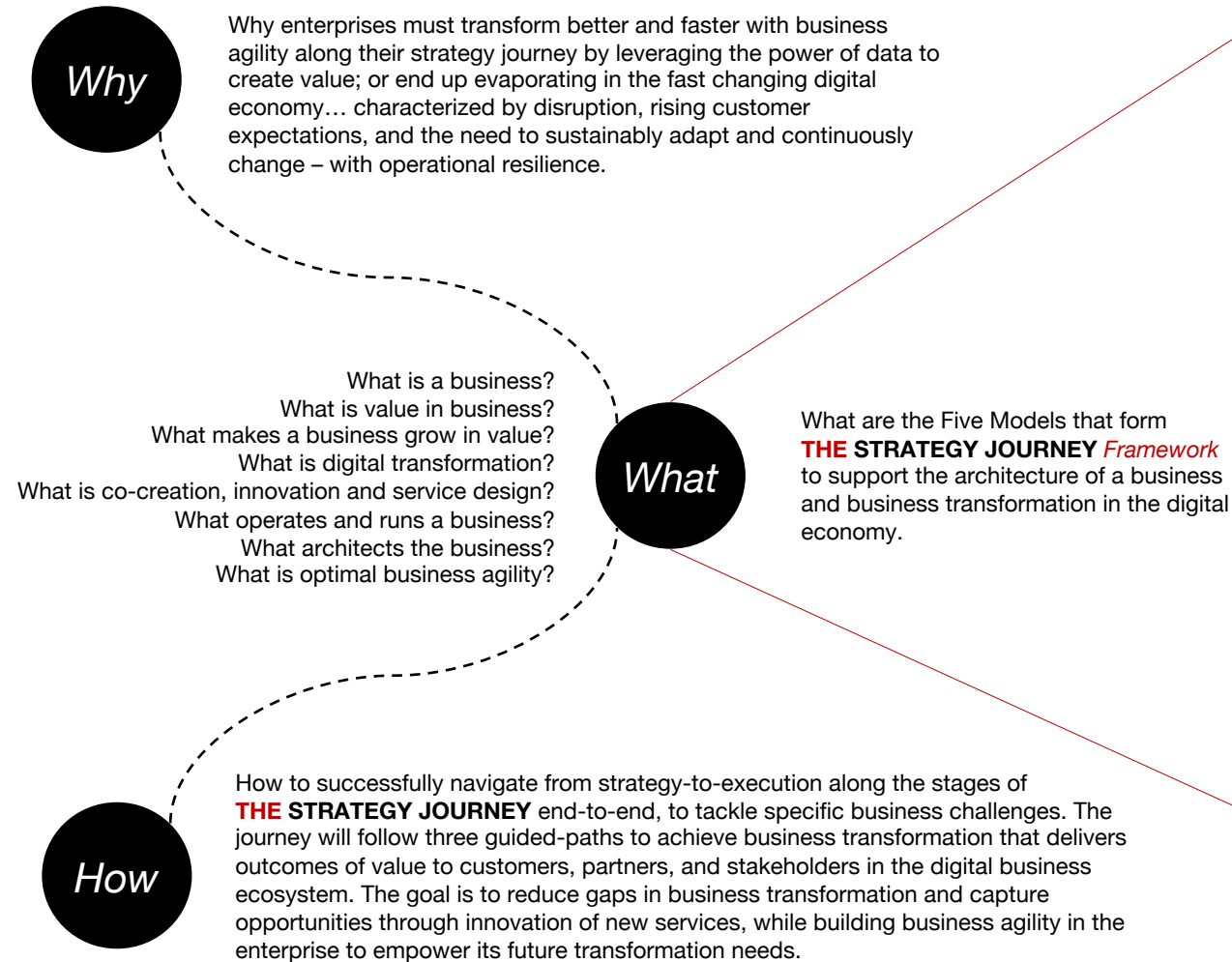
As a book containing a PROBLEM-SOLVING Framework for businesses, the WHY section will challenge you to consider the problems that you face in your business and in your own role and career, before presenting different methods in the WHAT section, including the 5 Framework Models, that you can apply to help you solve those problems. In the HOW section, we provide detail on the three PATHS through the 5 Models which you can take to join-the-dots and bridge the gaps in your business between people, processes, data, systems and across different locations both physical and virtual. The three PATHS are supported by 5 data-driven tools in the form of 5 templated canvases that you can use to support your next and future strategy journeys. In line with the practical stance of the book, the MODEL canvases are fully worked through with detailed business examples included to help inspire you into action.

Always looking to help you join-the-dots,

Julie Choo & Graham Christison

Contents of this book

This book is comprised of three sections supported by a framework with Five Models and numerous case studies designed and formulated to illustrate:



Roadmap →



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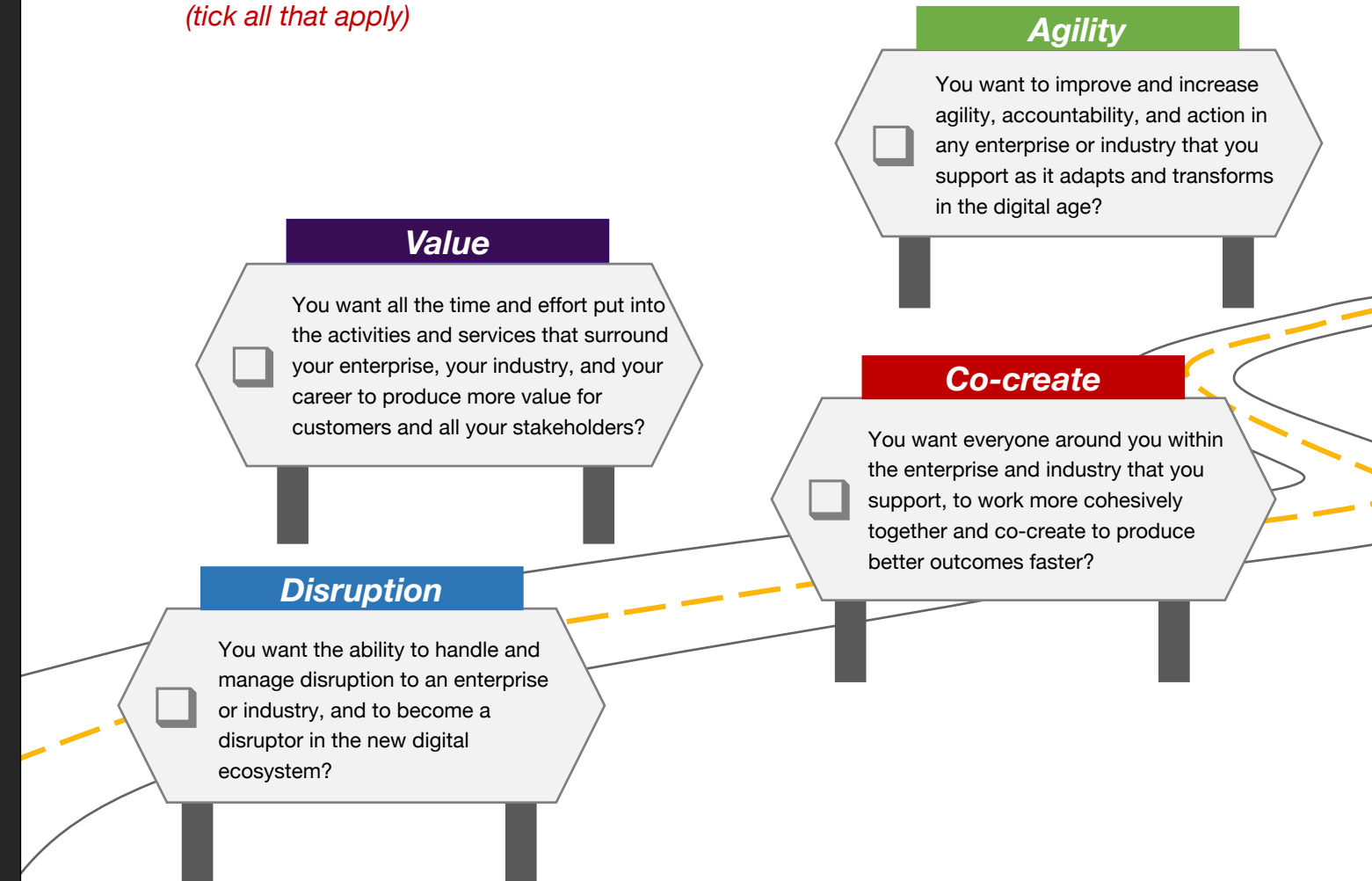
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Why

Is this journey for you?

(tick all that apply)



These are all typical challenges faced by enterprises, large and small.

In this book, we will show you how to change the game and overcome your roadblocks.

Who is this book for

Are you a ...



... who wants to achieve better outcomes faster



CEO or COO

Entrepreneur or Intrapreneur

Board Member or Strategic Advisor

Shareholder or Investor

... who wants resources and assets in the enterprise to produce a return on investment, build value in the business and a strong brand?

Product Manager or Service Owner

Engineer or Scientist

Designer, Innovator or Inventor

CIO or Solutions Architect

... who wants to design and create better products and services for customers, your organization, shareholders, and society?

Project Manager

Change Consultant

Business, Process or Data Analyst

Enterprise Architect

Merger & Acquisition (M&A) Specialist

CTO or IT Manager

... who wants to empower your enterprise with the capability, as well as agility, to transform and deliver better solutions that add value faster?

Business Development Manager or Sales Specialist

Customer Experience Manager or User Experience Specialist

Operations Manager, Human Resource Manager or Finance Manager

Government or Industry Regulator

... who wants to support the performance of the enterprise and deliver value-added services to customers while turning a profit?

... this book will help you work together to achieve your outcomes.

“

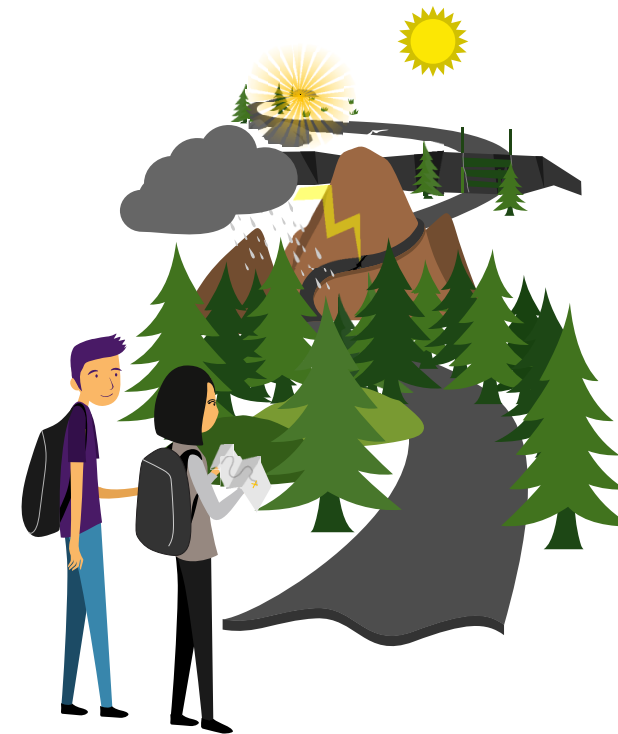
***Success lies in the journey
Not the destination.***

Ben Sweetland

”

Why it's about the journey

What is the real meaning of success?



Business is a game full of challenges and obstacles that must be overcome in order to win.

In most cases, there is a race to the first finishing line or goal post for all those enterprises who have entered the competition. Before it starts again as the race continues into the next game. The journey from start-to-finish in each game has both risks and rewards for each enterprise as it navigates its way along the journey toward each target.

In the business game, success is not the destination. More often than not, it is not clear what that destination is, and the target can change at any time. This is especially true for start-ups, where uncertainty is high. It is also the reality for enterprises of all shapes and sizes in today's rapidly changing ecosystem driven by the digital economy. The ability to transform better and faster than the competition - an enterprise's **'business agility'** (p. 52) and operational resilience - has become the key difference between success and failure.

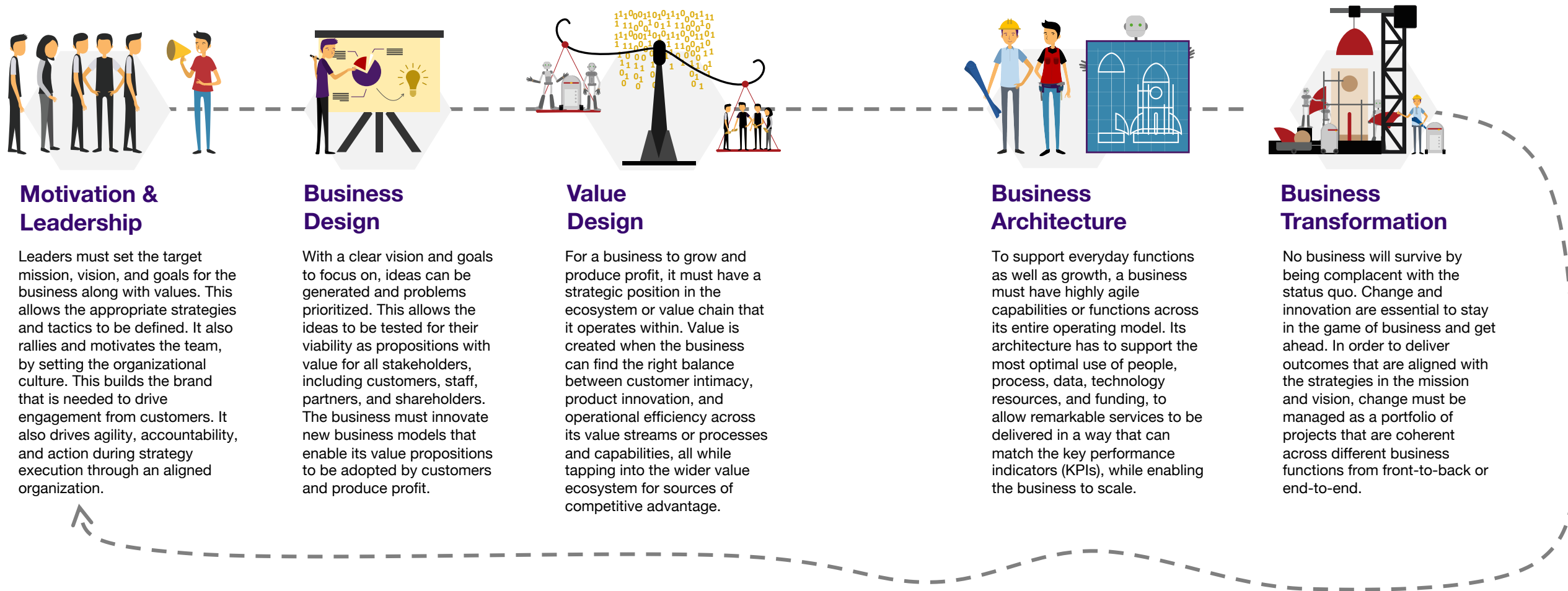
Upon reaching one target, the journey to achieve success simply starts again. Once a goal is achieved, lessons are learned ... before new goals are set for the next journey.

Each time you overcome an obstacle, win a challenge, or achieve an outcome on your business journey ... that is success.

Five stages of **THE STRATEGY JOURNEY**

All enterprises, no matter their size, are continuously navigating through the Five Stages of **THE STRATEGY JOURNEY** as they tackle different challenges across their organization.

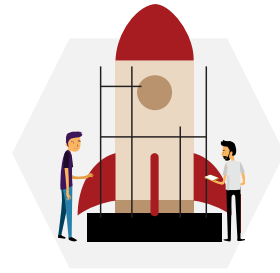
These Five Stages represent the business lifecycle, that is the journey from strategy to execution of every enterprise as it transforms to survive, thrive, and grow.



10 Transformation Challenges ...

While navigating **THE STRATEGY JOURNEY**, all enterprises are tackling their way through one or more of the following 10 universal business transformation challenges:

... along **THE STRATEGY JOURNEY**



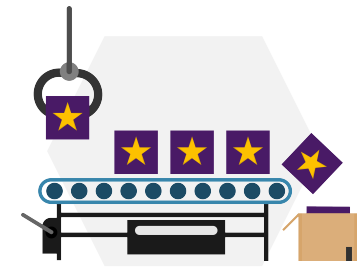
1 Starting a business or launching a new product or service



3 Developing customer relationships with sticky experiences



5 Adapting to ecosystem changes to mitigate risks



7 Building agility to optimize capability efficiency & effectiveness



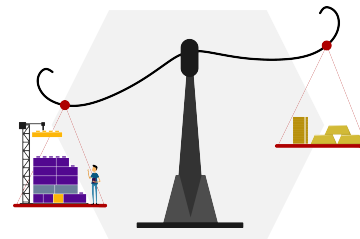
9 Becoming more intelligent with data to drive innovation



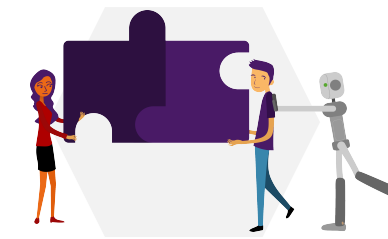
2 Creating a mindset or culture motivated by learning & change



4 Growing through service extension or diversification



6 Increase value by building business assets



8 Optimizing transformation activities for ROI



10 Leveraging local or global networks to improve operations

... covered by the case study examples in this book.

Why Transformation is ...

Change is constant and it is getting faster



... Getting Faster

“The 33-year average tenure of companies ... in 1964 ... is forecasted to shrink to 12 years by 2027”

_Innosight, 2018

The world is full of instability ...

The Coronavirus health pandemic has caused massive disruption to lifestyles and livelihoods all over the world. Countries and regions have also been disrupted by:

- The Global Financial Crisis (GFC) where several financial institutions failed between 2007-2009
- Geopolitical factors e.g. US/China tension over trade
- The UK Brexit Referendum and subsequent impact on European trade and mobility
- The dot-com bubble bursting in early 2000s when several internal businesses failed impacting markets

Almost every decade, these events have caused uncertainty leading financial markets and economies to go through periods of turmoil.

The future is always uncertain ... and changing.

In the Industrial Revolution, we experienced the rise of machines that would automate and replace mechanical labor, and hence many jobs. Over roughly a century we adapted and created many new jobs.

We have now transitioned into the Digital Age, where the rise of information backed by automation is causing unprecedented changes to our society, our livelihoods, our jobs, our homes, our health, our food, and the way we think, act, and behave.

Early digital innovations such as the Internet and Smartphones have taken merely a decade or two to embed across two-thirds of the world.

Digital innovations like the Public Cloud and Social Media have taken much less time to gain traction, with its ability to increase connectivity with improved speed and the promise of reduced costs for users.

Along with the Cloud, a decentralized ledger technology called Blockchain now provides a digital ecosystem that can fuel an exponential expansion of data exchange from anyone, almost anywhere. Blockchain supports a whole new set of digital or cryptocurrencies and crypto-assets that are being traded on digital exchanges that cannot technically be governed or regulated – in a new black economy.

We have moved beyond machines that replicate what we do, or replace what we don't want to do. We have created intelligent machines that can learn from

what we do and think by themselves to do what we cannot do, as well as help us do things even better and faster.

Artificial Intelligence (AI) is now common place. We also have Internet of Things (IoT) devices that fill our homes or that we wear or carry.

With all this information at our fingertips, we, as consumers of goods and services, have also changed (raised) our expectations.

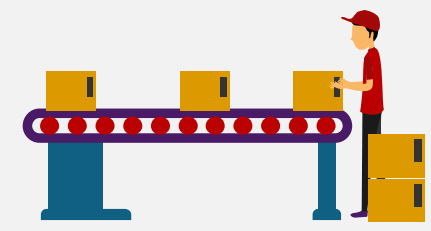
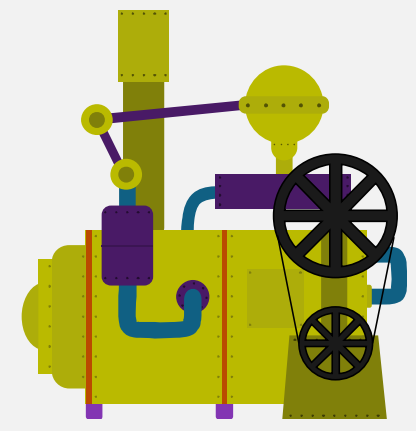
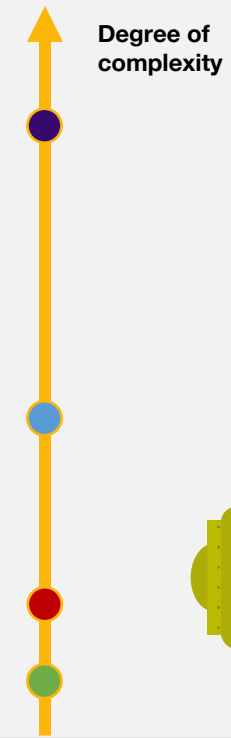
The Digital Economy is an *Expectation Economy** with customers who are (almost) impossible to please because of rising quality, positive impact, and the need for a personal experience. This expectation is only growing and getting higher and higher.

* The term *Expectation Economy* was introduced in *Trend Driven Innovation* (Wiley 2015) by the team from *TrendWatchers*.

Evolution of the industrial economy ...

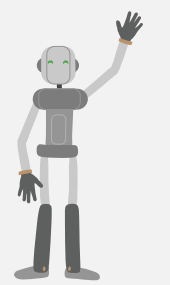
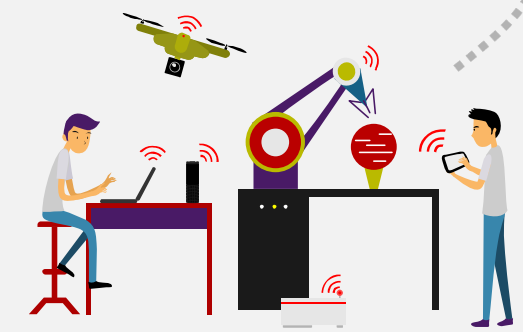
... and the digital economy

What Next?



First Digital Revolution

Second Digital Revolution



First Industrial Revolution

Innovation using water and steam power led to mechanical production equipment that drove the first factories. First mechanical loom was invented in 1784.

Second Industrial Revolution

Innovation using electrical energy enabled mass production, supported by division of labor. First conveyor belt was invented by Cincinnati slaughter house in 1870.

Third Industrial Revolution

Innovation using electronics and information technology (IT) increased production via automation. First programmable logic controller (PLC) was invented by Modicon 084 in 1969.

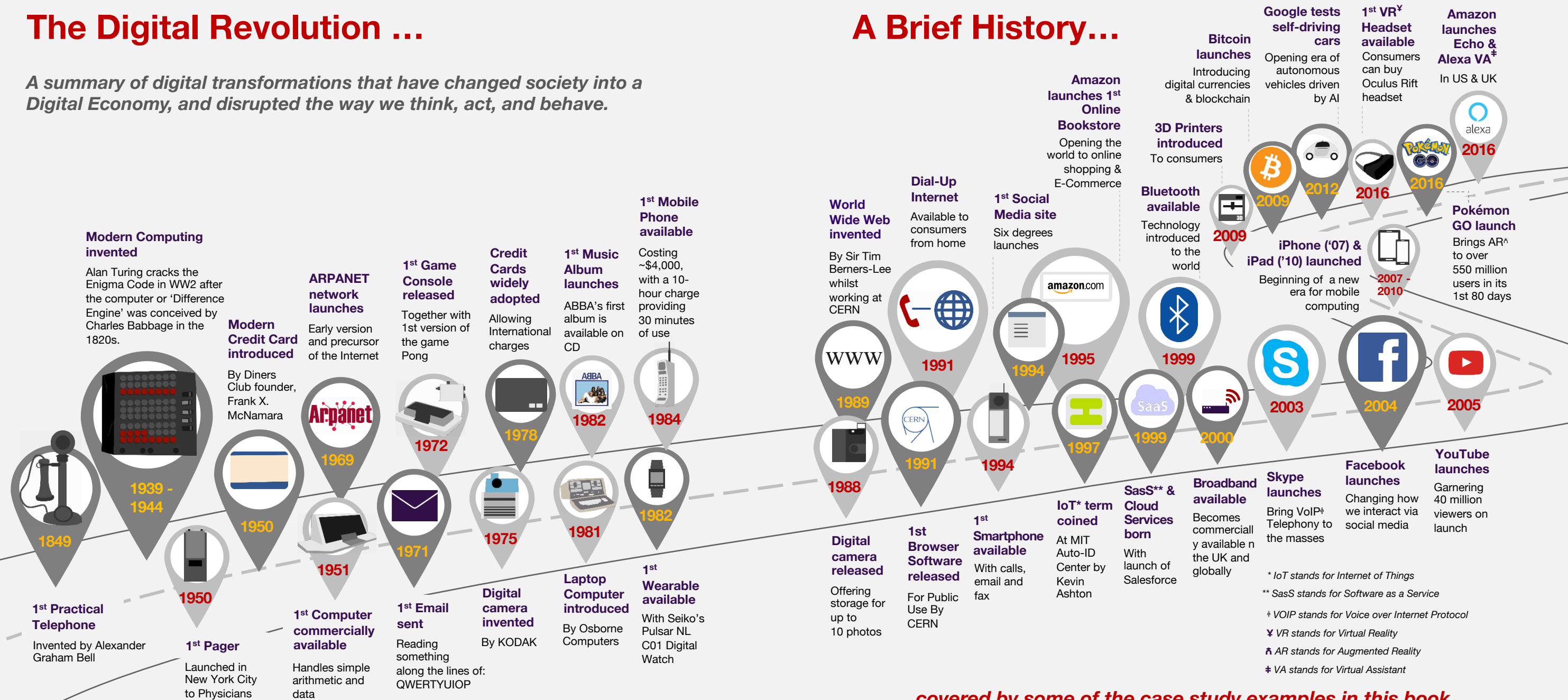
Fourth Industrial Revolution

Innovation using cloud technology, IoT and cyber-physical systems, all powered by big data, enables complex task automation, open information sharing, and early artificial intelligence.

The Industrial Revolution is a short period in a 3000 plus year history of how businesses have evolved. Go to www.strategyjourney.com/tools to learn more about the history of business.

The Digital Revolution ...

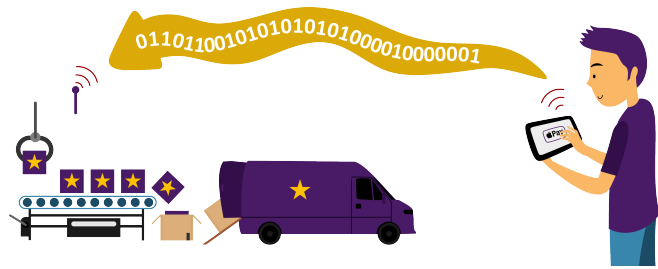
A summary of digital transformations that have changed society into a Digital Economy, and disrupted the way we think, act, and behave.



... covered by some of the case study examples in this book.

The service economy has expanded ...

Changes in the Digital Economy have shifted customers ...



A service economy, also known as the *tertiary sector*, is one that generates more value from services than the other sectors in the global economy. Primary sectors are where raw materials are produced (e.g. mining or agriculture) and the secondary sector, where products are manufacturing (e.g. automobile manufacturing). Advanced economies are locked in a long-term trend whereby services are becoming a greater percentage of economic output.

The Third Industrial Revolution (First Digital revolution) started in the 1950s from growth in electronics and computer automation. Customers changed their expectations from a focus on product quality towards the experiences provided by services, as efficiency gains in the manufacturing process, including savings in costs and time and an increase in product supply. As a result, many businesses began to introduce and grow new service-based business models to operate alongside their more traditional manufacturing businesses facilitating transformation of the global economy to a **service economy***

Example: How IBM business solutions provided increased value to customers

IBM's 'Business Solutions' business was formed in 2002, through an acquisition of the consulting arm of PricewaterhouseCoopers for \$3.5 billion. It enabled the company to maintain more consistent revenue streams compared to its manufacturing business, as demand for 'Business Solutions' services was much more price elastic than its hardware products. IBM benefited because customers were less sensitive and less likely to switch to substitutes from price changes to services compared to goods such as hardware products. IBM's customers also benefited as they are able to 'buy complete solutions' to their problems rather than previously having to assess what product to buy, based on features versus limitations, and then having to make further modifications.

IBM delivered a higher level of value through the service model rather than just supplying a product and the customers gained a significantly higher benefit from having a solution from experts rather than a product that they had to procure, configure, and use to solve their problem themselves.



Many businesses that did not evolve and adapt their capabilities to embrace and leverage the service model during the third industrial revolution were disrupted. Examples include: Kodak, Xerox, Nokia, Blockbuster ...

* The service economy was coined by American economist, Victor R. Fuchs in 1968.

... into information services

... towards the experiences provided by services

"Like the revolutions that preceded it, the Fourth Industrial Revolution has the potential to raise global income levels and improve the quality of life for populations around the world."

_Klaus Schwab (The Fourth Industrial Revolution, 2016)

How will the Fourth Industrial Revolution affect business and the Service Economy?

We now sit firmly in the grip of the the Fourth Industrial Revolution (Second Digital Revolution) where new data-driven technologies with predictive capabilities such as AI, Blockchain and Cloud based services are driving unprecedented changes to how businesses can provide services to customers and what sorts of services are possible. This has transformed a customer's expectation of a company's services. There is emphasis on personalized customer experience and contextualized or tailored engagement. This means a business must focus more than ever on delivering a customer experience that differentiates it from the competition. The risk is not just about not getting a sale anymore ... It's about customers switching brand allegiance based on experience.

In an evolving digital economy, the capabilities of a business and its organization to design and innovate new and better services through digital transformation, that become adopted by customers, is the key in determining future success. Businesses must learn to adapt or be disrupted.

Information Services

There has also been a shift into 'Information Services' (also referred to as 'data products') in the Second Digital Revolution. Cloud Technology has allowed 'Information Services' to be accessed virtually, and in many highly accessible digital formats, which has in some cases rendered the use of physical media channels redundant. e.g. reading newspapers online via an iPad.

Information Services is where data about customers, products, services, and business is created, harvested and sold as a service.

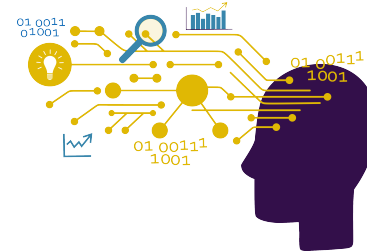


The global economy is increasingly digital as businesses are beginning to create and sell more information services. Traditional data service providers such as Bloomberg, Forrester and Gartner are having to enhance and expand their information services beyond data analytics and business intelligence. They have to compete with new data services such as those offered by Facebook and Google's advertising platforms that are more focused on customer behavioral data. Digital services can be created once and sold many times at no additional cost. They are delivered digitally to customers and have infinite inventory. Examples include: online courses, eBooks, graphic designs, templates, virtual workshops, scripts, spreadsheet and trackers, calculators, and software applications, including mobile apps and other SaaS applications.

Big Data is driving changes ...

Growth in the digital economy is increasingly driven by the power of data

Data has always been a valuable asset for any enterprise due to its predictive capabilities that enable new opportunities to be captured through innovation, which lead to the delivery of new services to customers. Advances in digital technologies including artificial intelligence (AI), blockchain, cloud technologies... have significantly increased the value of data and its role in business by enabling:



Data to become big

Today, most people in the developed world spend the majority of their waking hours interacting with data through different digital platforms. According to Nielsen*, in 2018 adults in the US spent more than 11 hours per day watching, reading, listening to or simply interacting with media data through different platforms, which is 32 minutes more than four years ago. Digital platforms are able to continuously capture more and more data on customers and users who are interacting with each other as well as with businesses to understand their behaviors. When any enterprise has accumulated a large volume of data that can be mined for information and used in machine learning projects and other advanced analytics applications, then it is said to have **big data**.

Data to become more intelligent

The predictive accuracy** can be as high as 95 percent depending on the input data supplied and the **business use case**, the business application or scenario. This improved understanding of customer and user behaviors means that businesses with access to AI-based intelligence are able to improve the way they operate and transform, as well as how they serve customers to improve services. This also reduces the amount of waste produced by businesses who have the intel to be able to act on, as well as react to, specific business and customer problems and become much more productive and competitive overall.

Data to become more useful

When **big data** is mined and machine learning is applied, the resulting advanced analytics can also provide predictions on what future **business use cases** are not only possible but also most likely to yield innovations that become adopted by customers and users. It is these future innovations, that is, the services and information services (p. 17) that are born from innovation that are the most valuable in the digital economy. The value increases if it is predicted that the future service can cause consumer behaviors to change and influence spending patterns. This value in the data is the reason why data that has been converted into information services (or data products) is bought and sold by companies, and why some companies can command valuations in the many millions and billions even when they have neither revenue or profit. For example, Facebook paid \$19 billion for WhatsApp and \$1 billion for Instagram, when neither had revenue or profits at the time of their acquisition. Cryptocurrencies, which are digital or virtual currencies that use cryptography for security and are used to acquire specific goods and services, are also being traded based on their predictive value.

* Nielsen Total Audience Report, 2018. **Multiple sources. See references.

... in consumer behavior

Data's role in innovation

It is essential that businesses go beyond quantitative data and into qualitative data, that is, **'thick data'** that goes into the everyday emotional lives of their customers along with their customers' journey, to support business innovation efforts. It is this **thick data** combined with technology applications, like artificial intelligence (AI), that can be used to find insights and predict future customer and user behaviors.

Only with sufficient and adequate data can an enterprise gain the appropriate insights for innovation and implement solutions through transformation, as well as introduce new **Business Models** that will deliver enough value to customers to attract them to innovation.



Example: Amazon was born from two sets of data

Jeff Bezos was motivated to quit his job at a bank when he discovered a projected Internet adoption rate of 2300 percent per year. On further analysis of customer data with specific products and services, he identified books as being the most likely to achieve the highest adoption rates in an online marketplace. With these two sets of data, Bezos went about starting Amazon. Today, Amazon remains a customer-centric, data-driven organization, that is continuously obsessed with capturing data about customer and user behaviors through its omnichannel platform, that incorporates IoT devices including its Amazon Echo Home Speakers and Alexa Virtual Assistant app service.

Ignore the business data at your peril

What are the consequences of looking at the wrong data or not being open to data?

A business that has lots of data, but not the right type of **thick data** and doesn't focus on the data to explore customer trends, will not be in business for too long in the digital age. The pace of change and the threat from disruption to business models through digital approaches has to be countered with **business Intelligence** that is backed by machine learning, that is **machine intelligence**, in order to keep innovating and stay relevant.

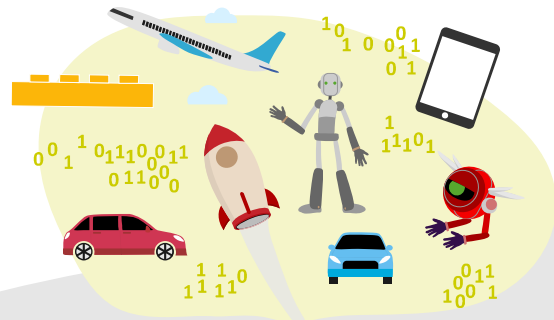


Example: How Apple disrupted Nokia with data

There is no better example of good and bad use of business data than in the mobile handset market where Apple's entry into the market in 2007 brought about a business model change, which the market leading firms at the time neither saw nor were prepared for. The iPhone is a physical product but the business model behind it is a platform. The iPhone and its operating system were not just a pipeline, or a product, they were a gateway to that platform. This platform business model took Apple from no presence in the mobile phone market at launch, to a 92% share in 2015. Competitors, large- entrenched businesses such as Nokia, were sent into free fall because they didn't see the shift to a platform-based business model – they were not capturing the right data and connecting the right trends in technology and customer desires.

Customer expectations are rising ...

Digital connectivity through big data has significantly increased customer accessibility to information and improved their knowledge ... **Knowledge** is POWER!



According to *Forrester*, 2018 see us five years into the “Age of the Customer,” a 20-year business cycle where:

“... power is shifting from businesses and institutions to end consumers ... as technology, information, and connectivity are combining to instill in people a belief that they can have what they want, when, where, and how they want it.”

The technological advances of the digital age led by the Cloud, Mobile, Social Media and Artificial Intelligence (AI) have provided customers with the knowledge, and the confidence or trust to change their behavior as they become more **‘hyperadaptive’**. Hyperadoption* describes how customers are willing to switch to new products and services almost instantly, and even look for opportunities to switch, so as to be the first to try new innovations.

Those businesses and organizations both big and small that want to emerge triumphant in the digital economy will need to change the way they operate by placing the customer at the center of everything that they do, providing more value, better and faster, to customers.

If enterprises want to meet, let alone exceed, the new expectations of the customer in the Digital Era, they must transform their Operating Models. This includes their people, processes, data, or information systems, and this means becoming customer-obsessed at all levels.

* The concept of Hyperadoption was debuted by James McQuivey, Ph.D. Vice President and Principle Analyst at Forrester Research in his paper, *Will People Really Do That? Marketers Must Get Ready For Hyperadoption Now* (2015)

... in the digital economy



80% of consumers report that **immediate real-time responses to requests influence their loyalty** to a given brand.

Research from Salesforce.com, in the Second Edition of their report called **State of the Connected Customer**** in 2018, indicates four new baseline characteristics for customer experience in the digital age: immediacy, personalization, consistency, and anticipation.



Personalization

70%

of customers say **connected processes—such as seamless handoffs or contextualized engagement** based on earlier interactions—are very important to winning their business.

Consistency

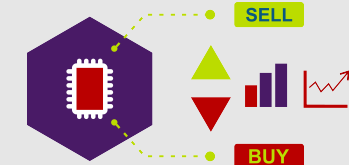


75% of consumers

expect **consistent experiences across multiple channels** (web, mobile, in-person, social)

With **73%** likely to **switch brands if they don't get it**

Anticipation (as well as Predictive)

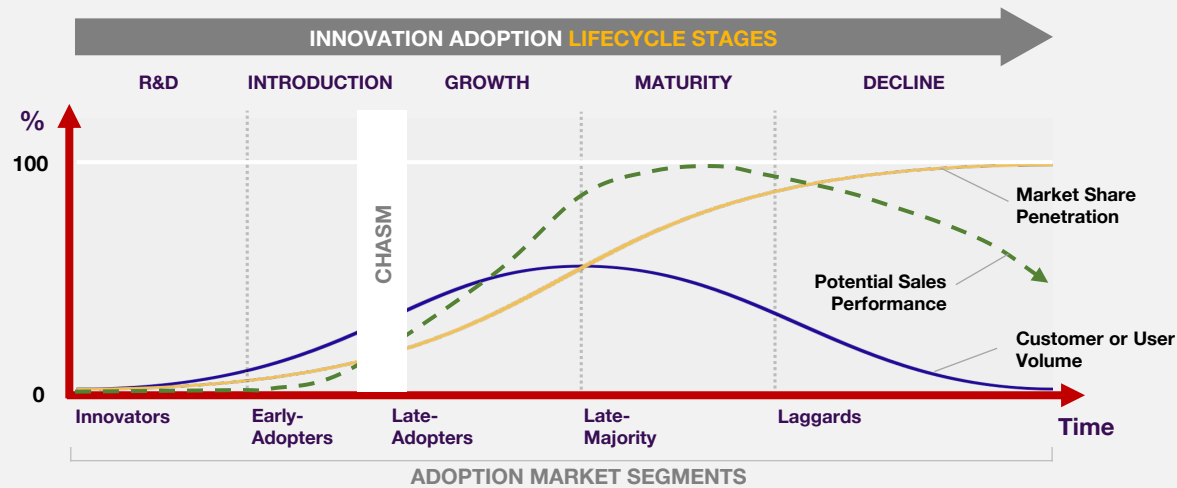


By 2020, 75% of business buyers expect companies that can **anticipate their needs and make relevant suggestions before they initiate contact**, while 73% expect that products they purchase will **self-diagnose** issues and automatically order replacement parts or service.

** Only a sample of key report statistics have been illustrated. See [full report](#) from Salesforce.com for remaining statistics.

Customers are shifting ...

Disruption has become the expected norm ...



The Innovation Adoption Lifecycle was introduced in 1962 by Everett Rogers in his book, *Diffusion of Innovations*. Rogers proposed five customer segments in the adoption lifecycle: Innovators, Early-Adopters, Early-Majority, Late-Majority and Laggards. Successful innovations are adopted over time by each customer segment spread over a bell shaped curve, with products reaching the hands of its most cynical customers and users, the laggards, at the end of the lifecycle. A parallel S-curve indicates the adoption of the Innovation or Product itself, as it is introduced following initial research and development (R&D), before moving towards maturity and eventually decline. Some of the most widely known innovations to have reached the laggard market include the car, email, smartphones, and tablets.

Roger also illustrated how the customer journey stages align to the Innovation Adoption Lifecycle as they move from having awareness of the innovation to full adoption when the innovation is confirmed by customers and becomes a part of their behavior.

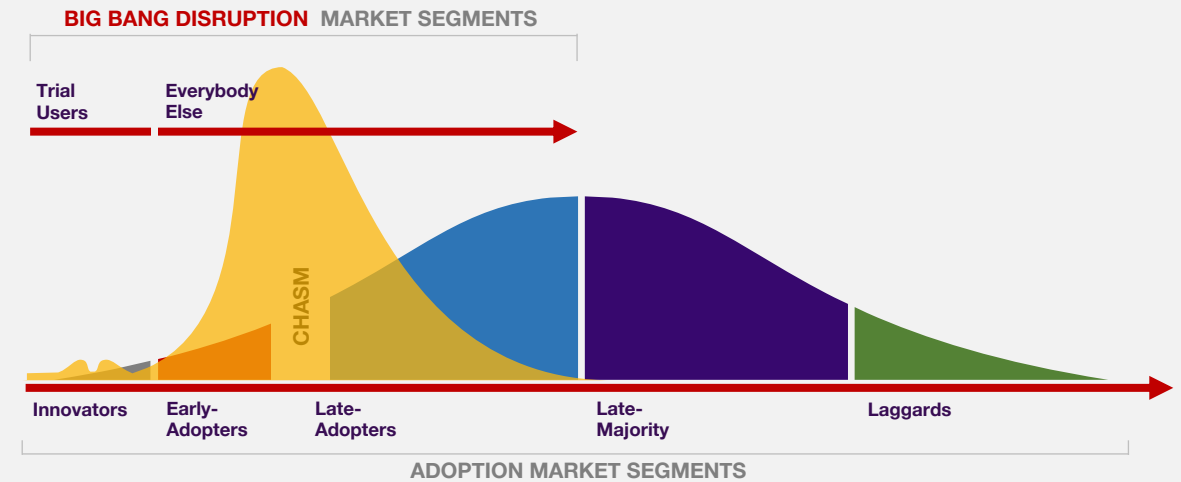
In 1991, Geoffrey A. Moore updated Roger's theory, with the introduction of a chasm as innovations move from adoption by Early-Adopters to the Early-Majority, in his highly acclaimed book, *Crossing the Chasm*. Innovations and hence many of the start-up businesses that are responsible for them, fail from not being able to cross this chasm.

With examples including Facebook, Tesla, and the Apple iPad, Moore also illustrates how products, in particular new technology products, are able to disrupt the market as they cross the chasm to mainstream customers.

In the digital economy, and as illustrated in this book, it is this change in customer behavior that is accelerating the rate of disruption. Disruption has become the new normal as customers have raised their expectations on the value that they can expect from goods and services and the businesses or organizations that provide them.

... the Innovation Adoption Lifecycle

... as customers expect more value in exchange for their time



The behavioral change is one of *hyperadoption* towards better customer experiences as illustrated by research from both Forrester and Salesforce, but WHY customers are changing comes down to value.

In the digital age, as we have all come to lead increasingly busier and more stressful lives, where the information at our fingertips is not only overloading us but could also be fake news. The one thing we cannot change or get back is our time Time that could be spent on more valuable activities. It is our lack of time, that has changed how we, as consumers and customers of services, are really behaving. We expect innovations, including technology, to give us more time.

The new game or competition for businesses and the services that they offer is for the customer's time and why, what, where, how, when, and with whom customers would rather spend their time along with their customer journeys. Innovations that win the customer's time better and faster are able to cross the chasm better and faster too ... and disrupt the market.

Overall, more and more customers have become Early-Adopters through their change in behavior. Through this, they have opened the door for the adoption of new and better innovations that provide more value, and are faster too.

This change in customer behavior has caused a shift in the bell-shaped curve of the Innovation Adoption Lifecycle to the left, allowing what Larry Downes and Paul Nunes call *Big Bang Disruption* in their 2013 Harvard Business Review paper.

When new *disruptive innovations* are the expected norm then mere incremental improvements, or what we call *continuous* or *sustaining innovations*, are simply not enough to command the customer's attention to cross the chasm in the Innovation Adoption Lifecycle. Companies that focus on these as their only source of transformation in the Digital age, are only asking to be disrupted by those who are leading the transformation efforts to find the new disruptive innovations of the future.

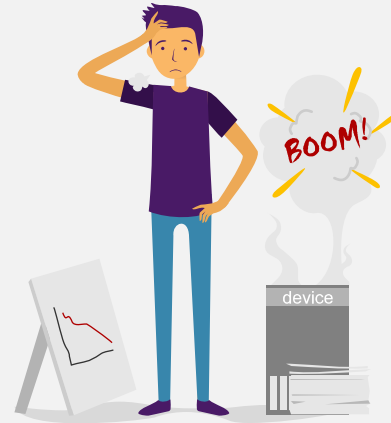
Drivers and Consequences of ...

Big Bang Disruption is WHY businesses must transform faster ...

As originally coined by Clayton Christenson:

“Disruptive Innovation is ... a process by which a product or service takes root initially in simple applications at the bottom of a market and then relentlessly moves up market, eventually displacing established competitors.”

BUT *Big Bang Disruption*, where “A new kind of innovator can wipe out incumbents in a flash” as described by Larry Downes and Paul Nunes in 2003, illustrates how disruption itself has changed, as businesses big and small, and even entire industries, can be taken out completely by products and services from a non-competitor who may not even be part of the same industry at all – and unintentionally disrupt the market.



In this book, we aim to show how *Big Bang Disruption* is the cause and effect of faster transformation from *discontinuous* or *disruption innovation* that replaces the activities in the customer journey by capturing the customer’s time.

We call this kind of innovation ‘**Co-created Innovation**’.

Co-created Innovations are created with customers and fulfill the customer’s goals along their customer and user journeys. They become embedded in the customer’s behavior through the trial process (p. 24), when the customer gets to experience and direct changes to the innovation as a user.

Since the telephone was invented by Bell, and computing conceived by Babbage extensive advancements in technology and highly connected digital transformation, which have fuelled the cloud-driven digital economy, are also empowering an explosion of *co-created innovation*.

... Big Bang Disruption

... through ‘Co-created Innovations’ along the customer journey

While most of today’s business transformation efforts are still driven by the external influences described by the PESTLE model:

- POLITICAL
- ECONOMIC
- SOCIAL
- TECHNOLOGY
- LEGAL
- ENVIRONMENTAL



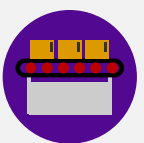
OR internal motivations that focus on one of Michael Treacy and Fred Wiersema’s Three Value Disciplines:



Product Leadership

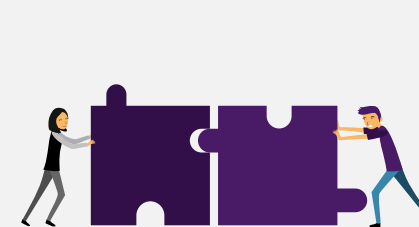


Customer Intimacy



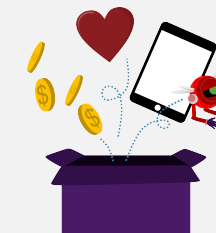
Operational Excellence

Business transformations that are capable of the Big Bang Disruption effect are:



CUSTOMER CO-CREATED

Co-created by customers, partners, and internal staff to fulfill customer goals along their customer and user journeys.



VALUE-DRIVEN

Capture and deliver multiple sources of value across all three Value Disciplines, plus more to all stakeholders.



NETWORK CONNECTED

Leverage network effects offered by Cloud Technology, Big Data and Social Media in the connected Digital Ecosystem.

Big Bang Disruption examples ...

Four Big Bang Disruptions that have become part of our everyday lives ...

Amazon, Online Marketplaces and Multi-Sided Platforms



It is difficult to know whether Jeff Bezos anticipated the evolution of today's digital marketplaces when he first launched Amazon in 1995 to sell books online, but today, we have moved beyond E-Commerce to marketplaces where we can exchange just about anything that is of value to anyone.

Customer co-creation has fuelled this explosion. Today's marketplaces have moved beyond just online supermarkets that sell groceries or other merchandise such as spare plumbing parts, or eBay-type auction sites. They have evolved into multi-sided platforms where business and consumers can interact in multiple ways, including business-to-consumer (B2C), business-to-business (B2B), business-to-business-to-consumer (B2B2C) and peer-to-peer (P2P).

There are multi-sided platforms for P2P Lending including Lending Club and Funding Circle, Freelancer networks such as Upwork, Travel Review websites such as Tripadvisor, and Music stores including Apple's iTunes, or the Android Market where you can buy mobile apps and games.

The Amazon Marketplace has expanded beyond selling books, into video and movies, household goods, clothes, and more. It acquired Whole Foods Market for \$13.7 billion in order to expand into groceries. This acquisition also made it the second most valuable company in the world prior to 2020 (behind only Apple), with a market capitalization exceeding \$768 billion. Amazon has also launched its own App Marketplace for the Alexa Virtual Assistant supported by its Amazon Echo IoT gadgets.

Skype, Internet Telephony, Video Conferencing and Augmented Reality



When a company's name starts to turn into a verb, it is clear that there has already been a movement. This is true of Skype, which launched the first Internet telephony service to everyday users for free across the world in 2003. Within its first three years, Skype had over 115 million customers, making it the fastest growing company during that time.

In 2006, Skype expanded its voice services to include video conferencing, fuelling an exponential growth in online connectivity services, as customers and businesses began to use video to communicate over the Internet, with the emergence of mobile devices, for just about every use case or purpose possible, with implications for every industry and saving organizations billions in expensive telephone, video, and travel costs as geographic constraints were removed.

This customer co-creation has paved the way for Live Webinars and Events that can be streamed to not 1000s or 100,000s, but millions of parallel customers across the world. It has spurred the rise in Augmented Reality (AR), with Pokémon GO, an AR based game, outperforming Facebook and Twitter in total number of concurrent downloads and users. The healthcare and biomedical industry currently leads the charge by launching AR services including virtual doctors supported by diagnostic tools that can be purchased at your local chemist, as well as conducting surgery with the aid of Smart Glasses, Robots, and Artificial Intelligence.

... in today's customer journeys

... following customer co-creation

Facebook, Social Media Networks and Online Communities



Facebook was not the first social network to hit the market in 2004 ... pre-dated by Sixdegrees, Friendster, and more ... So how did Facebook become the market leader with in excess of 2.2 billion monthly active users as of the first quarter of 2018? The TOP 3 reasons include:

1. **Open API Platform:** Launched in 2007, the Facebook App Market allowed third-party developers to create apps for other users creating a network effect to make Facebook sticky, as customers and users started to co-create features together.
2. **Social sharing:** Facebook invented the "Like" button allowing its customer or users to personally voice their opinions with their vote on just about everything, including someone's daily activities, thoughts, success stories and failures, survey results, people's favorite reading list and music playlist, and more ... in an open forum ... again creating that sticky network affect.
3. **Community Groups:** Psychology has shown that human beings all want to belong to communities with common interests, and where they can get support and collaborate. Facebook Groups were revamped in 2010 to support collaboration or 'co-creation' between group members, and has become an integral tool for many small entrepreneurial businesses.

This model has been copied by Twitter, Tumblr, and Snapchat to grow and maintain their user numbers.

Apple iPhone, Smartphones and Mobile Apps



2018 sees Internet users grow to over 4 billion surpassing half of the total world population of around 7.6 billion, and over 5 billion mobile phone users, with approximately half of those or 2.5 billion being smartphones.

This prolific growth started when the late Apple founder, Steve Jobs, launched what he called 'Magic' in 2007, in the form of the iPhone ... an all-in-one touchscreen device you can control with your fingers. The iPhone allowed you to carry your a phone, computer, and camera in your pocket while connecting you to the world.

Apple followed up quickly with the launch of the iOS App Market in the following year, while the Android App Market launched soon after to support competing smartphones from Google, Samsung, and the rest of the market.

Today, you can use your smartphone to do just about everything from taking professional quality photos, chatting with your friends via messenger apps such as Whatsapp, sharing your latest news or opinions via social media, paying for purchases with your digital wallet, reading books, listening to podcasts, watching TV on-demand, search for anything using Google, navigating from one location to another with GoogleMaps or Waze. There are billions of mobile apps available for downloading. Just suggest your idea and there are over 12 million mobile app developers as of 2018, waiting to co-create with you to turn your case into a reality.

Why the rules keep changing ...

Regulations need to be updated for the new digital economy ...



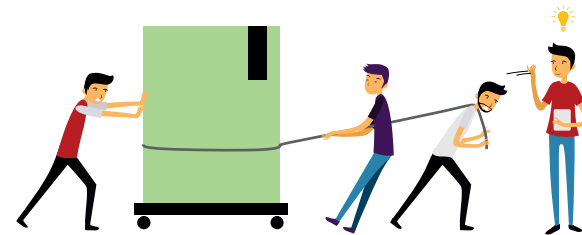
With a digital ecosystem of constant change characterized by the ongoing innovation of:

- **New technologies** that serve to open up the world by increasing connectivity as well as accessibility to data and information.
- **New products and services** that are capable of big bang disruptions that can change people's behaviors.
- **New customer behaviors** that are increasingly virtual or operate across the virtual world through multiple channels.

... it is inevitable that today's government authorities are having to adjust their rules, and set new regulations in order to maintain a fair, safe, and sustainable ecosystem for everyone.

We have witnessed through the Global Financial Crisis (GFC) of 2008 and numerous corporate scandals in the last century, from Enron to Libor, how an imbalance towards financial gain within the culture of an enterprise, or even an industry, can lead to activities that are not in the interest of the general public and society globally.

These activities, caused by bad behaviors within some enterprises, often lead to disastrous events with major social and economic consequences, including the collapse of businesses and entire industries, unemployment, significant losses in the value of people's savings, homes, and other assets. ...



Since ancient civilization, governments have continuously introduced and changed regulations to maintain order, reduce the risk of harm, and to provide a fair and level playing field for its citizens and businesses who live and operate within their jurisdictions, bound by land, water, and air space in the physical world.

The digital economy has introduced a new dimension in the form of the virtual world that now operates alongside the physical world and with it new risks that need to be governed alongside new or updated rules to prevent a new set of bad behaviors.

As we witnessed through the Facebook and Cambridge Analytica scandal, those businesses that have successfully executed *Big Bang Disruptions* with access to exclusive personal data and information, which can be used to influence people's behaviors, have become so powerful that they can even influence government elections.

... and how to take advantage

... with new opportunities for change



The European Union's General Data Protection Regulation (GDPR) was mandated to prevent these sorts of situations along with many other potential risks, where people's personal data may be misused.

Since the launch of Bitcoin in 2009, the world has seen an explosion in the number of digital currencies, digital investment funds, and other crypto-assets, traded through digital exchanges operating 24/7 globally, and outside of normal rules and policies of any government in a virtual world.



This new economy of digital or crypto-assets has introduced a new wave of 'get rich quick' Ponzi schemes including PinCoin, Ifan and Prodeum ... that have been set up to scam investors of their hard earned savings. They are fooled into exchanging their existing currencies for these new digital and ungoverned assets.

The digital economy has also allowed most of the world's biggest companies including Apple, Amazon, Google, and Starbucks to operate as global and virtual companies that avoid paying taxes or with a significantly reduced tax burden. Many governments, EU nations in particular, have sought to claw back their tax income after many years of legal battles through fines.

While regulations may be seen as bureaucratic red tape with a heavy administrative burden due to all the process changes involved to comply with specific rules and the reporting of compliance to government bodies ... today they are becoming increasingly important to protect people and businesses from those who cheat the system and/or cause harm to others.

You can also choose to see regulation as an opportunity to play a new game. New regulations force transformation within enterprises and among competitors across the ecosystem which all face the costs to execute necessary changes. These changes present companies with the chance to build new advantages, if they are able to differentiate by providing newer, regulation compliant, Unique Selling Propositions (USPs) that are better than the competition and more desired by customers.



Enterprises must Transform ...

Build transformation capabilities ...



The Digital Revolution and the ease by which Big Bang Disruptions can occur and impact any enterprise, at any time, has created a new game and hence ecosystem in which all enterprises must operate in ... better and faster.

As they play this new game, enterprises are racing through the Five Stages of **THE STRATEGY JOURNEY** in order to transform better and faster, and to outpace both competitors and disrupters.

In a game, it is necessary to arm yourself and your team with the right tools and capabilities as well as develop strategies and tactics that will enable you to navigate stages quickly and safely to get to the finish line, that is, to achieve your goals. When the game is also a race, the objective is to beat the competition and to achieve those goals first.

This race to transform better and faster than competitors and disrupters to win is: **'Business Transformation'**.

'Digital Transformation' with **'Digital Strategy'** is the race to transform the enterprise using digital technologies to tackle or cause disruption, as the enterprise plays in the Digital Economy.

Enterprises that want to survive, outwit, and beat their competition, or lead in the new Digital Economy as disrupters, must learn how to navigate the Five Stages of their **strategy-to-execution journey** to transform and keep transforming better and faster.

To transform, and keep transforming better and faster, enterprises must build the right levels of agility, accountability, and action into their capabilities.

... or Evaporate

... to overcome the risk of failure



An enterprise without the capabilities to transform continuously is likely to fail – especially when change is constant in every activity that an enterprise performs.

Failure comes in many forms. It is not always a bad thing, or to be avoided in all circumstances.

If failure is managed and contained as part of prototyping that involves discovery and testing with customers or co-created, with the potential to gain information and hence improve from the lessons learnt, then it is a good thing.

Wasting resources in the form of time and money spent on activities that don't deliver any real outcomes to the enterprise, its customers or stakeholders, is failure.

Both the financial input to fund an activity as well as the time spent on an activity are costs. If spent inappropriately, the result is waste as well as lost opportunities, which we call an 'Opportunity Cost'.

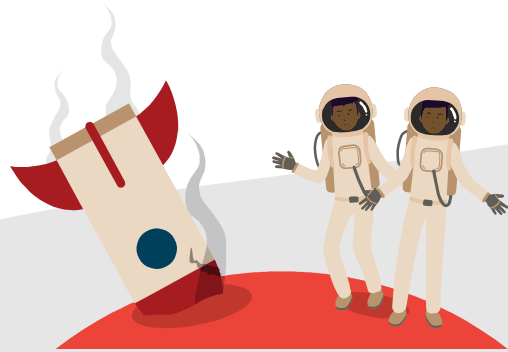
An accumulation of this kind of bad failure, can lead to total failure when an enterprise enters into administration and then shuts down. The time it takes for a series of smaller bad failures to turn into a big catastrophe varies by the nature and size of each failure, and the size of the enterprise or its ability to handle failure. Some smaller businesses can simply evaporate.

The difference between success and failure is down to an enterprise's ability to navigate its strategy journeys to continuously transform with **agility, accountability, and action** ... and LEARN.

opportunities

A world of ~~failures~~

Depending on your perspective, the world is full of failures or opportunities...



92% of tech start ups fail
within 3 years

A search on Google will provide you with many different start-up failure rates, including the famous '8 in 10 start-ups fail in the first 18 months' statistic. This figure was originally published in 2013 in Forbes and Bloomberg, and it soon went viral.

Other sources, including the Small Business Administration*, have indicated that approximately half of new businesses make it past five years.

The problem with these statistics is they don't show what actual measures are used to represent failure or survival.

A study from UC Berkeley and Stanford called the Start-up Genome Report on Premature Scaling indicates that 92% of start-ups (high growth and tech venture backed) fail within three years.

Nevertheless, no one can question the fact that running a start-up and growing a small business is hard work.

This is especially true when research (p. 21) has indicated that it is becoming harder to satisfy rising customer expectations.

* Small Business Administration (SBA), a United States government agency that provides support to entrepreneurs and small businesses.



\$109M for every \$1B
is lost due to project failure

In the corporate world, larger enterprises also experience failure.

Many sources, including Harvard Business Review (hbr.org), IBM, PwC and McKinsey, indicate that 70 percent of change initiatives fail to achieve their objectives.

Even more alarming, the statistic from the Project Management Institute (PMI) Pulse 2014 Report on *The Cost of Low Performance* states that US\$109M for every US\$1B is lost due to project failure.

While there is considerable variation in measures of success or failure, for many people who live and breathe transformation in enterprises across both

70% of all change initiatives fail to deliver on their **strategic objectives**



business and IT projects, the fact remains that failure or the threat of failure in all its different forms is part of life.

The question is ... can we change this? Does human nature, with its default resistance to change, not sabotage the efforts to success? We avoid change because we are afraid to fail and we refuse to admit that failure even exists.

What does success or failure even mean when it is not clear how we should measure them? Can each failure we face also be seen as an opportunity, if we learn from it?

Is failure the key to success?

Big failure examples ...

How ignoring the digital customer journey busted Blockbuster



When Netflix first launched its mail order video business as a small start-up in 2004, Blockbuster was the market leader for video rentals, with a massive distribution network of 9,000 stores, 60,000 employees and \$6 billion in revenue.

Over the next six years, Blockbuster continued to focus on growing and protecting its existing business model, as a retail store distributing movies and related merchandise, instead of transforming its operating model based on the emerging digital customer journey, with the content streaming and search services. It even tried to expand its store-driven approach by buying Circuit City for \$1 billion in 2008, instead of purchasing Netflix for a mere \$50 million while it had the chance.

As customers started to value the time and money saved from not having to trek to a physical store, including the late return fees which formed the bulk of Blockbuster's revenue, and a better online search and recommendations service aided by new digital technologies, they transitioned towards Netflix's digital services in droves. This disrupted the entire Blockbuster business model, leading it to file for bankruptcy in 2010.

As the world transitions to electric cars, could Shell suffer a similar fate to Blockbuster? Will the Amazon Marketplace and other online retailers replace every other food and merchandise retailer, from supermarkets to convenience stores with brick and mortar buildings?

How operating model complacency led to Kodak's downfall



It was not under-investment that was the problem at Kodak, but an investment that turned out to be misguided. Since the company peaked in the 1980s, its management attempted to preserve its Unique Selling Proposition (USP) in the film and printing industry rather than adapt to the market and evolve its operating model.

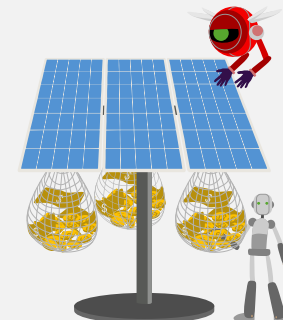
Kodak's resistance to producing and selling digital cameras gave away its potential first mover advantage to Sony, who became a dominant force in selling high-end digital cameras to professional photographers, video makers, and bloggers, with its world class Zeiss lens and stabilization technology.

While rival Fujifilm leveraged its strengths in chemicals and film to diversify successfully into the cosmetics industry and even LCD screens, Kodak actually sold its pharmaceutical business in order to reinvest its resources in transformations that would help it grow and maintain its position as the dominant player in photo printing. This proved to be a crucial mistake as customer behavior shifted towards sharing digital photos online rather than printing them.

Kodak did attempt to compete in the digital market, with its cheap and inferior EasyShare Digital Cameras accompanied by its online EasyShare Gallery and Kiosks which focused on potential revenue from printing. However, it ultimately failed as this digital foray could not compete with the iPhone and other smartphones that allow customers to take free photos and to share them on free social media platforms.

... with lessons worth learning from

How Sun Edison failed from growing too big too fast in too many directions



Through its entrepreneurial founder, Jigar Shah, SunEdison pioneered selling solar panel systems to businesses and homeowners. Its subscription service contained little or no upfront fees, while customers paid for the solar power over several decades at monthly rates typically cheaper than the local grid power. It was acquired by MEMC Electronic Materials in 2009, a semiconductor business who wanted to enter the Solar Energy market for \$200 million.

Over the next seven years, MEMC Electronic Materials renamed itself as SunEdison and began to buy more renewable energy companies including a move into the Wind Power business in a \$2.6 billion acquisition binge to become the biggest clean energy player in the world. This inorganic growth was funded by several billions in debt, and \$1.5 billion in US government grant funding and subsidies.

There lies the problem: with sporadic inorganic growth of this size, fuelled by easy money which was artificially inflating the market, it proved to be unsustainable for SunEdison.

Along with a series of failed customer deliveries, which resulted in many expensive lawsuits (not including the investor lawsuits to block specific acquisitions), SunEdison's business model failed to generate the necessary sales revenue to help it service its debts. The company was also unable to transform its operating model by introducing the necessary efficiencies and cost cuts that would help it become a sustainable long-term business.

How too much innovation almost killed Lego



The world's favorite toy company, Lego, actually survived a near catastrophic collapse, after accumulating more than \$800 million in unpaid debt. The toymaker was losing nearly \$1 million a day in 2004, before new 35 year old rookie CEO, Jorgen Vig Knudstorp took charge.

Lego's troubles started in the 1990s, after many years of success since Danish carpenter Ole Kirk Christiansen founded the company in the 1930s. The giant toy company began to over-diversify into too many trendy products and services, that were not directly aligned to its core mission and strategy. In addition, Lego's operating model, that is, its team and capabilities, were not at the right level of maturity and lacked the experience to grow and scale all these new business lines, which included watches, clothing, media, book publishing, and theme parks.

Lego tried to innovate across all of these very different ecosystems, which required very different capabilities from its core strength in innovating new toys around bricks for children. It lost its identity by going after unfamiliar customer segments, in unfamiliar industries, and suffered significant losses as it drained all of its resources in the wrong areas.

Since taking over, Knudstorp has transformed Lego's fortunes by undergoing operating model transformation that included building capabilities around Lego's central mission ... building toys ... in the right locations to maximize value and service design around its target customer ... children.

SME and start-up failure examples ...

How crowdfunding Sugru lost 90 percent of its value by underestimating the effort to scale



Crowdfunding is a high risk for all investors. Fraud cases aside, the reality is that ideas are nothing without execution, and this is where most start-ups fail, as they attempt to scale their initial value propositions that have been validated by early adopters into real businesses that can turn a profit with mass market customers. Most crowdfunding campaigns come with a sufficient detail of growth projections, and the indicative costs to fund that growth. Yet, do any articulate the operating model transformation plans of the start-up covering HOW they will scale the business?

This detail into the operating model was certainly overlooked by all those Sugru investors who lost 90 percent of their equity investment, when UK parent company FormFormForm Ltd (FFF) announced that it would sell out to German adhesive manufacturing giant Tesa for just £7.6 million, £25.4 million less than what was crowdfunded to help Sugru grow via the Crowdcube platform.

As a moldable adhesive, Sugru was actually a great product, and liked by customers, with many practical applications. Its massive devaluation had nothing to do with the product and was more a case of mismanagement from not understanding the costs required to properly scale the operating model of the business to support growth targets.

In the last round of funding, Sugru's business plan lacked many details particularly around the company's operating costs, burn rate, and funding position including details about any loans and inherent risks, which should have provided the warning signs for investors of troubled times ahead.

How WebVan's pre-mature scaling led to its dot.com crash



WebVan was an online grocery store that launched in 1999 in the San Francisco Bay area with ambitions to serve the entire United States market with a large product variety, supported by highly automated technological infrastructure.

Valued as high as \$1.2 billion by investors, the start-up filed for bankruptcy after only two years of operating in 2001, from running out of money.

From the beginning, WebVan was spending its venture capital funds like a big corporate to set up its very expensive infrastructure in multiple regions across the country, while it still needed to operate like a bootstrapped start-up to test and prove that its business model and the logistics of its operating model were workable within just the San Francisco Bay area. Management's determination to expand and scale, before the company was ready, led to logistic problems and a daily expense or burn rate of \$1.8 million compared to average sales of \$489,000. WebVan spent almost \$1 billion on expensive high-tech warehouses and refrigerated vans across the country, as well as \$400 million a year in labor, hiring 10,000 people during its three years of operating.

At a time when Internet adoption was still low and most customers were still early adopters of shopping online, this kind of pre-mature scaling and spending was simply unsustainable, as the expected mass market customers were not yet ready for the kind of service that WebVan wanted to offer. This data was actually available but ignored by WebVan's over-ambitious executives.

... with lessons worth learning from

How Tutorspree shutdown from having one strategy and no game plan

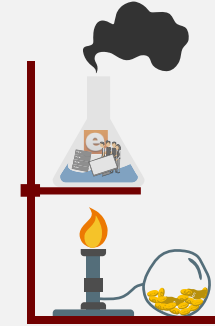


Tutorspree was a Y-Combinator start-up that showed a lot of promise, securing \$1.8 million in funding in 2011 to help it grow. In its early days, the double sided platform or marketplace successfully converted all of its customers from SEO traffic. The platform had all the functionality needed to support its customers, that is parents searching for the right tutors for their children using an Airbnb like review system.

When Tutorspree shut down in 2013, the company was able to return money to its investors, and wasn't actually in any financial trouble. So why did the founders close shop?

Being a former Wall Street worker, Tutorspree's founder Aaron Harris, was actually very good with data as well as finances, and spent a lot of time looking through all the data, trying different approaches to marketing the service including many Pay Per Click services from Facebook to Google Adwords alongside his well-tuned SEO strategy, which for a time was bringing in all of Tutorspree's sales revenue at little to no cost. This led Tutorspree to a transactional business model that was focused on sales through customer acquisition, made worse by using just one channel, SEO, rather than building sustainable long-term relationships with customers by adding value along the customer and user journey. When Google changed its SEO algorithm, Tutorspree suffered an immediate 80% drop in customer volume and sales. There was no other game plan for building sustainable revenue. The founders came to the realization that they had built a brokerage business with neither sales revenue nor the branding to warrant any equity value.

How Everpix overengineered and burnt itself to death



Everpix was an online photo app that automatically sorted, organized, and stored photos with a clean and intuitive user interface, driven by an AI algorithm. It was actually a great product that managed to build a loyal following of 55,000 users, at a time when online photo apps were starting to attract users by the millions.

Launched in 2009 by 34 year old French co-founder Pierre-Oliver Latour, who at the time had a solid tech entrepreneur record having sold his first company, PixelShox Studio, a motion graphics software, to Apple, Everpix quickly amassed \$2.3 million in funding by 2012. The app prototype was a popular finalist at TechCrunch Disrupt, and both Facebook and Dropbox tried to acquire it, but were turned away by Everpix's founders.

Just one year after its early success, Everpix was broke, having spent all of its funds on product engineering the perfect app. A look at Everpix's Profit and Loss (P&L) statement tells a story of mass overspending on the wrong things, with little effort put into marketing the product to customers ... thus delivering a dismal subscription revenue of just \$254,060, from fewer than 19,000 signups. The leadership team spent almost \$570,000 on consulting and legal fees, over \$1.4 million on personnel, salaries and payroll costs, \$130,000 on office expenses and other operating costs totaled \$361,000. A clear case of not building out other capabilities like sales and distribution along the value chain and into an operating model of the business to support an end-to-end service.

wasted A world of opportunities

Enterprises are not utilizing resources efficiently to deliver ROI on their digital transformation investments, and to build sustainable organizations

Digital Transformation investment in 2018

\$1.3 trillion



with spending is expected to double to
\$2.1 trillion by 2021

Source: International Data Corporation (IDC)

Improving Efficiency is the
TOP DRIVER of Transformation but



42% of Top US Executives
believe it is the **most missed investment**

Source: Wipro Digital May 2017
Digital Transformation ROI Survey

In every enterprise undergoing transformation, big or small, there is always at least one person who feels that they lack the resources required to make their transformation project successful.

Yes, some early stage start-ups and micro-businesses with high set-up and running costs can truly claim a lack of funding, and hence the inability to hire the right people or purchase the tools and equipment necessary to help them build and grow their businesses ...

BUT when we review all the transformation budgets of organizations, especially digital transformation spending, the numbers show that budgets are getting bigger. This includes budgets for greenfield projects, innovation and growth, also called *discretionary funding*, as well as the budgets reserved for changes associated with maintenance, compliance, and other mandatory changes required to keep the business running, our *non-discretionary funding*.

According to IDC, spending on Digital Transformation is expected to double from \$1.3 trillion in 2018 to \$2.1 trillion by 2021. **So transformation is getting more expensive.**

Or are most organizations just bad at utilizing their resources, wasting both time and money? A report from Wipro Digital of over 400 executives in the US in 2017, illustrates that it is both. Poor utilization and inefficiency increases costs, which is often passed on to customers to maintain profitability.

Let's not forget there are also opportunity costs, which is the cost in time and money or value that could have been captured and delivered if utilization was able to provide good yield or returns, as well as growth in the business.

Source: Digital Helix Book & Forbes

84 percent
of **Digital Transformations fail**

Research from the Digital Helix Book in collaboration with Forbes on over 1000 business indicates a lot of wasted resources and wasted opportunities, with 84% of all digital transformations failing.

How can enterprises build more sustainable organizations ... capable of surviving the onslaught of faster changes, big bang disruptions and continuous transformations that come with being a part of the Digital Economy?

The answer lies in what really constitutes a *Resource*. It is more than just time and money.

In today's Digital Economy, changing customer behavior, particularly from Millennials, who have now become our primary consumers with over \$2.5 billion in spending power, is indicating that enterprises must act more responsibly across People, Planet, and Profit, also known as the Triple Bottom Line (3BL) of Corporate Sustainability* and become BCorps[‡]. In fact, 66% of consumers and 73% of Millennials are willing to pay more for sustainable products, according to the Nielson Report, an online survey of 30,000 consumers in over 60 countries in 2015, which is also proved with actual data gathered from over 1300+ brands.

* Introduced by John Elkington in 1994 and in his 1997 book, 'Cannibals with Forks: The Triple Bottom Line of 21st Century Business'.

‡ B Corps are for-profit companies certified by the non-profit B Lab to meet rigorous standards of social and environmental performance, accountability, and transparency

Source: The Sustainability Imperative Report 2015 , Nielson

73% of Millennials
are willing to pay more for
Sustainable Products



Along with profit from both past performance and future projections, which drives the availability of financial resources, it has become increasingly important for enterprises to invest in their people and planet resources, if they are to capture the attention and wallets of consumers in the future and grow their organizations.

If you want to grow anything, then you need to plant the seed, provide the necessary support to allow that seed to grow, and then you can reap the rewards of the harvest. This is just as true botany and biology, as it is in business.

So, if you want your business to grow and flourish to produce the goods and services that provide a return on investment (ROI), then you need to identify the right people. Support your people in learning and developing their talent by providing them the right capabilities, tools, and working conditions to do the best that they can. Invest in improving all the inputs and outputs that form your ecosystem, including processes, data, systems, raw materials and the suppliers that you source from or work with. This is everything that forms your enterprise's entire end-to-end value chain - your 'end-to-end operating model'.

Faster transformation creates ...

More complexity is making it harder to deliver and add value ...

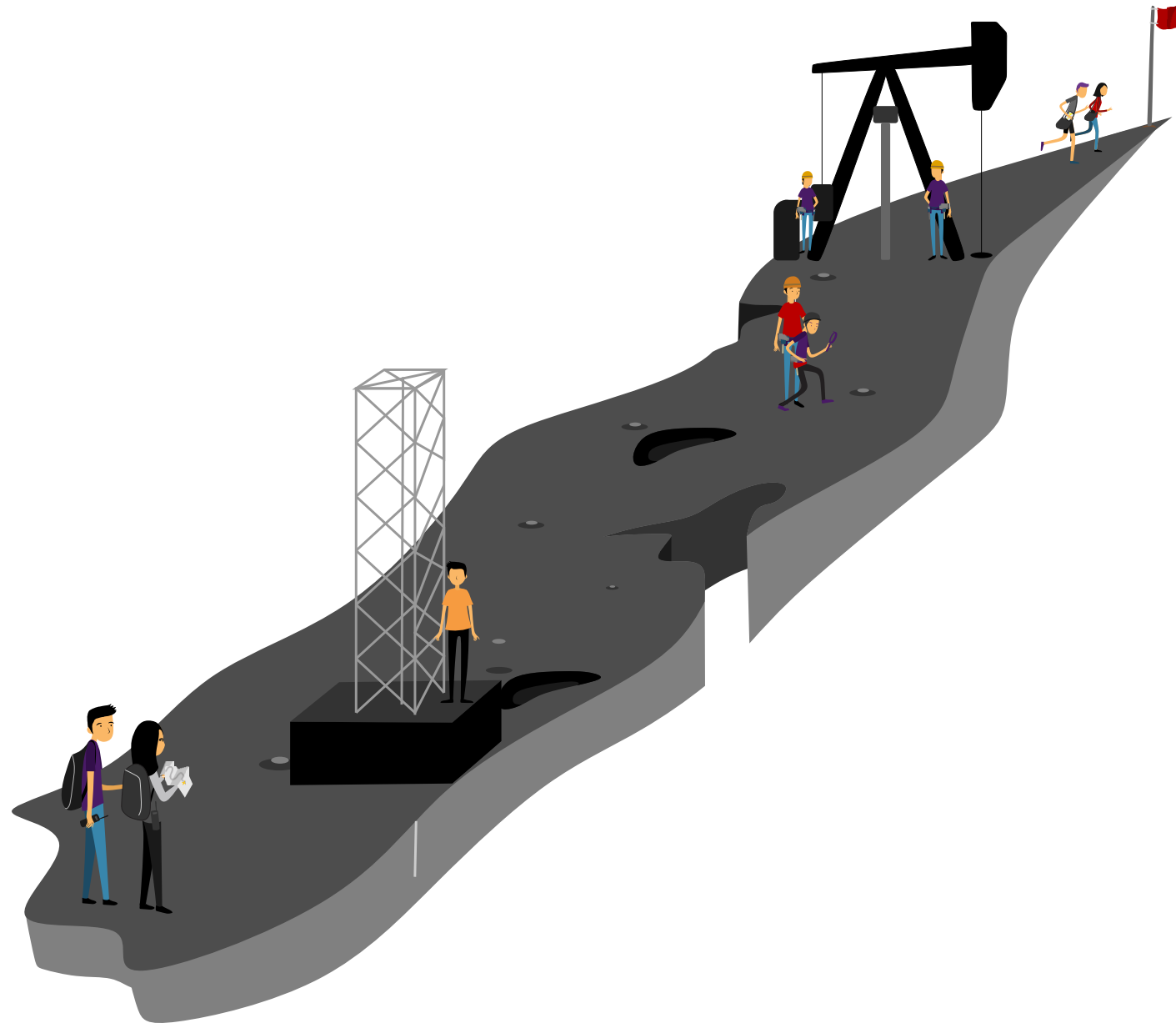
Unfortunately, one of the by-products of faster transformation is added complexity.

In the bid to transform better and faster across one or more of the *10 Business Transformation Challenges* (p. 9-10), organizations can inadvertently introduce more complexity while they speed through the five stages of **THE STRATEGY JOURNEY**.

As we will show in the WHAT section when we describe the architecture of a business, enterprises are complex when you break down their many layers.

So additional complexity, resulting from processes and data added during transformation, that are not required and performed by technology systems or by people who are also not necessary, can actually create debt for the enterprise—especially if it is not managed properly, there is no value added, and nothing is done to reduce or eliminate the waste that is being created.

How do you ensure the added complexity from transformation is justified from the value added?



... more complexity in organizations

... amongst a minefield of disconnected projects

The process of managing the transformation journey is actually a minefield littered with many disconnected projects, made worse by faster transformation.

In most cases, these disconnected projects are:

- **Tactical:** they are reactions to problems that have surfaced in the organization and do not address the root cause of specific problems buried among complex processes and/or caused by missing data;

AND

- **Siloed:** they tackle just one of the Five Stages of **THE STRATEGY JOURNEY** and do not join up as part of the end-to-end strategy-to-execution journey;

By being both tactical and siloed, they are unlikely to be properly aligned to the underlying long-term strategy of the enterprise. This fragmentation of disconnected projects is a major contributor to why 70% of initiatives fail to deliver on their strategic objectives (p. 34).

How to manage your way through the minefield of transformation complexity to deliver strategic value?

Why organizations really fail

Failure is the result of poor 'transformation culture'

With the added complexity and minefield of disconnected projects caused by transformation, it is easy to put blame on these six common symptoms as the reasons for failure.



Common symptoms of failure in business ventures

Numerous management frameworks have been developed to help organizations find solutions to these problems, but we are still nowhere with a real solution.

The problems keep persisting in enterprises both big and small ... WHY is that?

The fact is, we have been treating the symptoms rather than working on a cure for the root cause of the problem.

The root cause is poor **'transformation culture'**.

When an enterprise's culture is dominated by a fear of failure, rather than an openness to learn, and by individuals who seek to be heroes rather than working in a coordinated team that wins together through a central mission or goals, then the result is poor **agility, accountability and action**.

One thing that's important to clear up is that poor *transformation culture* doesn't mean that there is no risk taking in an enterprise. The fact is, every action taken on every activity in business and in running an enterprise is a potential risk of failure, especially in a highly volatile and fast-changing ecosystem such as our Digital Economy.

Many organizations big and small with poor *transformation culture* are spending millions or billions (and collectively, trillions) on transformation. They are just transforming the wrong things, with the wrong actions, resulting in very slow change and little, if any, valuable outcomes.

To succeed in transformation, an enterprise must foster a **culture of learning**, backed by a common language to support coordinated and focused execution effort, while working to eliminating the behaviors that reflect a poor *transformation culture*.

Characteristics of Poor Transformation Culture

to be eradicated in an enterprise ...

Don't know how to convince others to support and help



Don't speak up when they think something is wrong, and just conform

Don't validate or test ideas properly with customers or stakeholders



Don't listen to other people so unwilling to change and learn

Don't see or understand the real value so why bother to try at all



Don't know what to do but not willing to get help from those that do

to be replaced with a culture of learning ...

Supported by a common language that fosters cohesion between the enterprise, its staff and customers – 'Co-created Innovation'.

Gaining competitive advantage by ...

Co-creating services along the customer journey ...

Customer experience has become the top transformation priority for many organizations and their board executives (eg. CEO, CIO ...)

72% of businesses say that improving the customer experience is their top priority

Source: A Customer-Obsessed Operating Model Demands A Close Partnership With Your CIO (Forrester Research 2017)



BUT... research from multiple sources including IBM, Forrester and Accenture, illustrates that there is still a disconnect between what executives in businesses think customers want and the customer's view, especially when it comes to the digital customer journey and the customer's time.



Source: Executive vs Customer ranking of factors driving willingness to try digital customer experiences (IBM 2017)

... servicing customer journeys better

... enables organizations to capture more opportunities



Only **7 percent** of brands are exceeding customer expectations

Source: Expectations Vs. Experience: The Good, The Bad, The Opportunity (Accenture & Forrester 2016)

With only seven percent of brands exceeding customer expectations, there are many more opportunities for organizations to design remarkable services that can capture the customer's time and gain competitive advantages.

Organizations have the opportunity to save on the high cost of customer switching as a result of poor service, which is estimated at \$1.6 trillion in the US alone, with businesses losing \$62 billion a year.

The benefits that come from improved customer satisfaction and loyalty are well worth the effort with 'Customer-centric' organizations being 38% more likely to report greater profitability than their competitors according to the Harvey Nash, KPMG CIO Survey 2018.

In fact, statistical evidence from KPMG Nunwood's 2018 Customer Experience Excellence Survey of 54,233 consumers and 1400 brands in 14 countries, illustrates that aggregate revenue from the Top 50 brands in Australia, France, Italy, UK and US was 54% greater than the Bottom 50 brands, while EBITDA growth was 202% greater.

In this book, we show you how to co-create services with customers along their customer and user journeys to capture and deliver more value ...

In the US
Cost of customer switching
due to poor service is
\$1.6 trillion

Source: Accenture Global Consumer Pulse Survey 2016



With businesses losing
\$62 billion a year
due to poor customer service

Source: New Voice Media Report 2015

'Customer-centric' organizations are



38% more likely to report
greater profitability than
their competitors.

Source: Harvey Nash, KPMG CIO Survey 2018

Digital Transformation Trends ...

Where are the new opportunities for 'Co-created Innovation'?

Amongst all of the failure, instability and uncertainty in today's digital economy, with rising customer expectations, is a multitude of new and untapped opportunities ...

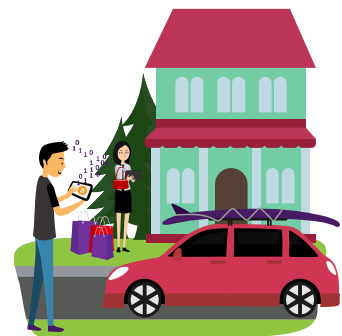
Co-creation is all about the customer and finding out what he or she needs and wants ... so it makes sense for opportunities to be among Aristotle's* *Pillars of a Good Life*:



Health

The massive advances in the innovation of modern medicine have resulted in people living longer, but society has also introduced new stresses that challenge our wellbeing ... both mind and body. As a result, a new and extended ecosystem of industries is required to support our ongoing vitality over a much longer period of time.

Industries impacted: Medicine and Healthcare, Pharmaceuticals, Beauty and Cosmetics, Sport and Fitness, Food, Recreation, Tourism, Human Resources, Public sector and Government, Insurance, Technology including Electronics, IoT Wearables and more ...



Wealth

Wealth comes in many forms and is not necessarily limited to financial wealth. While money is the main driver for employment, people pursue wealth in order to have the freedom to do whatever they want, whenever they want, and to buy anything they want. Our time and what we choose to do with it is the real driver of our actions—from our jobs to our purchases—and society is beginning to change the way we value our time as well as what constitutes wealth. This change in our values and value systems has implications for the sorts of activities we choose to take part in within a finite amount of time, driving significant changes in almost every industry in our ecosystem.

Industries impacted: Financial Services including Banking and Insurance, Employment, Public sector and Government, Legal, NGO & Non-Profit, Retail, Food, Recreation, Tourism, Technology including Fintech, Blockchain, and more ...

... And Opportunities

You just need to spot them and start your Strategy Journey Path ...



Knowledge

Our propensity to learn and grow is the very essence of evolution. Digital advances have enabled almost anyone, anywhere, access to significantly more information, anytime, and have changed the value of information. Data has become a currency in its own right. This has changed what, how, where, and when we need to learn and keep learning in order to grow and to keep up with the rate of change, as well as the choices we need to make around learning. There are also new challenges around information quality and integrity.

Industries impacted: Education & Research, Employment and Human Resources, Public sector and Government, Media, all forms of Technology including Machine or Artificial Intelligence (AI), Information Management or Big Data, Information Security, Materials Engineering or 3D Printing, Virtual and Augmented Reality, Gaming, and more.



Connectivity

Aristotle referred to a person's need to feel connected with friends, family, and their environment in the pursuit of happiness and this basic human need hasn't gone away. Advances in digital technology have just provided us with many new and accessible ways in which to connect with everyone and everything else in a greater ecosystem. This is changing our behavior, how we as customers consume goods and services, and how we function as a society with a set of new social challenges to be governed or managed.

Industries impacted: Public sector and Government, Legal, NGO & Non-Profit, Media, Telecommunications, Transport and Automotive, Logistics and Distribution, Energy, Environment and Sustainability, Technology including Cloud Computing, Big Data, Software Engineering, IoT gadgets, Cyber Security and more.

* Aristotle (384-322 BCE) was a Greek Philosopher and Scientist who explored and wrote about the Theory of Human Nature including the Pursuit of Happiness, as well as physics, metaphysics, psychology, theatre, music, logic, rhetoric, linguistics, politics, government, ethics, biology and more... His work has influenced much of today's society and culture including politics and religion.

The case study examples in this book will explore opportunities for transformation through co-creation, based on these four pillars ...

Why success is planned

WINs are sponsored, focused, coordinated ... and planned



Many battles have been lost from not having a cohesive strategy, or game plan, where teams are focused on achieving a common mission with interrelated goals and lead by a champion.

This lack of central focus and strategy allows individuals to resort to random and uncoordinated tactics in the hopes of a lucky break.

In the same way, failure is likely for a transforming enterprise working to battle rivals in the digital ecosystem if its transformation projects are disconnected, with no leader to coordinate and focus execution effort around a central game plan. In this circumstance the door is then left open for the scope creep and for ingress of random ideas.

Let's be clear about this ...

We are not saying you should not prototype and test ideas. In the innovation lifecycle, an openness to new ideas, supported by prototyping, is essential to ensure the best use of resources while increasing the chances of discovering that silver bullet to victory.

We are not saying your projects should follow plans that are so rigid that any new information with the ability to change the course of the journey, no matter how relevant, should simply be ignored because changes are simply not allowed ... and the project must stay on course to deliver on time and on budget.

It is easy for project coordinators to move toward one of these extremes. Unfortunately, in both extreme cases, the net result is a lack of *business agility* which leaves the project, the wider enterprise, and its existing business model, open to disruption.

Almost all plans are challenged by rivals and broken over time. This is part of the game of business: Planning for victory by creating game plans that are practiced, deployed, executed when needed, and adapted to the situation. This different to creating a plan on paper that doesn't get executed properly (or at all).

What's important is a central mission, supported by a common language or framework, along with a process or methodology and tools to align and coordinate the execution effort .

“

You won't find it difficult to prove that battles, campaigns, and even wars have been won or lost primarily because of logistics.

General Dwight. D. Eisenhower

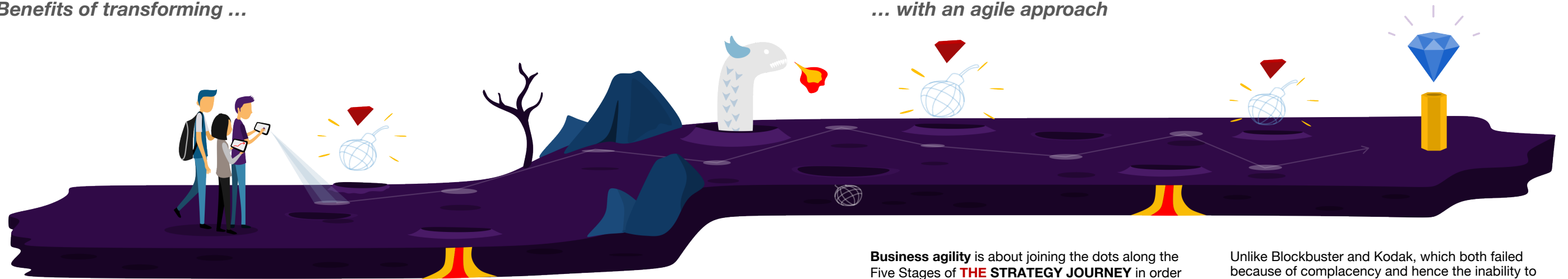
”

Joining the dots ...

Benefits of transforming ...

... to build Business Agility

... with an agile approach



Strategy designs are hypotheses which amount to nothing without the right execution. Both the design and execution plan are equally challenging to get right in today's fast changing Digital Economy.

With the added complexity from faster transformation and the minefield of disconnected projects that need to be executed in order to deliver any value, it is essential to have a joined-up approach through the strategy-to-execution journey.

What if the wrong strategy is designed and then executed? Or the right strategy is poorly executed?

Both cases lead to undesirable outcomes and unfavorable or even disastrous consequences. They also waste valuable resources, if poor or insufficient data is collected, leading to further opportunity loss when no lessons can be learned from the failed projects.

This was how Lego, Blockbuster, Kodak and especially SunEdison failed in their Big Bang approaches to transformation as they navigated through their strategy journeys.

This kind of *Big Bang Transformation* approach is highly risky, because the enterprise is transforming and using valuable resources in most cases too fast, leaving little scope for course correction or new opportunities to be discovered along the journey.

Faster transformation is necessary to cope with the onslaught from disruption by the Digital Economy, however an enterprise can transform itself to death, by speeding up its path to self-destruction, if it takes a Big Bang approach to transformation.

Faster transformation is not the same as agile transformation, which is to build *business agility* in order to transform both better and faster.

Business agility is about joining the dots along the Five Stages of **THE STRATEGY JOURNEY** in order to navigate through them better and faster ... before starting again on the next journey.

The benefits of building *business agility* include:

- **More time to learn, adapt, and improve** using smaller projects that allow strategies to be tried and tested, as part of the strategy execution process;
- **Better outcomes and hence more value added** as the gaps between disconnected projects are reduced with a joined up and aligned end-to-end strategy that can capture both quick wins and deliver on strategic objectives; and
- **Better and faster solutions** as co-creation increases the perceived value of solutions and embeds them into the customers and user journey at the same time, leading to faster adoption.

The net effect is a transformed **culture of learning** that can accelerate exponentially and become embedded within the DNA of the entire organization.

Unlike Blockbuster and Kodak, which both failed because of complacency and hence the inability to identify and execute the right strategies on time, or SunEdison who thought it was possible to buy a new business model at an inflated price without having to make any changes to improve the business model and operating model, Lego actually had a strong and mature innovation-driven culture and operating model. Perhaps this is why it was able to change once it was able to focus its efforts on the right strategies through *business agility*.

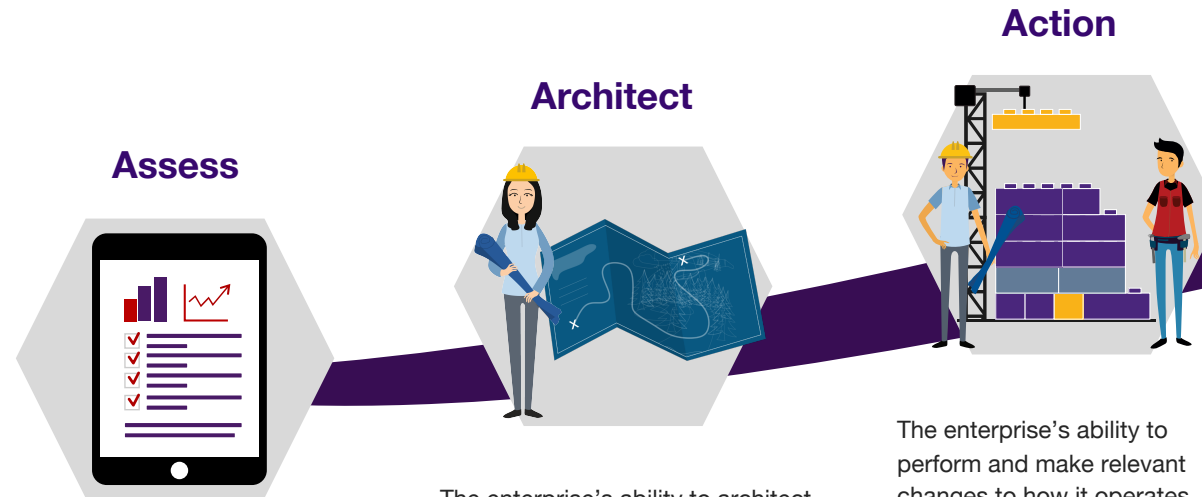
Innovation is great, but if you're innovating randomly as Lego did, without an end-to-end strategy to guide efforts and take people down the right paths, then the consequences can be disastrous. Lego attempted a Big Bang approach to transformation, putting significant resources into diversification and new products that weren't adopted beyond the initial trial period. Unfortunately, Lego wasn't conducting a trial; it diverted all its resources to these new initiatives.

Lego was able to turn things around after it almost ran out of cash in 2003, by introducing the necessary structure to transform its Operating Model to one led by *business agility* that includes better directed innovation.

Building business agility with ...

Invest in building an effective business transformation capability

To build and sustain its *business agility*, an enterprise needs to assess, architect, action, account and accelerate how it operates continuously better and faster. These five business activities which form an enterprise's 'business transformation capability', need investment in time and resources, including the upskilling of staff to manage and perform the activities, if the business is to have *business agility* and all its benefits (p. 52) for the long-term.

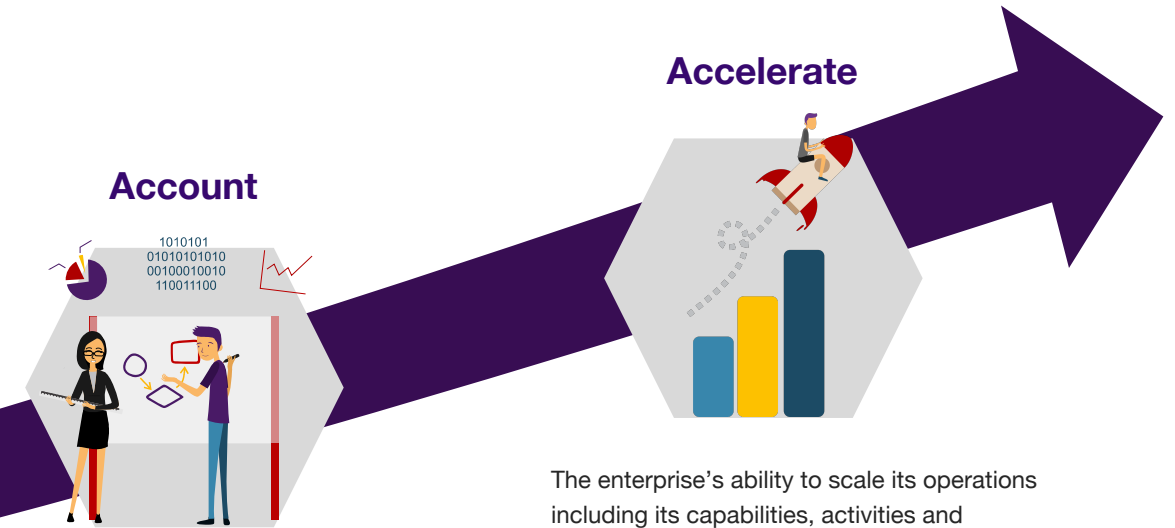


The enterprise's ability to assess its current state of operation and its performance relative to competitors and comparable peers in the marketplace, while predicting its own trajectory based on understanding impacts and influencers from its surrounding business ecosystem.

The enterprise's ability to architect the foundations and paths by which it will continue to operate and change to enable growth and sustain its existence. This involves understanding exist operational efficiencies and costs, versus the requirements to support deliver of current and future services to customers, and where best to invest funds for business transformation.

The enterprise's ability to perform and make relevant changes to how it operates including its effective deployment and user of resources, while maintaining speed to market as well as quality of service. This involves managing capacity, productivity, quality control, security, risks for business as usual as well as during business transformation.

... strategic quick wins



The enterprise's ability to measure and predict the performance of current and future business activities including business transformation efforts based on the data that it has about customers and transactions, and its utilization of resources.

The enterprise's ability to scale its operations including its capabilities, activities and resources up or down with appropriate speed and time, based on different transformation challenges. This includes threats that could disrupt the business, as well as new service innovation opportunities that if capitalized would support future growth.

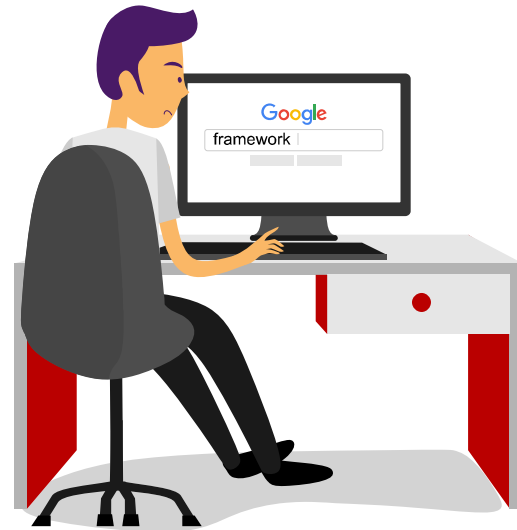
Where an enterprise does not have this long-term *business agility*, because it is a start-up with limited resources to invest, or a large corporation with too many people and older systems to support and change, what can it do to 'change the game'? Long-term *business agility* can be difficult to achieve, when decisions have to be made between short term gains that could cause pains in the long term, versus making sacrifices in the short-term for longer term benefits.

What is the right balance between achieving long-term *business agility* versus investing in quick wins?

An enterprise needs to assess for quick wins that are strategically aligned, that it can action quickly, to help it accelerate. As it conducts this assessment, and through this strategic alignment, it is architecting and accounting for each quick win. This is how to build *business agility* through 'strategic quick wins'.

This approach to building 'business agility' is what we recommend as you go through this book and begin to explore, try, use and apply the tools and techniques presented in THE STRATEGY JOURNEY Framework.

Leverage Best Practices ...



Enterprises today face continual challenges and often have to solve a number of problems simultaneously. Survival and future success come down to their ability to transform better and faster in the rapidly changing Digital Economy.

Business transformation has become complex and difficult, and all enterprises are susceptible to Big Bang Disruption. To survive and thrive, an enterprise must embrace business agility and avoid a Big Bang Transformation approach that drains resources while it is focused on the wrong strategies and activities, and hinders it from adapting to new opportunities.

Transforming with a *business agility* approach works best when you have a framework to follow too.

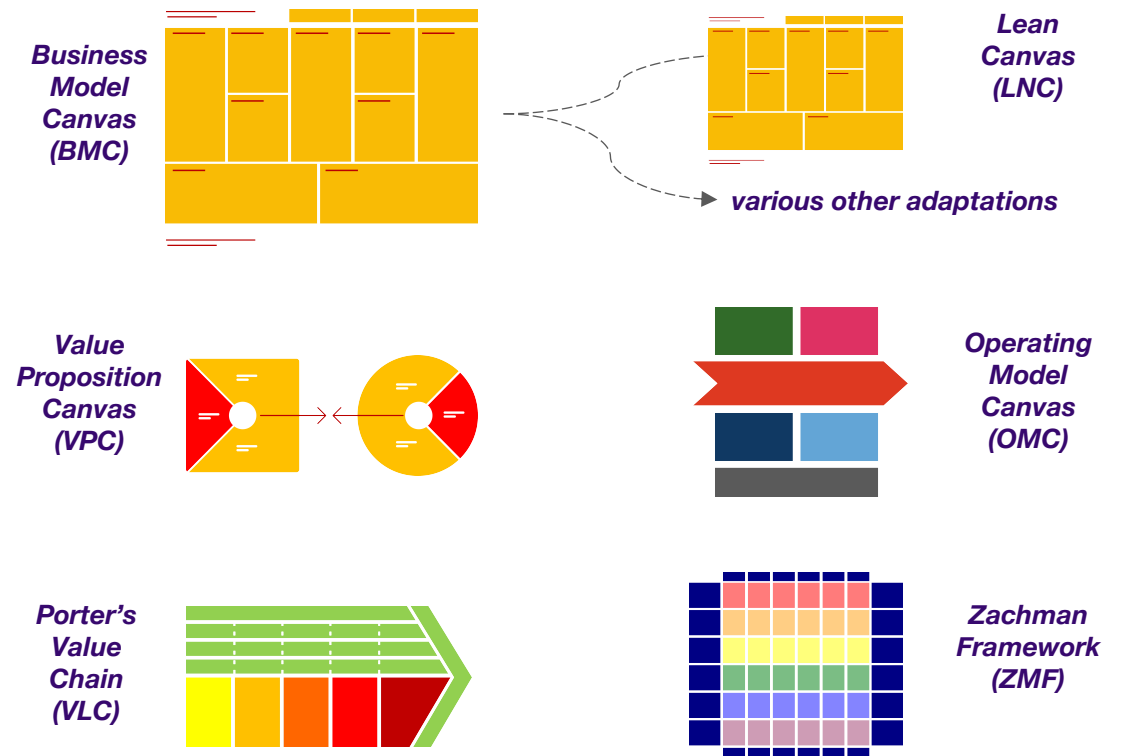
It is beneficial to use frameworks that have been tested through a process of iteration within real enterprises, as this is how they become best practices.

There are many best practice frameworks and models to help solve specific challenges along the end-to-end strategy journey so which ones do you use?

In this book, we have done the hard work for you and curated what we believe are the best practice frameworks and models that you can use along the Five Stages of **THE STRATEGY JOURNEY** as you embark on transforming your business in the digital age. We also cover HOW to use these best practices with our Five Model *Framework* of **THE STRATEGY JOURNEY**.

... to solve specific problems

Best Practice Frameworks* to leverage along THE STRATEGY JOURNEY

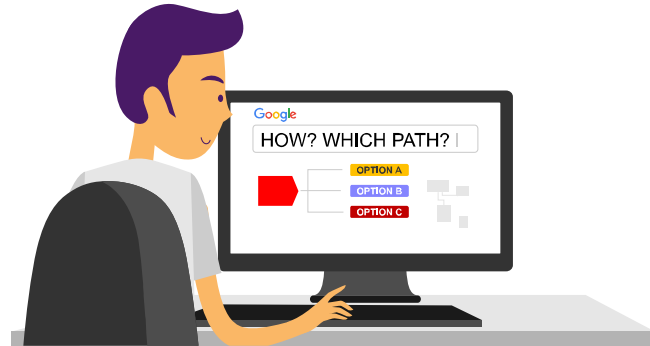


* These six frameworks are referenced in more detail within THE STRATEGY JOURNEY Framework and in this book. Other frameworks may also be mentioned, referenced and adapted.

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Three Guided-Paths ...

To navigate through **THE STRATEGY JOURNEY** end-to-end ...



While practitioners in the Management Consulting industry sometimes use the terms 'framework' and 'methodology' interchangeably, they are not the same. They provide two distinct functions, and when used together, they can improve the business agility of your enterprise.

A '**Framework**' guides you through the WHAT, and provides a common language to align different activities and teams during business transformation.

Frameworks however, don't cover the HOW part, including:

- HOW to define the strategies and actions to perform using the *Framework*;
- HOW to execute the strategies and actions defined with the *Framework* to deliver the desired outcomes; and
- HOW to leverage different *Frameworks* to help you solve specific problems within an end-to-end journey, and join them up to complete the end-to-end journey from *strategy-to-execution*.

This HOW is where a *methodology* comes in.

A '**Methodology**' deals with the HOW, and provides the process to execute strategies and deliver transformation changes.

In this book, we will introduce ...
THE STRATEGY JOURNEY Framework

WHAT is it? WHAT is in it?

We also provide 'guided-paths' on HOW to use **THE STRATEGY JOURNEY Framework**.

Three guided paths have been designed to address the three major areas that most impact enterprises in our fast changing Digital Economy:

- Business Model disruption
- Servicing new customer journeys
- Sustainable transformation

Joining the dots between all three paths to bridge the gaps between strategy and execution end-to-end is how you build, improve, and achieve *business agility*.

... to go end-to-end faster

Assess which guided-path to start with ...

All enterprises navigate through the *Five Stages of THE STRATEGY JOURNEY* differently based on their existing *business agility* and the specific challenges that they are facing at any point in time. This means that they can have different *points of departure* or *starting points*. This is why enterprises

should commence each end-to-end strategy journey with the guided-path that fits the problem they want to solve. The three paths do not need to be taken sequentially and it may only make sense for new start-ups to navigate through the three paths in sequence from concept to implementation.

Three **Strategy Journey Paths** to guide your enterprise on its end-to-end journey using **THE STRATEGY JOURNEY Framework**

Join the dots end-to-end to achieve 'business agility'



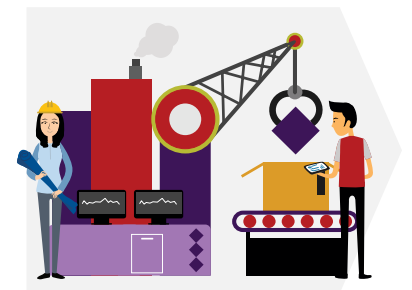
Business Design for Disruption

How to address the threat of disruption to the Business Model, and make appropriate decisions on what strategies and tactics to undertake in the next phase(s) of the business.



Transforming Operating Models with Service Design

How to design new services that deliver value according to customer and user journeys, and develop the new value stream and capabilities required in the Operating Model.



Managing the Transformation Journey

How to deliver changes in your Operating Model using co-creation, and instill a 'culture of learning' while improving operational efficiency and resources across geographies.

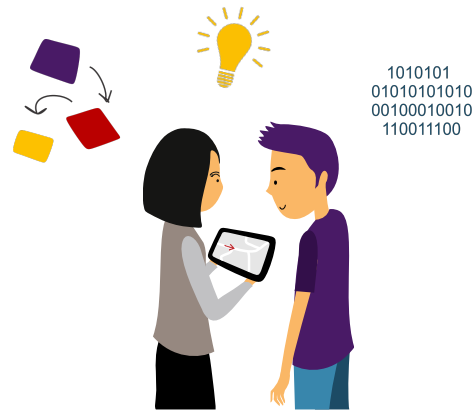
Which guided-path and 'roadmap' should your enterprise commence with?
Assess our enterprise or project with the **FREE**

THE STRATEGY JOURNEY Analyzer to find out ...

<https://strategyjourney.com/analyzer-tool>

Winning the game by ...

How to use this book ...



Every business challenge, big or small, goes through a journey, which we have framed using the five stages of **THE STRATEGY JOURNEY**.

In the rest of this book, we will show you WHAT **THE STRATEGY JOURNEY Framework** is, and its component models and tools, that you can use to help your enterprise navigate through its strategy journeys.

We will also show you HOW to navigate through your journey using the guided *Strategy Journey Paths*, and join the dots to help you build, improve and achieve business agility in your business.

So, besides reading the rest of this book, which provides you with a reference guide of tools including five **Strategy Journey Canvases** and techniques that you can dip into whenever you need to ...

Is there a PROCESS to follow?

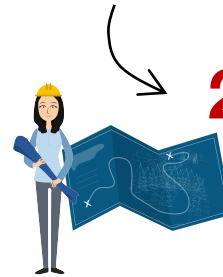
The process to use this book enables you to build your *business agility* ...

1 ASSESS your business

Conduct a current state review of your enterprise, including what happens if you do nothing, what goals and objectives you want to achieve, and what transformation journeys you may need to embark on.



You can use **THE STRATEGY JOURNEY Analyzer** to assess what *Strategy Journey Path* to take, based on your role and the challenges faced by the enterprise that you are serving.



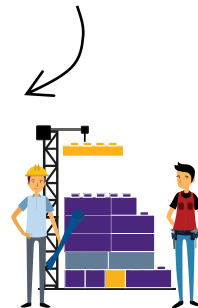
2 ARCHITECT your business

Select the appropriate **Strategy Journey Path** to help you solve your priority challenges and follow the guided steps including which tools to use on the path ...

To re-shape your business,
To design new services,
To optimize your transformation journey (All in the HOW section).

3 ACTION your strategies, tactics and roadmaps

Begin to execute the actions within the strategies, tactics and roadmaps that come from each **Strategy Journey Path**. Iterate and improve each hypothesis by co-creating with customers, users, partners and stakeholders, until the right actions are adopted and become embedded, while collecting data as you execute in order to support continuous learning.



... blending science and art

... To transform your business in the digital age



4 ACCOUNT for your business performance

Measure and review performance to determine future scenarios, using data collected from all activities including customer and user's journeys and internal processes.



Make decisions about what data to validate and the new strategies and tactics to start, stop, or change in your ongoing co-creation process with customers, users, partners and stakeholders. Update your transformation roadmap and communications to improve transparency and alignment.

5 ACCELERATE your business growth ... improve business sustainability

Determine what capabilities can be repeated or re-used, and prioritize which ones to scale based on how they support business transformation, and add value ... to help you grow and become more sustainable.



Identify any assets and resources that need to be maintained, stored, and enhanced. Invest in building up these assets and resources including people, processes, data and systems, across your entire operating model, as part of the co-creation and transformation process.

THE STRATEGY JOURNEY Framework, the **Strategy Journey Paths**, along with all the illustrative cases studies in this book, have been designed to provide you and your enterprise with a science to transform better and faster ... giving it the best chance of success in the fast changing ecosystem ... that is our Digital Economy.

But don't forget, one big thing ...

Science is great but only when it works after you invest in the effort to explore, try, use, and embed each hypothesis to make it a proven standard. Even Artificial Intelligence (AI) has its limits, and the significantly faster machine-learning process still requires decision making from a brilliant mind to accept the risks and take action.

Like in any game or sport, such as football or soccer, you can design strategies and build a team to follow processes with a lot of practice in order to deliver the best possible result, but that highly determined and motivated striker must take a risk, and take his or her shot, to produce that stroke of brilliance that will make the difference to change the game and win the game. It is the same in the game of running a business.

In this book, we cover HOW you can use both hearts and minds through a *culture of learning* to ensure the science of strategy is open to the art of possibility ... to help you capture all those opportunities for your business and career.

What

What's in ... **THE STRATEGY JOURNEY**

“ **THE STRATEGY JOURNEY** describes the five stages of the business lifecycle, as an enterprise moves from design to execution of its strategies, tactics, and business activities, transforming itself to continually deliver value to customers and all its stakeholders. ”

*To be able to successfully navigate the **Five Stages of THE STRATEGY JOURNEY**, we need to understand the components that make a business what it is, drive its very existence and shape its evolution.*



What is a **business**?

What constitutes **value** and what is **growth** in business?

What **motivates** business **customers** into action?

What is **business strategy** and **business transformation**?

What is the **digital economy**?

What is a **value proposition** and **innovation in business**?

What are the new **digital business models** of the future?

What **data-driven** techniques enable **digital transformation**?

What is **service innovation** and **co-creation**?

What **customers** and **stakeholders** work with and in businesses?

What **value models** yield business advantages?

What **transformation strategies** sustain and grow a business?

What **capabilities** transform the **Operating Model**?

What **runs and transforms** the business?

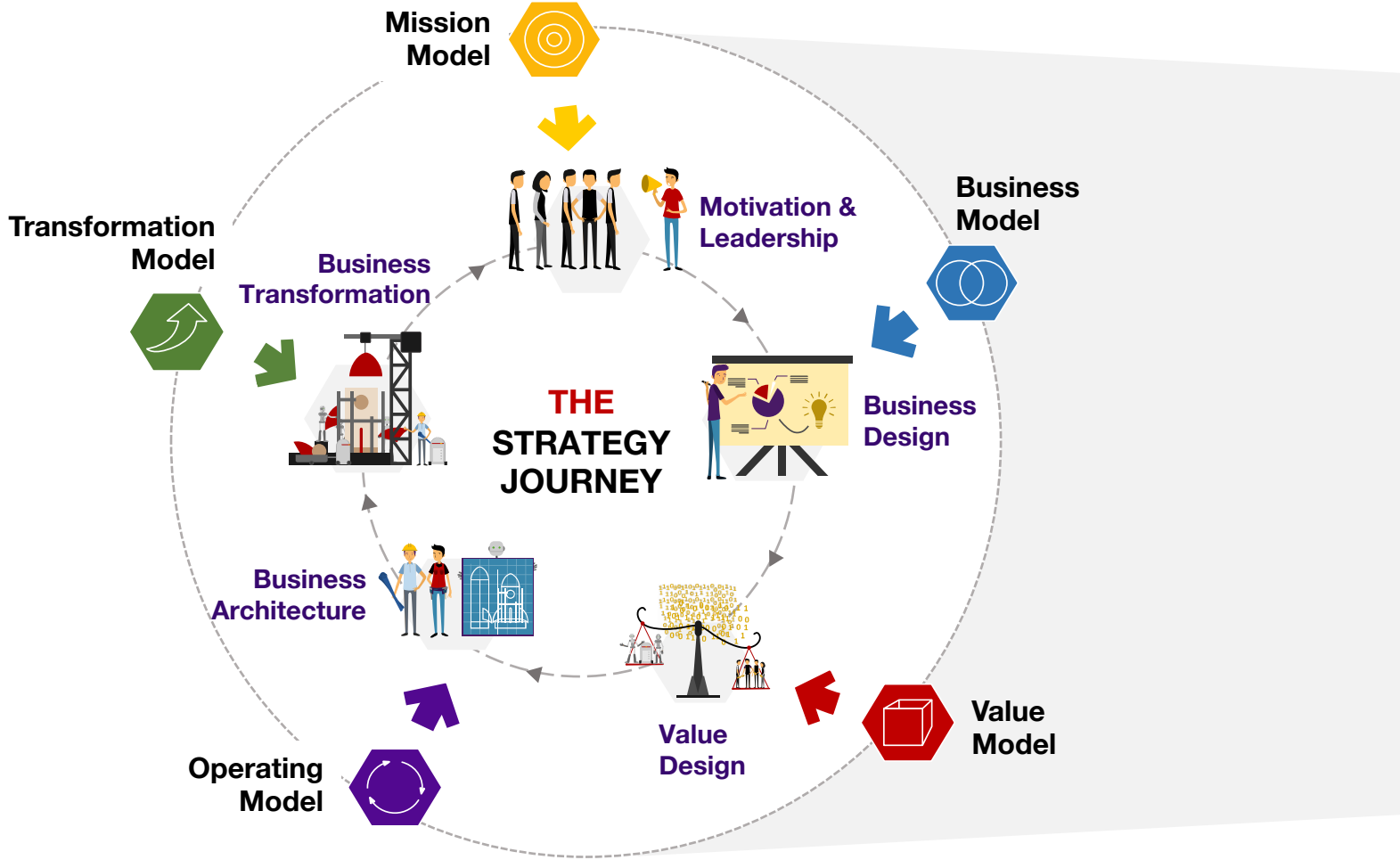
What is a **culture of learning** and **business architecture**?

What does it take to operate at **optimal business agility**?

*Together, these components form the underlying architecture that supports the ...
Five Models of THE STRATEGY JOURNEY Framework.*






Problem solving with ...

THE STRATEGY JOURNEY Framework is a problem solving toolkit, comprised of five models that can be used as blueprints to guide a business through its strategy journeys (p. 7-8). It provides the means to develop the strategies, tactics, and roadmaps needed to tackle *business transformation* challenges (p. 9-10), and enable a business to transform into the digital age with agility, accountability, and action to deliver value growth (p.69-72) to customers and stakeholders (p. 121-122).



THE STRATEGY JOURNEY Framework

The **Five Models of THE STRATEGY JOURNEY Framework** provide a standardized end-to-end foundation supporting *business strategy* (p. 79) formulation and transformation path definition. Each of the five models align to the **Five Stages of THE STRATEGY JOURNEY**. They address the transformation challenges of a business in the wider business ecosystem, that is the global digital economy (p. 95).

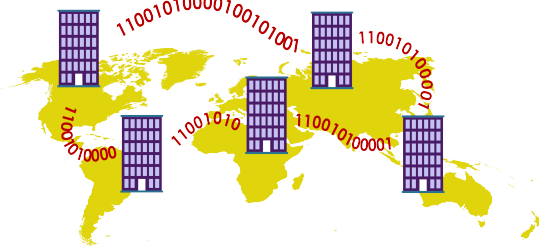
<p>Mission Model</p> 	<p>The 'Mission Model' describes the core purpose of an enterprise providing laser focus on the target <i>mission</i> that it seeks to achieve, while enabling the business to pull followers toward its future <i>vision</i>.</p>
<p>Business Model</p> 	<p>The 'Business Model' describes what constitutes and drives a business, giving it the means to make profit as well as growing the value of the business itself. It encompasses customers, <i>value propositions</i>, and details of what makes the business grow.</p>
<p>Value Model</p> 	<p>The 'Value Model' describes what constitutes value for an enterprise or a customer, encompassing where the value is created, the exchange of value between different stakeholders, and most importantly, how to find new opportunities to create value in the wider global business ecosystem.</p>
<p>Operating Model</p> 	<p>The 'Operating Model' describes HOW the business runs to support the design, build, testing, and delivery of its <i>value propositions</i>. Comprising processes, data, technology systems, people and governance of the business's capabilities to operate at a cost to achieve business outcomes.</p>
<p>Transformation Model</p> 	<p>The 'Transformation Model' describes the effort in time, resources, costs and the governance of the roadmap associated with the transformation journey of an enterprise, as it executes changes to its capabilities and improves its business agility, for continued value delivery and growth.</p>

What data-driven capabilities enable ...

In the digital economy a business has to immerse itself in information in order to innovate and transform successfully. Becoming **data-driven** means building the capabilities to identify, source and utilize data in all aspects of a business's strategy setting, product and service development, client base development and operations. There is a lot of data on the customer, market, transactions, operations, economic, any industry ecosystem ...) as summarized by the three types of data (p. 207-208) that can be associated with operating a business.

In a data-driven enterprise, the objective is to reach and operate continuously at 'predictive and intelligent' level of **Operating Model** maturity (p. 187-188). A business differentiates itself and increases the value that it can create, produce and deliver, as well as its own valuation (p. 150), by investing in the capabilities that enable it to operate with this level of maturity.

Operating a Data-Driven Enterprise

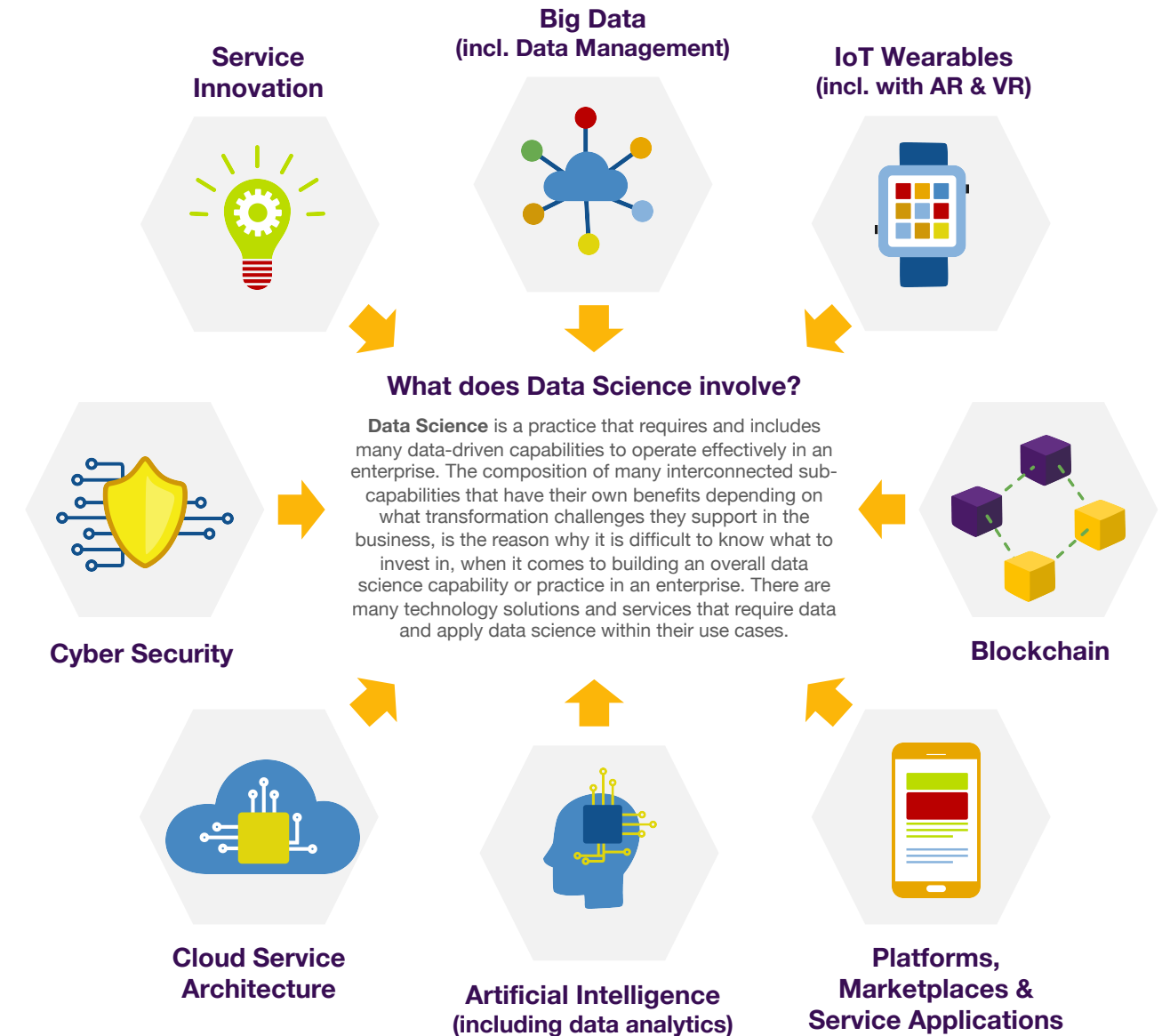


All stakeholders in a business (p. 122), whether senior executives, business management, change management, engineering & technology or operations need to utilize data in relation to:

- **Mission, goals and objectives directing the business**
- **Business Model and measurement of performance**
- **Customer value and customer interaction** (the end to end customer journey)
- **Services in the Operating Model** (the end to end service serving the customer journey)

This data that you define through applying the **Strategy Journey Paths** to join-the-dots in the Five Models of **THE STRATEGY JOURNEY Framework**, enables a more cohesive and continuous approach to *business transformation* by enabling *Service Innovation* (p. 115) to transform the **Operating Model** of a business while building *business agility* in the enterprise. All of this data and the intelligence that can be generated from it, must be supported by data-driven capabilities and technologies, which have increasingly becoming mandatory for operating a Data-Driven Enterprise.

... business transformation



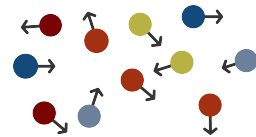
The Dos And Don't Of Practicing Strategy & Architecture In Business

HOW an enterprise approaches or applies the practice of strategy and architecture in a business can tell us a lot about its successes and failures when it comes to business transformation and strategy execution. It is where and with whom the power lies and indicates the transformation culture in the enterprise. Does every organization need to practice business architecture? Should a business build central capability in business architecture? How? Where? When? By Whom?

Five strategy & architecture practice approaches

We have summarized the do and don't across these five approaches that have been practiced consciously as well as unconsciously by different organizations:

Random & Sporadic Applications



Strategy & architecture is practiced unconsciously by random pockets of the organization across sales, operations, technology and customer servicing teams.

Dos

- Co-create transformation activities with other internal stakeholders to increase value creation
- Seek feedback from customers groups and share data with the rest of the organization
- Refer back to the organizations overall Mission, Vision and Values to align and account where possible to strategic objectives

Don'ts

- Apply transformation changes without understanding the implications to rest of the business, as well as operational risks to the overall organization
- Changes are not shared with other stakeholders, with no accountability, not supported by governance, and are not aligned to strategic objectives (ie. silo)

Solution Led by Technology, Engineering or Operations



Strategy & architecture is led by technology, engineering and operations teams that are focused on solutions that do not match or need matching to actual business problems.

Dos

- Co-create through prototyping and testing with customers and other business stakeholders to understand what business problems need to be solved, what value can be added, and be prepared to change the solution
- Ensure that solutions produce outcomes that are aligned to strategic objectives

Don'ts

- Force transformation changes that do not add value through solving real business problems in the short and/or long term.
- Conduct innovation in isolation of other stakeholders across the organization, that is based purely on the latest technology hype, with no alignment to strategic objectives

Change Management Led



Strategy & architecture is led by a central change management team, with a strong focus on planning and governance, to coordinate transformation activities and build capabilities, that are balanced across short and long term objectives.

Dos

- Transformation activities involve co-creation with appropriate level of responsibility, accountability, and contribution from the right stakeholders in the organization
- Transformation initiatives have clear outcomes that are balanced across multiple value measures and strategically aligned to Mission, Vision and Values

Don'ts

- Governance and bureaucracy, to ensure projects are conducted on time, on budget, with limited or no flexibility, stifles business agility
- Transformation initiatives lack sponsorship from senior executives, nor buy-in from other stakeholders with limited alignment to Mission, Vision and Values of the organization

Business Management Led



Strategy & architecture is led by business management teams or individual executives in the organization with a strong sales orientated focus that grow and expand the organization.

Dos

- Co-create value propositions with customer groups, to maximize value and pivot where necessary
- Co-create value propositions end-to-end with engineering, technology and operations
- Value Measures are balanced and aligned to Mission, Vision and Values, with senior executive and buy-in from to stakeholders

Don'ts

- Develop value propositions in isolation of other internal stakeholders and customers
- Lack of accountability and deferral to third parties with different organizational values and agenda
- Bias sales focus that consciously compromises on other value measures, and conflicts with Mission, Vision and Values

Strategically Driven Top Down and executed via Co-creation



Strategy & architecture is led from the top by senior executives, and driven into action through empowered co-creation by other teams who are supported by good communication, cohesive governance and investment in relevant capabilities.

Dos

RECOMMENDED

- Clarify what actions and outcomes need to be taken and produced by different stakeholders in the organization in the short and long term with strategic alignment
- Support all stakeholder teams with the mandate and adequate levels of investment and training, to co-create value propositions and perform activities in cohesion

Don'ts

- Invest in transformation initiatives that are not aligned to the organization's strategic objectives, or are third party led and not co-created with internal stakeholders
- No or poor communication of strategic objectives, WHAT actions and outcomes need to be delivered through co-creation by different internal stakeholders

How

Bridging the strategy execution gap

Enterprises big and small have tried many methods to successfully implement their new strategies, while transforming their organizations. However, this gap from strategy design to strategy execution remains a major challenge, with many projects that fail to deliver the value add desired by the business's strategic objectives, thus resulting in diminished ROI.

How can we change the odds from the 30:70 hit-miss record* that has remained unchanged for so many decades, as organizations navigate through their business lifecycles and along the minefield of disconnected projects that form their strategy journeys?

*The Five Models of **THE STRATEGY JOURNEY Framework**, can be joined into **THREE GUIDED PATHS** forming an end-to-end **Methodology** that enables an enterprise to cohesively bridge its strategy-to-execution gaps, and build its business agility, in an increasingly connected digital economy.*

New Operating Model Reality



Current Operating Model Reality



** Illustrative statistic carried forward from p. 40.*

Three digital economy challenges ...

In the fast changing digital economy, all businesses big and small are faced with three big challenges in addition to the *10 universal transformation challenges* (p. 9-10), as they navigate through their strategy journeys to adapt their **Operating Models** and innovate **Business Models** with solutions that become adopted by customers:



Business Model disruption

When consumers are continuously changing the way they think, act and behave, this opens up a world of opportunities for innovations to become adopted quicker than ever before. Customer hyperadoption by some demographic groups (p. 126) has facilitated big bang disruptions through innovations from non-competitors (p. 103), increasing the need to compete through improved experiences. It is this constant change in customer behaviour that has and can continue to render many existing business models obsolete.



Servicing relevant customer journeys

Businesses must learn to anticipate the changing needs and wants of customers through co-creation, and offer new services that form their customer journeys with improved connectivity and value add.

... in THE STRATEGY JOURNEY

Customers adopt innovation delivered by new Business Model



Sustainable transformation

The increase rate and pace of change in the business ecosystem means an increase in costs to innovate and transform the operating model, in order to support the new business models of the future. Costs includes more time, resources and funds, and hence the potential for more waste too, if the transformation journey is not managed properly to deliver the best ROI possible.

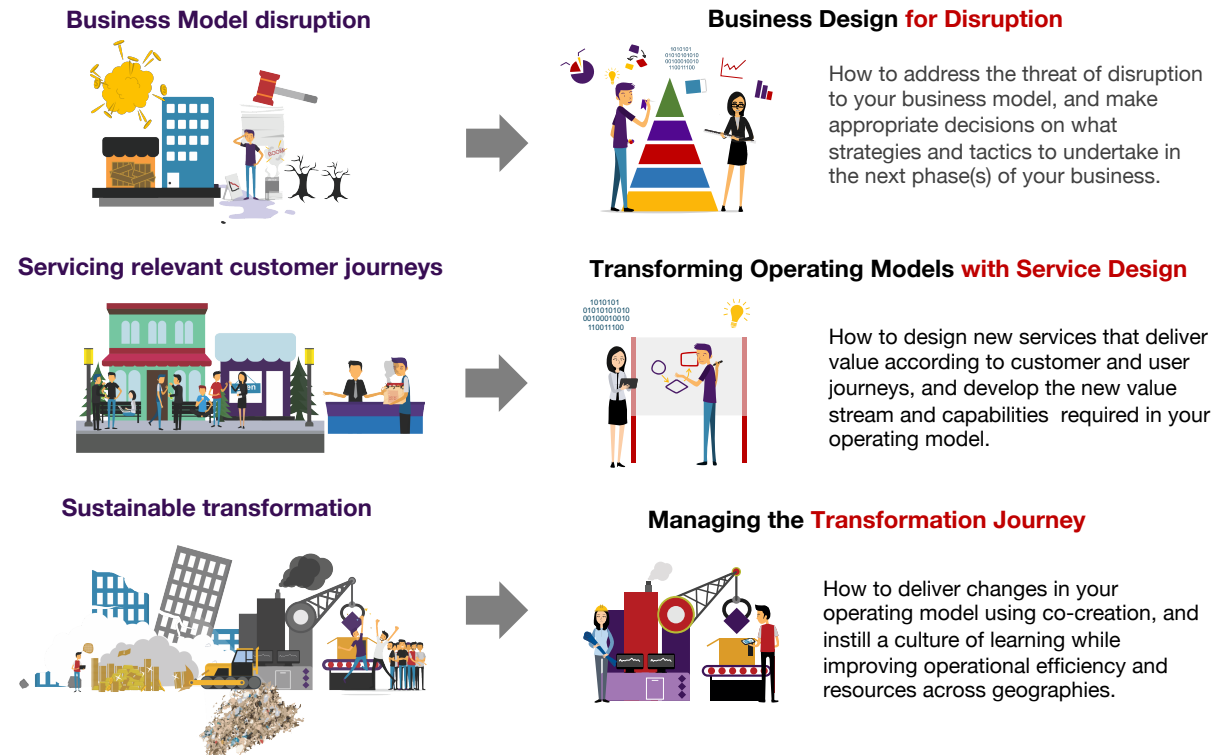
Paths are recipes for applying...

Enterprises traverse the *Five Stages of THE STRATEGY JOURNEY* differently based on their existing level of business agility and transformation maturity (p. 51-54) and the specific transformation challenges (p. 9-10) that they are facing at any point in time.

This means that they may have different *access points* or *starting points* depending upon their type of business transformation challenge. This is why enterprises should commence each end-to-end strategy journey with the guided-path that fits the problem they want to solve. Deciding what the challenge actually is, is as important as solving it using a structured and tested methodology. A higher level of transformation maturity will also provide more accuracy when executing a path.

Three guided paths to traverse THE STRATEGY JOURNEY end-to-end

In **THE STRATEGY JOURNEY** methodology, there are three paths specifically aligned to the three digital economy challenges faced by a business:



THE STRATEGY JOURNEY *Framework*

What makes a Strategy Journey Path?

The **Strategy Journey Paths** are constructed from the Five models developed in the **THE STRATEGY JOURNEY Framework**. A single path is supported by a subset of the models. The analysis approach in a model is used to gather and derive specific data which is then summarized in a **Strategy Journey Canvas** for each logical step of a path.

Joining the three paths in sequence enables a business to bridge the gaps between strategy and execution end-to-end and in doing so build, improve and achieve *business agility*.

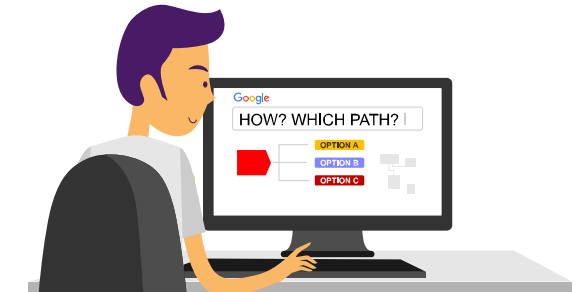
Individually the paths support business design, service-led transformation design and transformation execution.

Which guided-path should your enterprise or project commence with?

The three paths do not need to be taken sequentially and it may only make sense for new start-up businesses to navigate through the three paths in sequence from business design supporting a strategy to implementation.

Choosing which path to commence with needs to factor in the following :

- An enterprise's ...
- Business transformation challenges
 - Priority goals and objectives
 - Immediate versus long terms threats that could cause disruption



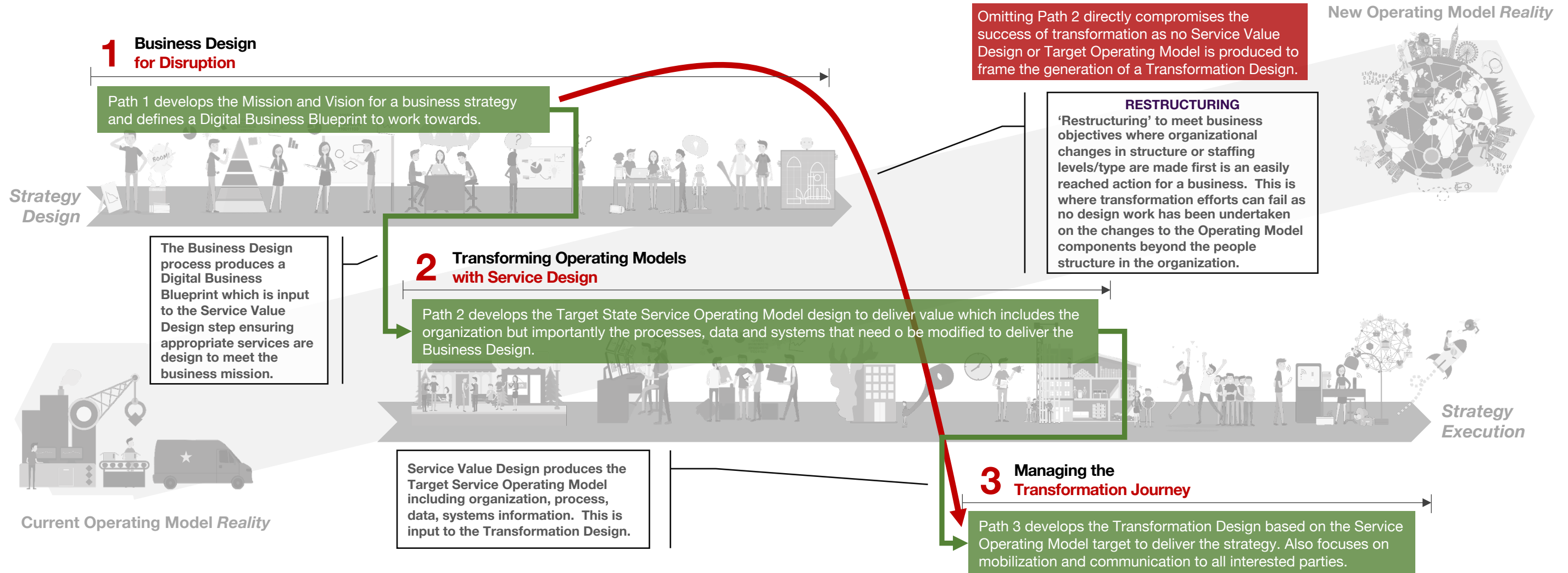
You should also consider which part of the current **Operating Model** your project is operating within, your role within the enterprise and the implication of these to the **Target Operating Model** if it exists.

We have developed a tool to help you consider your needs in this respect and discover the Path with the best fit to get you started – in the **Strategy Journey Analyzer**.

*Assess our enterprise or project with the free **STRATEGY JOURNEY Analyzer** tool at:*
<https://strategyjourney.com/analyzer-tool>

Joining the dots with **Service Innovation**

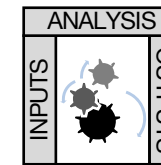
A great many transformation initiatives that are undertaken fail partly or completely to deliver the intended business outcomes (p. 39-40). Businesses will readily undertake **Path 1** and revise their strategy and vision for a new business design feature or a revision to the existing design. Businesses with a low Operating Model maturity can tend to jump too quickly to **Path 3** and execute transformation to try to immediately realise the business design vision and associated benefits, without joining the dots in **Path 2**.



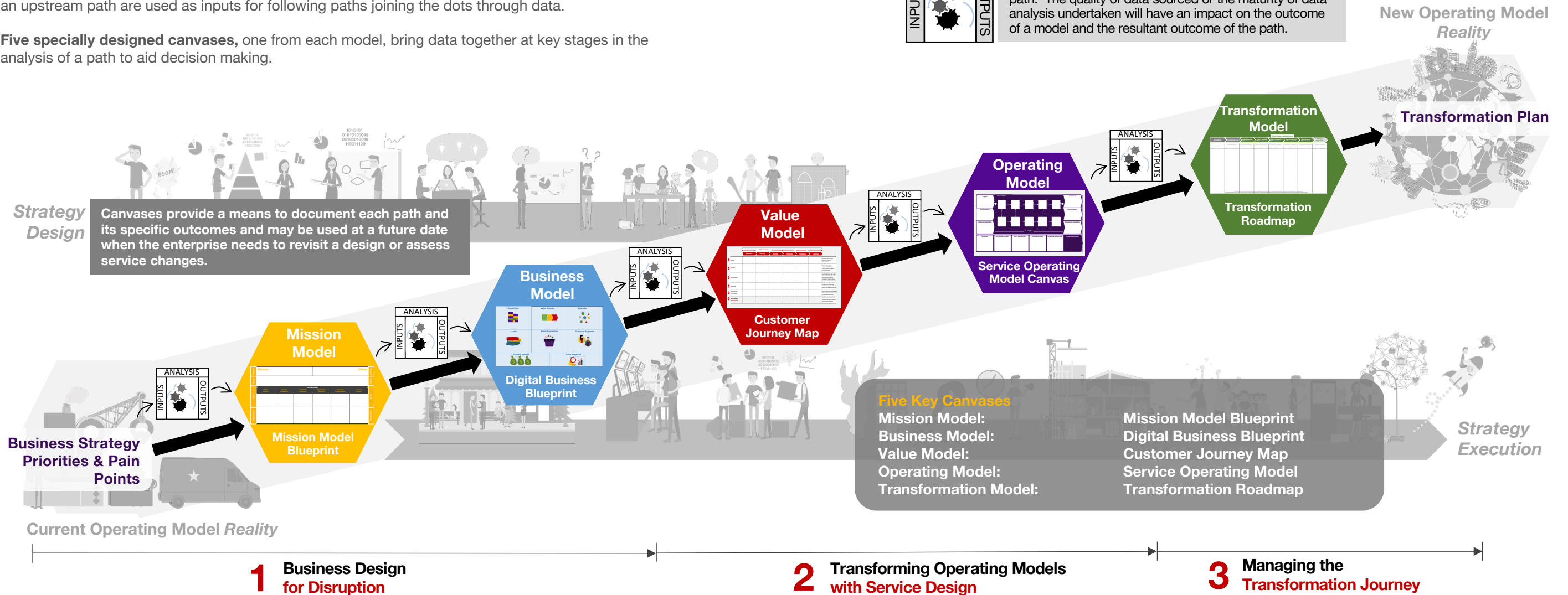
Joining the dots with data

The three **STRATEGY JOURNEY Paths** are enabled through specific data sourced from analysis prescribed by each model in the Framework. In each path, data is collected in a structured manner using **THE STRATEGY JOURNEY Canvases** aligned to each of the models. Key elements of data derived in an upstream path are used as inputs for following paths joining the dots through data.

Five specially designed canvases, one from each model, bring data together at key stages in the analysis of a path to aid decision making.



Data capabilities are required in order to work through the data collection and analysis within a model as part of a path. The quality of data sourced or the maturity of data analysis undertaken will have an impact on the outcome of a model and the resultant outcome of the path.



Next Steps

How to continue your learning journey

To win in the 'game of business', you have to keep learning to play the game (practice and apply) to take your shot.

Here are some resources and tools to dive deeper into...

THE STRATEGY JOURNEY Framework and Paths... to help you accelerate your Career Growth... and resolve your business challenges.



THE STRATEGY JOURNEY BOOK

Enroll in the
**Strategy Journey Kickstarter
Masterclass Series**

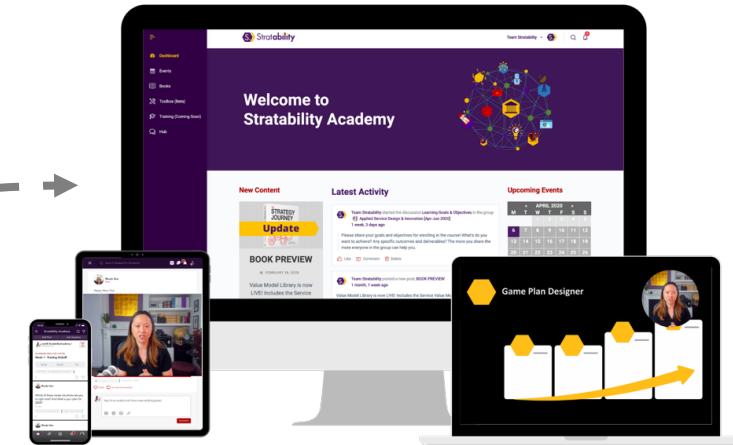


This 4 step mini-course with WORKSHEETS and a private community is **included** as part of owning this book.

Discover your
Strategy Journey Path

<https://strategyjourney.com/kickstarter>

Level up with the **STRATEGY JOURNEY Accelerator**



Do you want to accelerate your growth and level up your Career Journey with **access to the special techniques, tools and guidance, including mentoring** from the authors and other practitioner experts who together have many 100s of years of cross industry experience along the 5 stages of **THE STRATEGY JOURNEY**?

Want to learn how they applied their craft to **become industry and domain leaders**?
Want to steal their secrets and techniques to build-up your own experience, and personal brand inside your Career Portfolio to **increase your opportunities and income by many multiples**?

With a growing set of case study examples including lead author Julie Choo's Career Strategy Journey...
How did Julie get promoted to a 6 figure salary within 2 years post graduation, despite being made redundant at 23 following a major global industry and economic disruption?

Discover her strategy journey to VP and Director, independent consultant advisor and strategist to the C-Suite of many multinational Fortune 500 companies including big banks. Follow her journey to entrepreneur and founder of her own company as well as speaker and coach capable of charging up to 10000 USD per day for her time.

Get both the **technical business skills and the non-technical 'soft' inter-personal skills in the one place** to transform your career and **fast-track your transformation to your dream career**, and especially if you are currently stuck, want to switch out of your 'nightmare' or 'non-existent' career, and looking to find your passion.

<https://strategyjourney.com/accelerator>

The STRATEGY JOURNEY >

> Extended FRAMEWORK with 25 Canvases

The Five Models of **THE STRATEGY JOURNEY** Framework can be extended from 5 Canvases into 25 structured design thinking tools for practicing strategy and architecting your business and career, to empower transformation in the digital age.

Learn more at <https://strategyjourney.com/extended-framework>

