



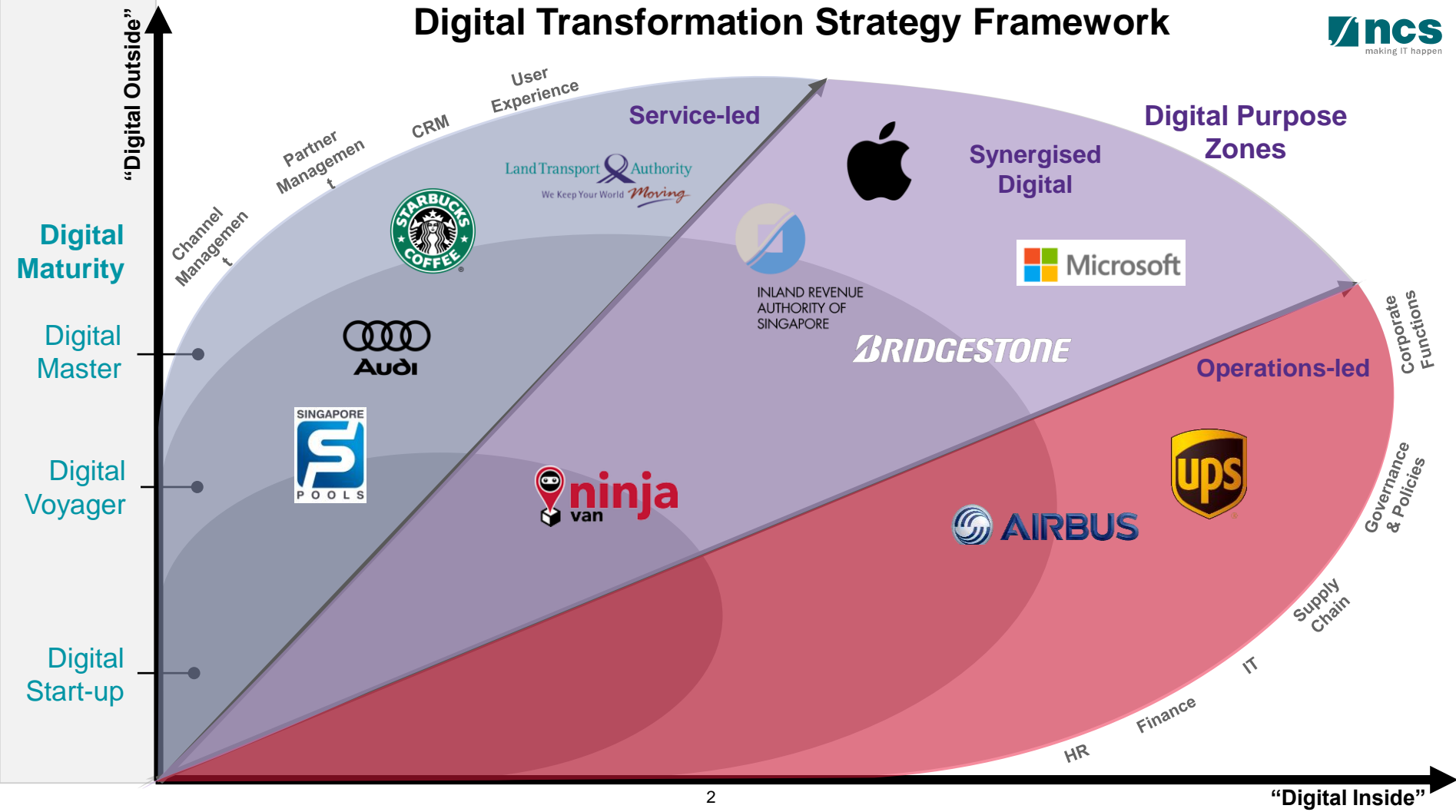
NCS TechConnect 2019

# **Business Transformation in the New Digital Economy**

Alan Yong  
Head, Products & Platforms, NCS

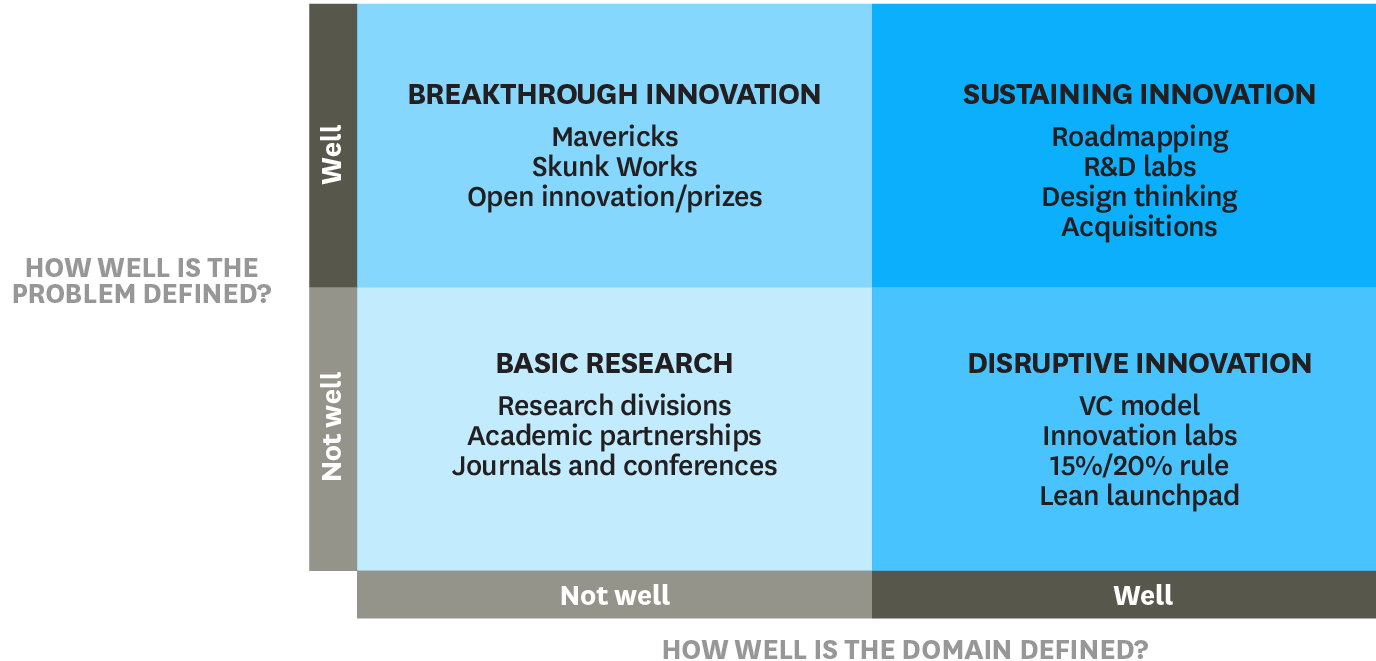
- Alan Wee Boon
- Director, NCS

# Digital Transformation Strategy Framework



# Problem/domain-led, Purpose driven Innovation

## 4 Types of Innovation



# Case Study: Reckitt Benckiser, RB – from Breakthrough to Sustaining Innovation



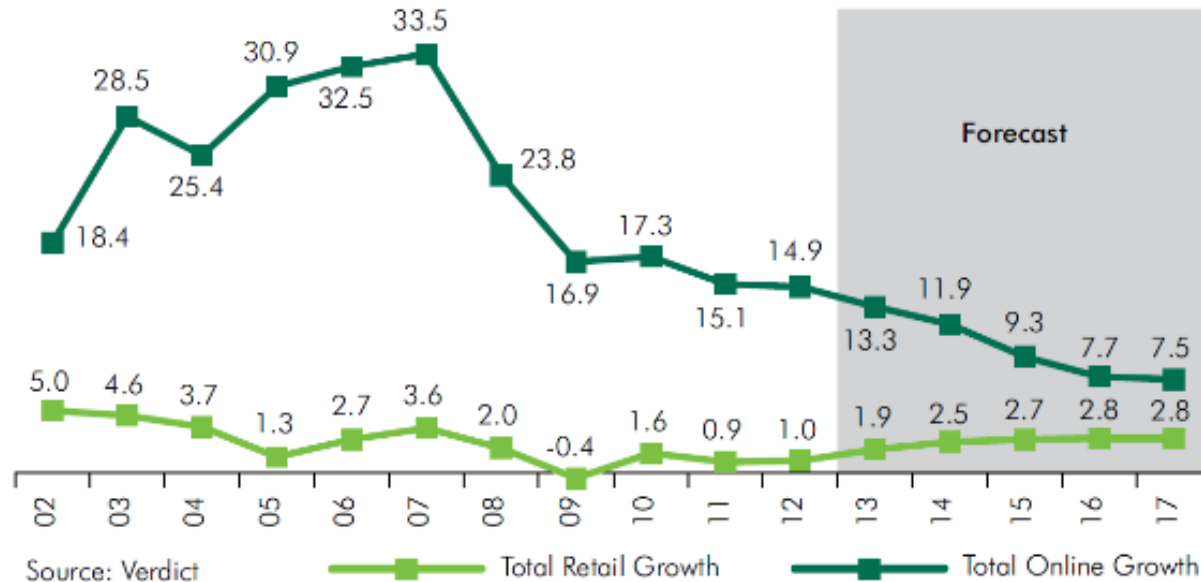
HEALTH ▶ HYGIENE ▶ HOME



Consumer Healthcare manufacturer, with well-known brands around the world, where it transformed itself from a household business to a consumer healthcare giant.

# Globally, retail sales was declining and eCommerce was raising rapidly

Retail Sales Growth Online vs All-Retail



# Lessons Learnt

- Think of the consumer, and work yourself backwards using a digital first approach
- Super clear on objectives or it could be a tail spin leading to innovation paralysis
- Think big, start small, fail fast, scale quickly
- Use Design Thinking to solve interdisciplinary challenges

# Case Study: Mars Petcare – Disruptive Innovation

**MARS**  
Petcare



  
**ROYAL CANIN**



**VCA**  <sup>®</sup>  
**Animal Hospitals**

# Digital “Outside” Test & Learns

In 2009, Mars Petcare decided to go into the data business by acquiring animal DNA testing Wisdom Panel.  
In 2016, it acquired Whistle, pet activity tracking.



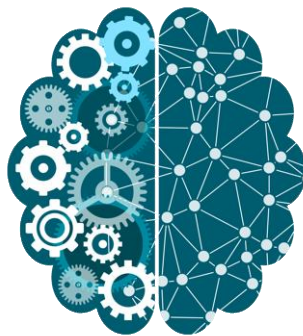
**WISDOM**<sup>™</sup>  
**PANEL**  
CANINE DNA TEST





# Kinship, formerly Connected Solutions division within Mars Petcare drives Disruptive Innovation

## kinship



AI & Machine Learning



Nutrition Sciences



Genetics



Venture Capital



Data driven insights

# Lessons Learnt

- Continuous innovation through digital
- Realize early that you cannot change everything in the company, so pivot quickly
- Leverage your core skills, e.g. sciences to innovate your way out of disruption

# Case Study: Disney Studios

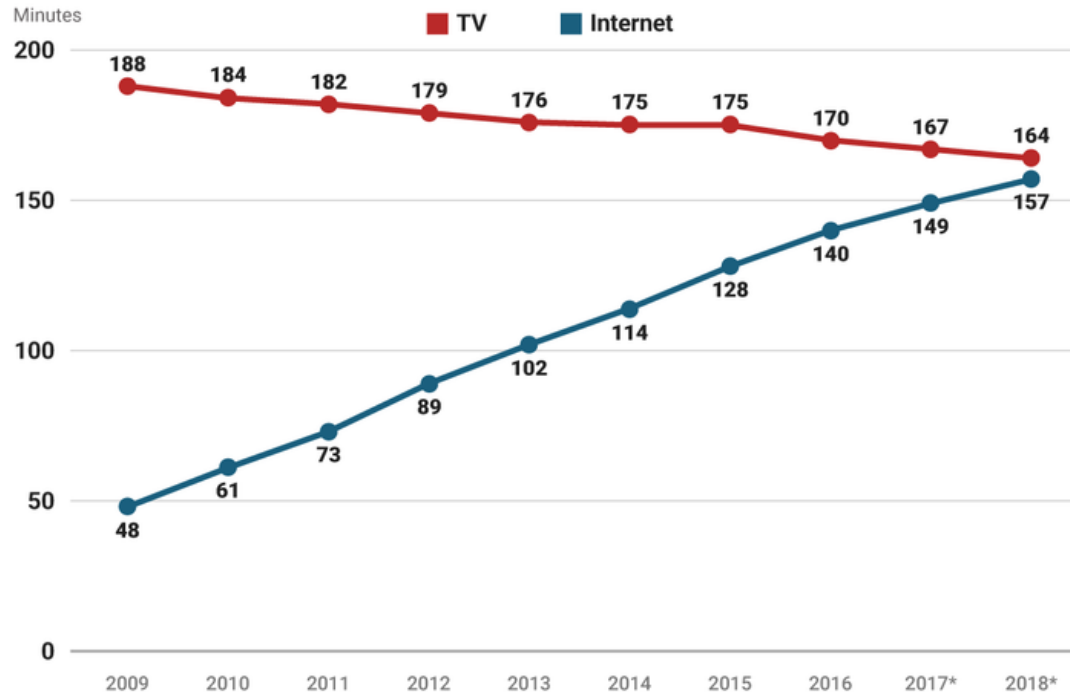


The *WALT DISNEY* Studios



Digital disruption is also driving change in another traditional medium, TV, through ‘cord cutting’.

### AVG DAILY MEDIA CONSUMPTION PER PERSON WORLDWIDE

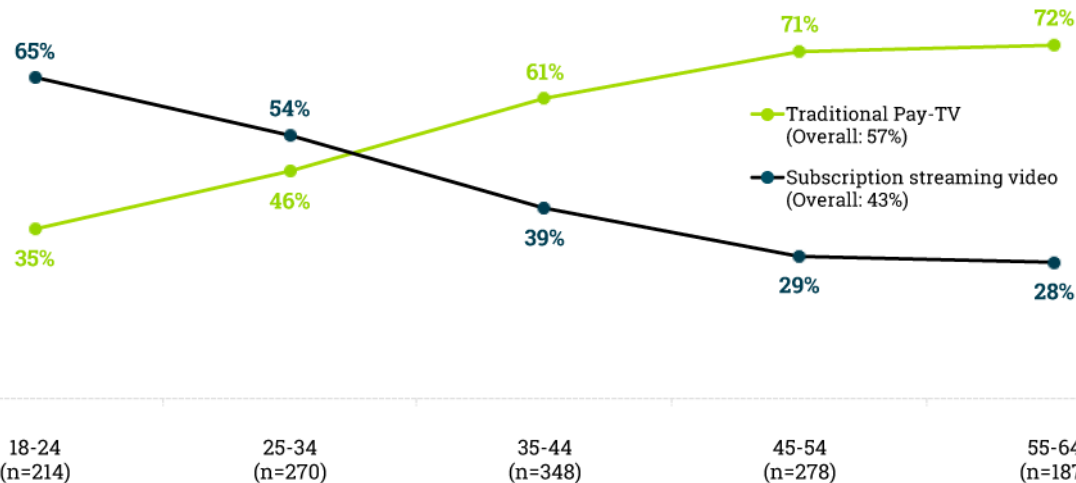


SOURCE: Zenith via Recode \*Estimates

# Younger audiences prefer online streaming

## US Dual-Service Users Choose Between Pay-TV and Subscription Streaming Video

 marketing  
charts



Published on MarketingCharts.com in July 2017 | Data Source: The Diffusion Group (TDG)

Based on an online survey of 2,015 US adult broadband users

Q: "If you were forced to choose between your traditional pay-TV service and your subscription streaming video services, which would you choose?"

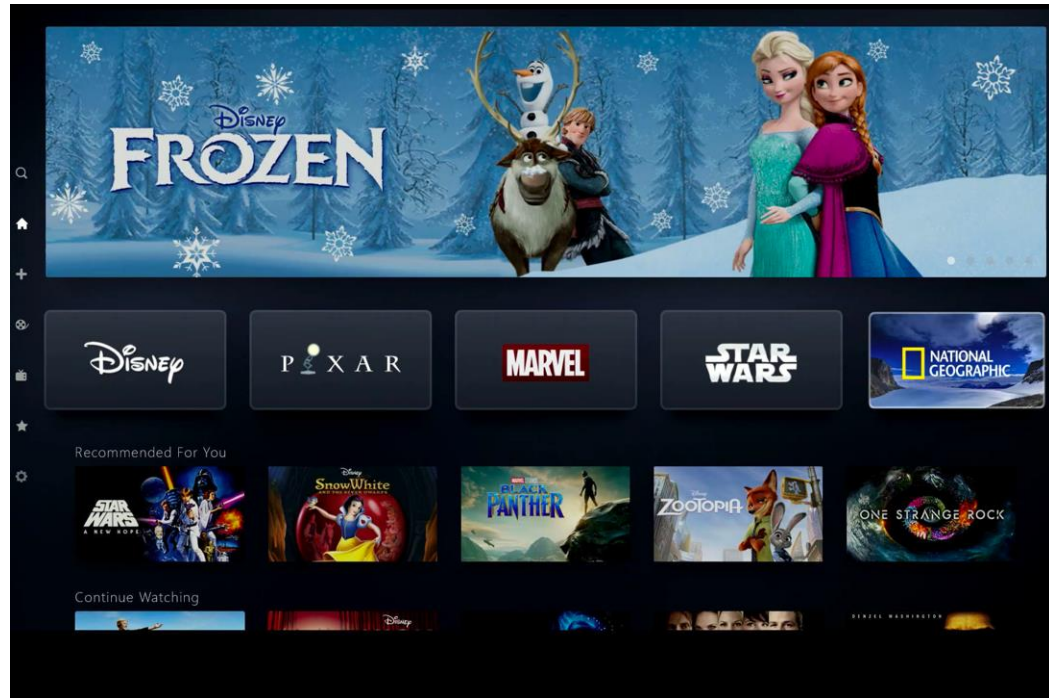
Late in the game, it is disrupting its own core licensing business, e.g. licensing Netflix by launching Disney+

# NETFLIX

Paid US\$7.5b to Disney for content

# hulu

Only has 20% stake but is trying to buy out Time Warner

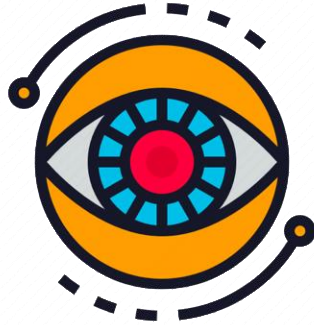


- Innovation is also possible by being a late entrant, as long as you have a key differentiating factor
- Have the courage to disrupt your own business, in order to build intimacy with your customers
- You need to get to the data

# Next wave of disruption in the digital economy is Artificial Intelligence



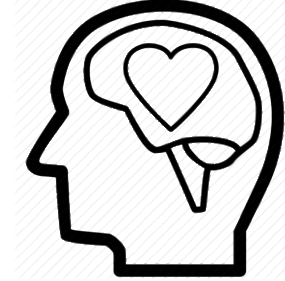
**Voice**



**Vision**



**Sound**



**Emotion**

The organization that has mastery over AI in light of ethics, compliance and data privacy will leap frog the competition.