

Opening Speech | Anatomy of a Successful Digital Transformation



McKinsey
& Company

SIMON WINTELS

Partner

McKinsey & Company



TRANSFORMATIO

28 OCTOBER 2022 | SINGAPORE | PARKROYAL COLLECTION MARINA BAY | #CHIEFTRANSFORMATION

Anatomy of a successful digital transformation

CXO Innovation Summit

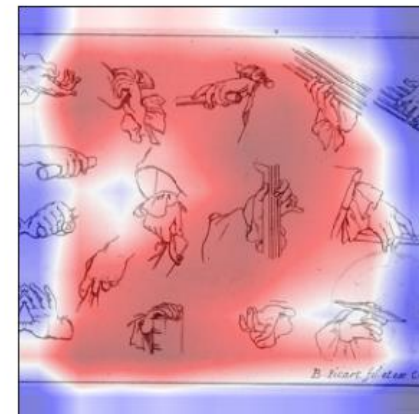
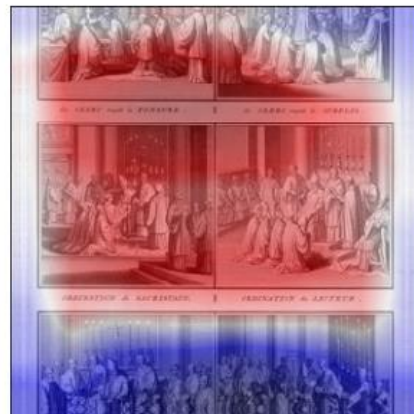
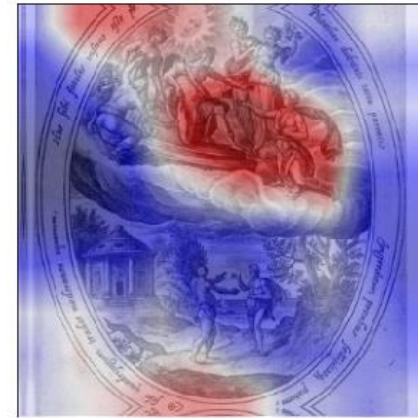
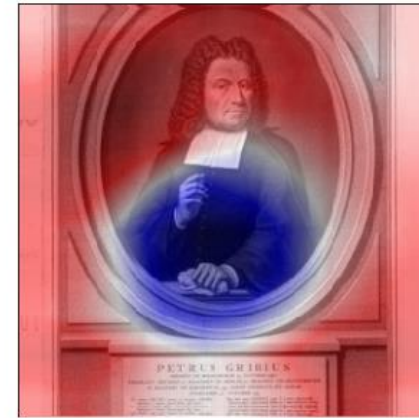
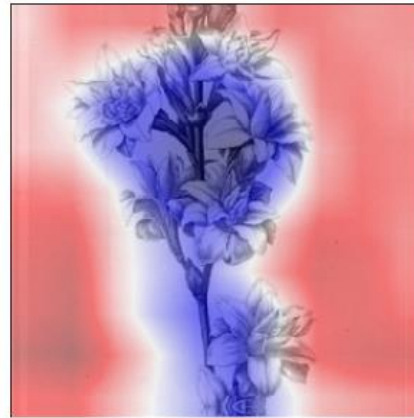
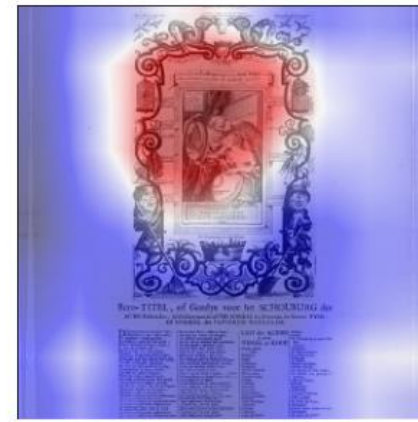
October 2022

Simon Wintels

With McKinsey since 2007

Lead our Retail and
Consumer Goods Digital and
Advanced Analytics Practice
in Asia Pacific

Deep passion for digital and
analytics, enthusiastic
machine learning hobbyist





The **New** McKinsey

\$21 billion

In client impact in last year from
analytics and AI projects

“The McKinsey of AI may yet
turn out to be McKinsey itself.”

The Economist, June 22, 2017

Transformation

noun

trans·for·ma·tion | \ ,tran(t)s-fər-'mā-shən \

“Genetic modification of a bacterium by incorporation of free DNA from another bacterial cell”

A low-angle, black and white photograph of several tall skyscrapers reaching towards a cloudy sky. The perspective is from the ground looking up, making the buildings appear to converge towards the top of the frame. The buildings have various architectural styles, including glass facades and repetitive window patterns. The text is overlaid in the upper center of the image.

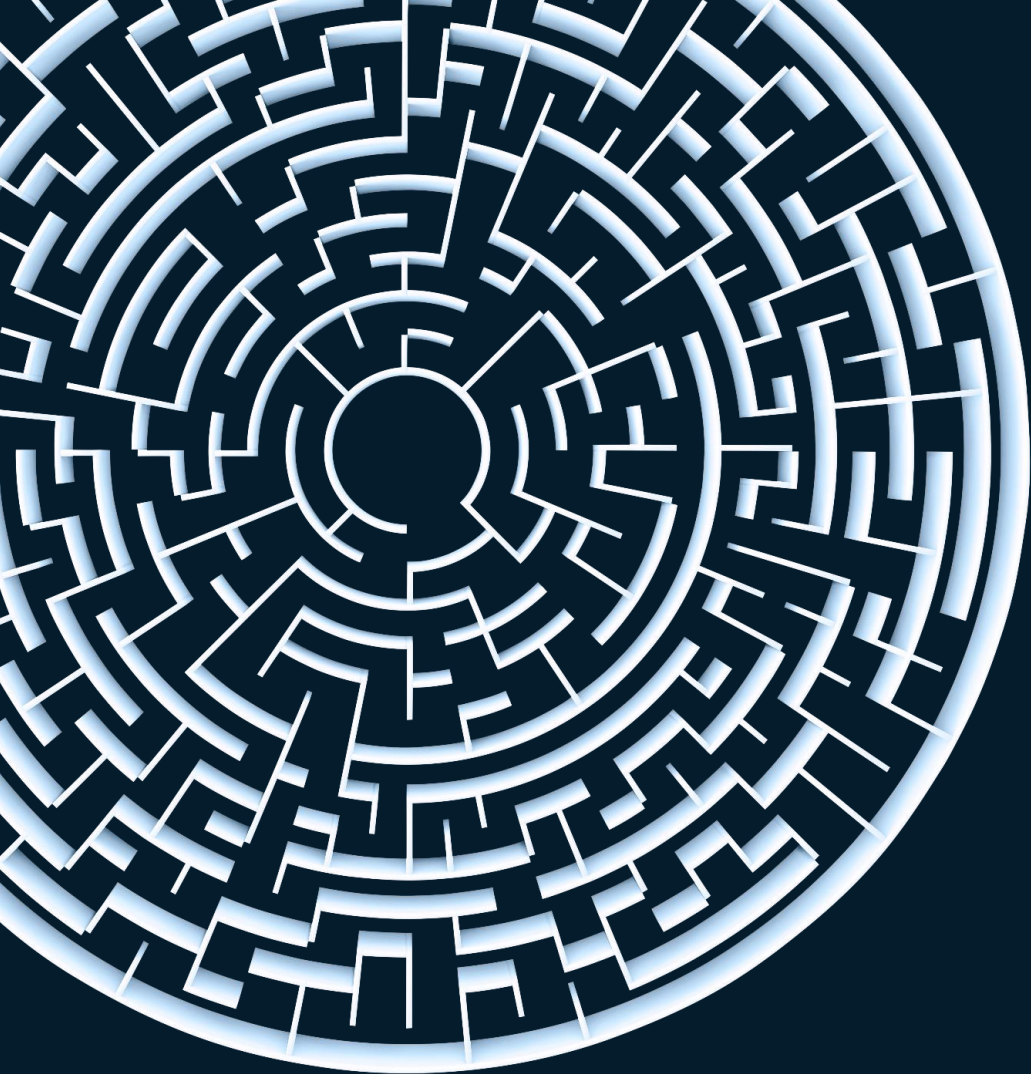
Vast majority
of companies have
high aspirations...



>90%

of surveyed companies
have high aspirations
for Digital and Analytics

“I want to be an industry leader
and enable top quartile margins;
OR My business model will be
completely redefined and margins,
significantly increased”



...but are stuck



only...

<20%

are fully realizing value

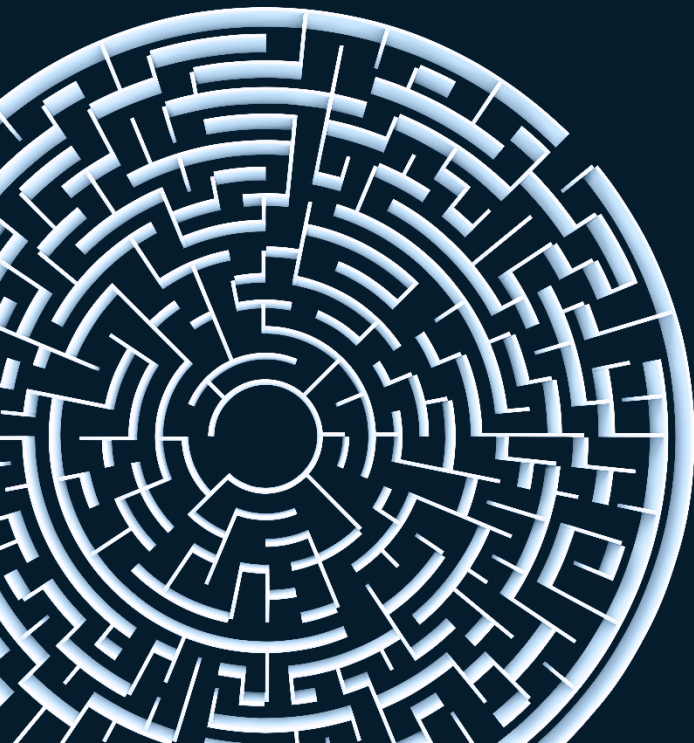
D&A is a part of my organisation's cultural Digital and Analytics; my org structure is optimised for D&A and insight-driven decision making is the norm; >50% of operating profits is driven by D&A



“I have more pilots
than Singapore
Airlines”

CEO of one of our clients

Most digital transformations get stuck in **pilot purgatory**



A transformation ...



Is part of the strategy, which unfolds in the doing



Is complicated with cross-functional collaboration and multiple inter-dependencies



Requires fundamental changes to capabilities and behaviors

Seven sins of transformation

Lack of direction and difficulty in managing ambiguity with lots of trial and error

Premature execution without clarity in opportunity areas or resistance to execution

Difficulty in collaborating across functions, BUs and partner ecosystem

Suboptimal prioritization and sequencing of journeys

Delayed IT involvement

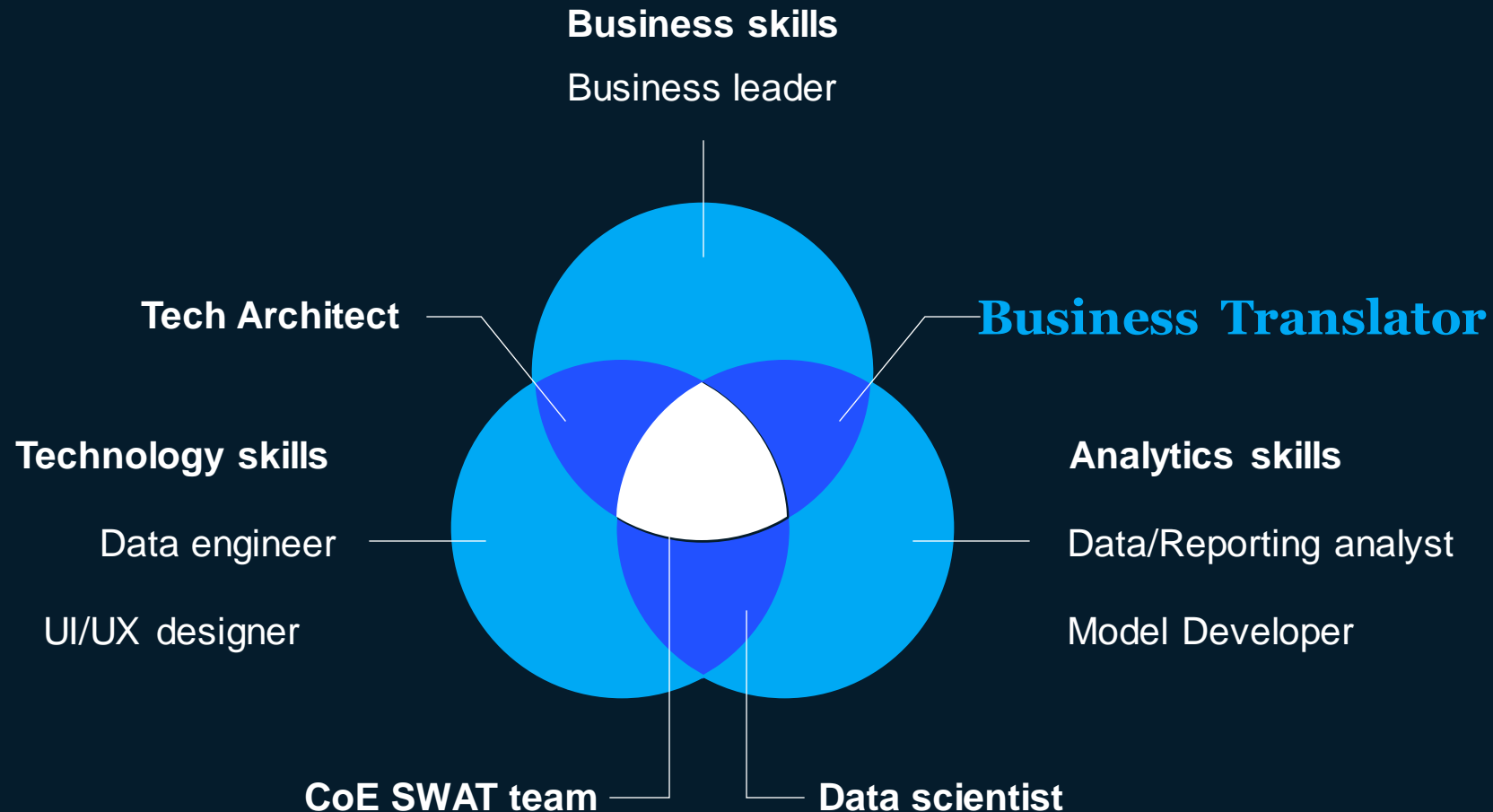
Underestimate cultural and mindset transformation – resistant to being agile

Difficulty in attracting digital talent and building capabilities from within

Successful DnA
transformations have
3 elements
in common



Skills & Capabilities: Talents with multi-disciplinary skills such as business translators are pivotal and hard to find





Business Translator

The link between DnA and business needs / requirements, building story and driving adoption

Skills & Capabilities: attracting the right talent



Targeted value proposition



Developing and actively communicating a compelling digital & analytics value proposition



Attract 'anchor hires'



Like attracts like – invest in anchor hires who are leaders in the industry



Acqui-hire



Grow data analytics and digital team through acquisition of startups



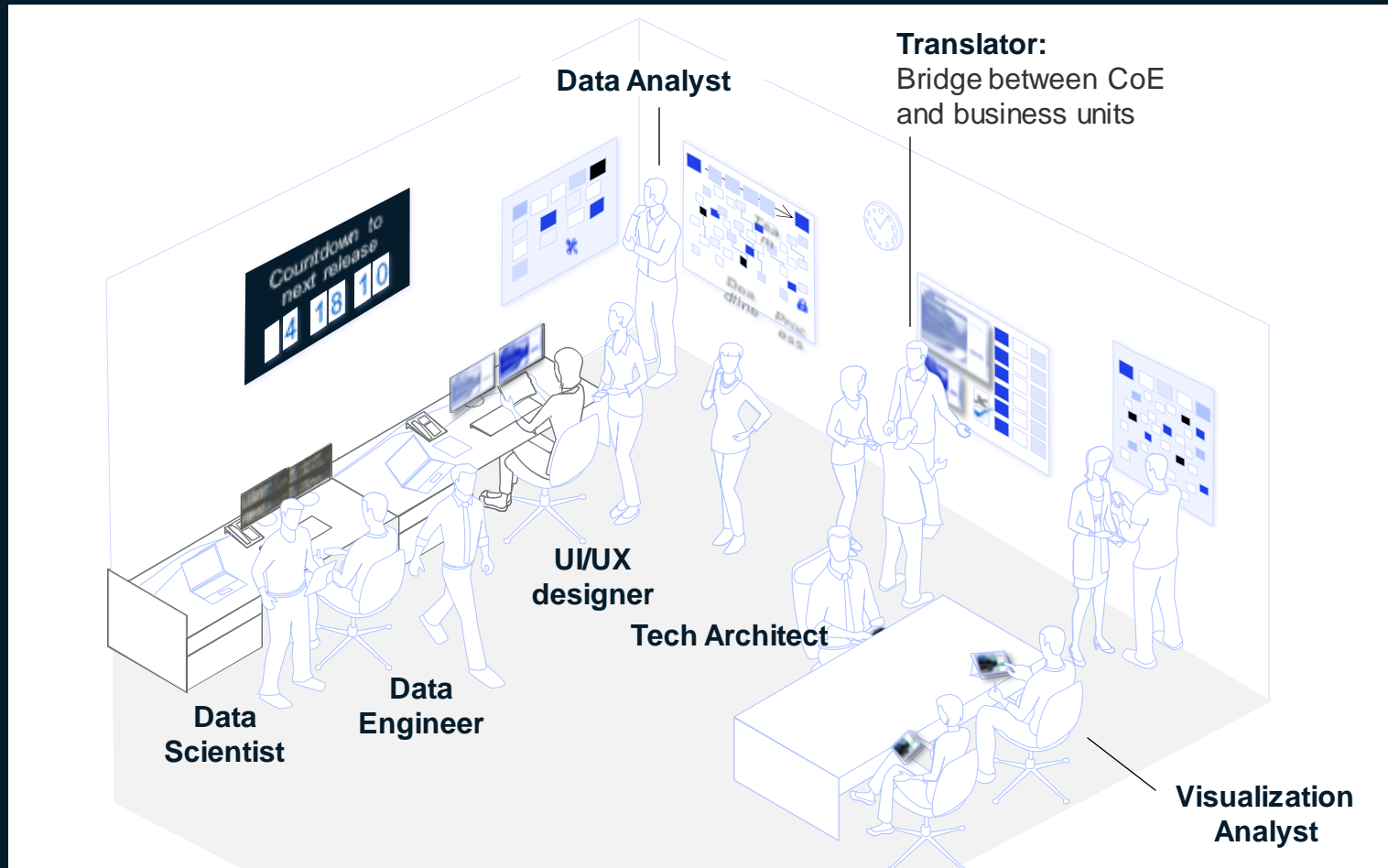
Reimagine recruiting



Viral interview process, gamification, creating own sourcing platforms e.g. hackathons, online competitions

Operating Model: Drive cultural change and training people-on-the-job in an agile way

Centre of Excellence to drive DnA-led initiatives and change



Co-locates with business functions, in flexible working spaces

Supports multiple problems for each function

Trains people on-the-job, in addition to seminars

Prioritises cases where value is created and outcome is measurable

Spreads ideas and innovative practices to the entire organisation

Brings cultural change within the organisation

3 things to take away



Everyone is doing something... but most are stuck



3 critical elements to a true transformation: link with strategy, clarity on value, supported by right enablers



70% is change management, capabilities are critical

McKinsey
& Company

Thank you!