

Re-thinking and empowering operations in a digital world!

View on operations models and successful digital transformation

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A state of the art solutions and industrial perspective on how a digital operations models could look like and what it took leading corporates to successfully realize their aspirations

Setting the stage: What's really new about business and operations models today?!

How successful models changed over passed eras...

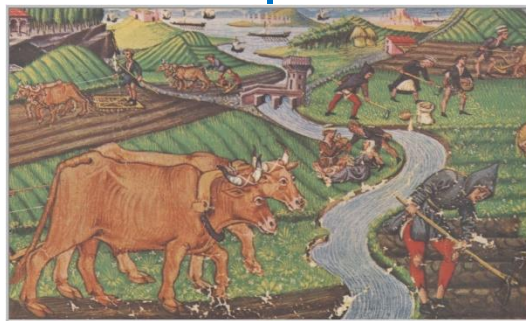
Hunter & gatherer

(< ~11,000 BC)



Agrarian

(11,000 BC- 1,400 AD)



Mercantile

(1,400 - 1,800 AD)



Industrial

(1,800 – 2,000 AD)



Today (new era)

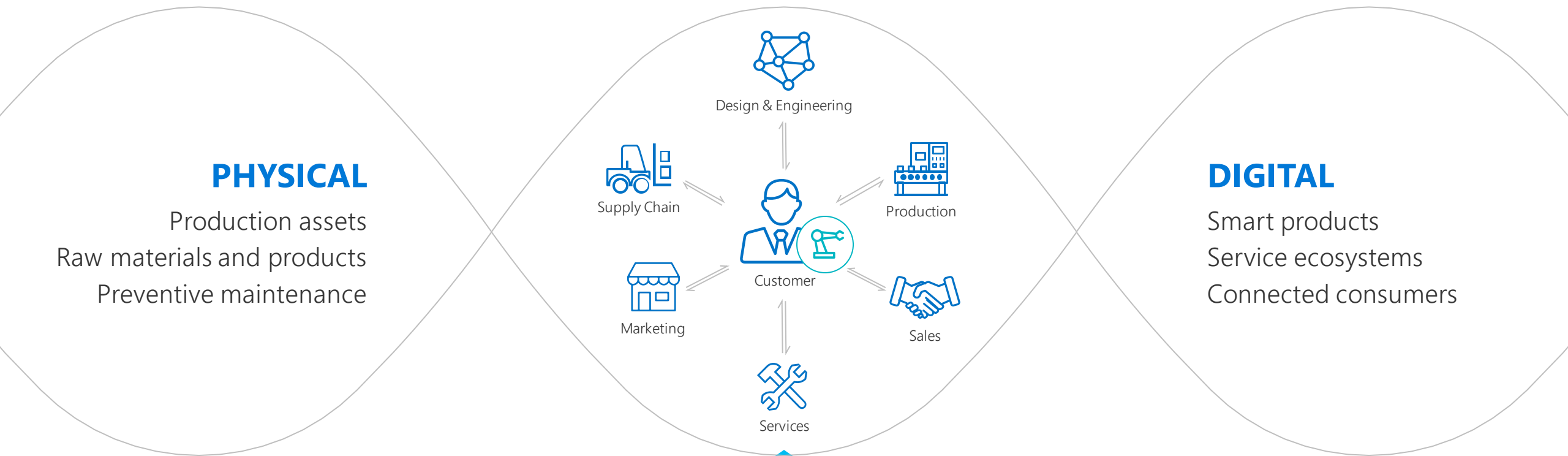
(after 2,000 AD)

„Our success, is not dependent on our products, it's dependent on the success that our customers have with our products“

(Satya Nadella, CEO, Microsoft)

... and how this further changes in the dawning era!

DIGITAL TRANSFORMATION



Modern businesses are embracing customer centricity,
innovating faster and becoming more agile

Four pillars central to changing operations models

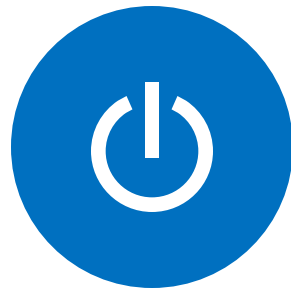
Build
Things



30B

connected devices
by 2020

Control
Anything



40 ZB

Those "things"
collect,
communicate and
control data
by 2020

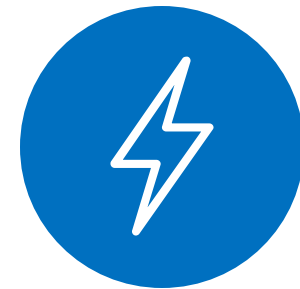
Gain
Insights



10%

of the data on earth
will come from IoT
by 2020

Take
Action



\$10B

market for business
process automation
tools
by 2020

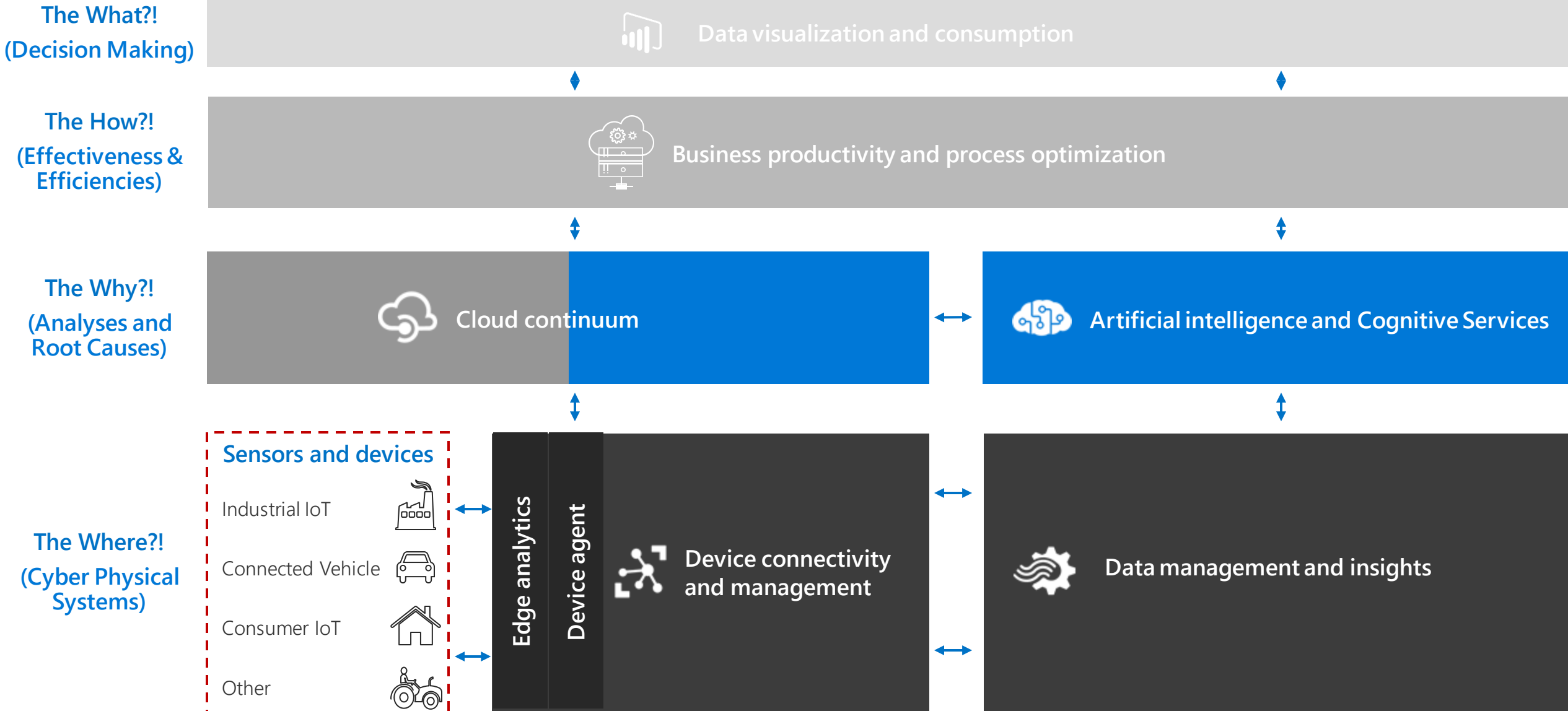
The Internet of Things (IoT) **isn't a technology revolution...**
...IoT is a **business revolution**, enabled by technology!

How we as MSFT perceive operations changing...

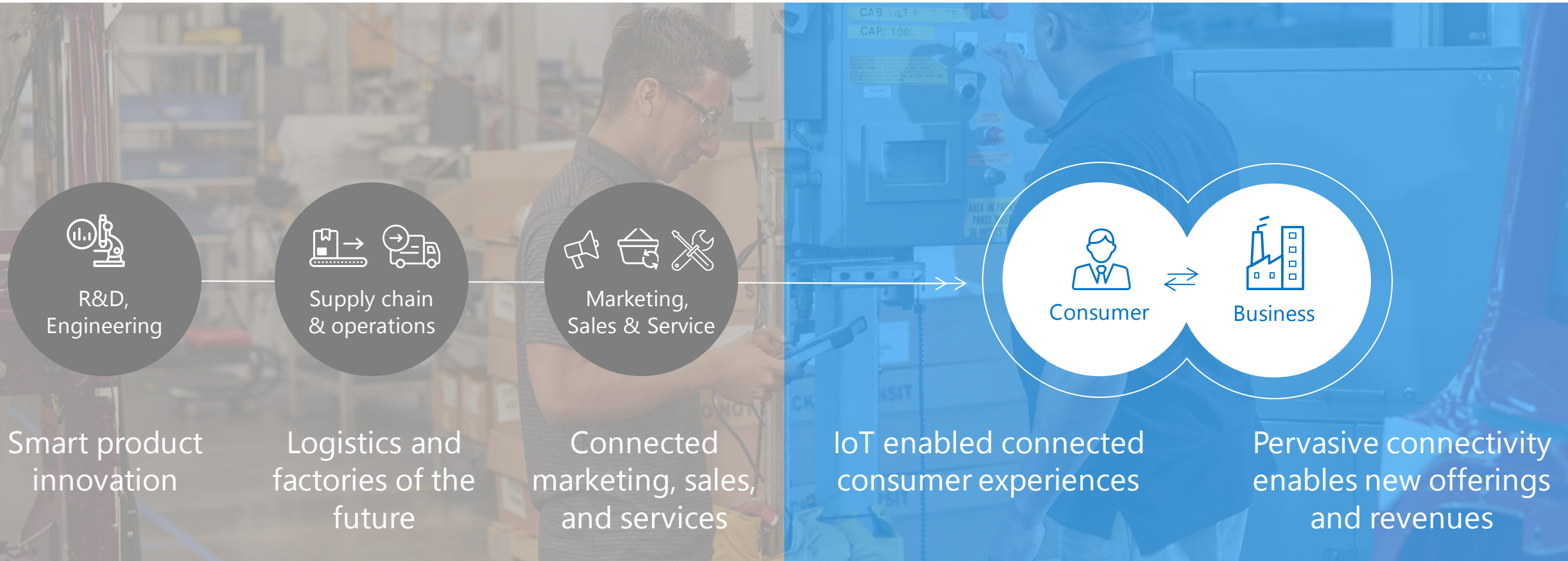
... and how technology **drives growth & accelerates change**, while it has to be seen from a **client's perspective** and thought around **technology application** for success!

State of the art: How technologies look like and how they disrupt businesses today?!

Ever increasing business & technology convergence



Today we share ideas to transform your operations...



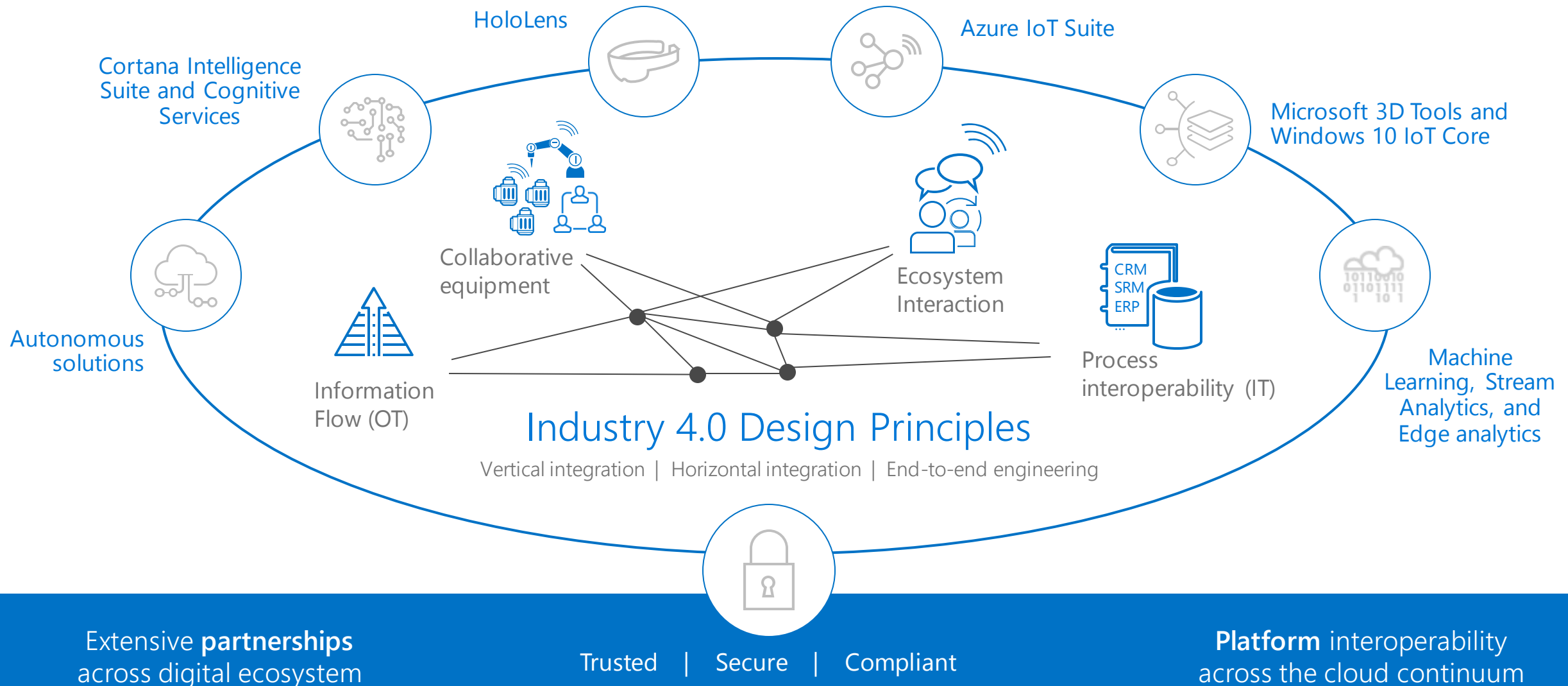
CONNECTED VALUE NETWORKS

Transforming how products are designed, sourced, manufactured, sold and serviced

CONNECTED SERVICES & EXPERIENCES

Creating new business models for hardware, services and software

... with technologies ready to digitally empower you!





Journey example: cognitive services in connected factories
<https://www.youtube.com/watch?v=pL-c00M2CnI>

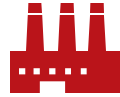
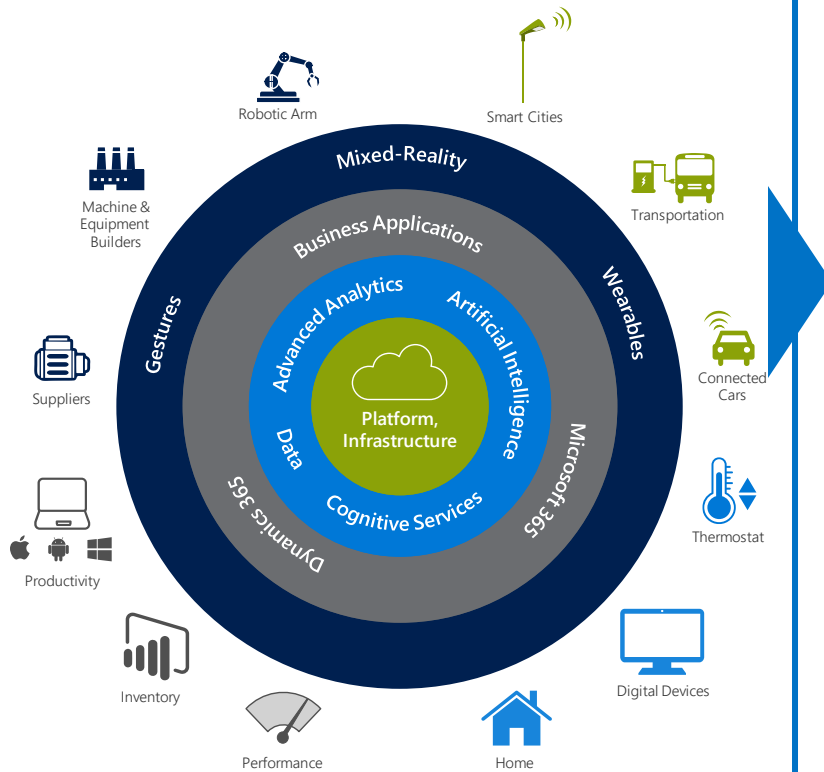
Industrial perspective (case studies):
How leading corporates succeeded
realizing their aspirations?!

Big bets of a 3.9-11\$T economic IoT opportunity...

Potential economic IoT opportunity

3.9-11\$T

p.a. by 2025¹



3.7\$T

Factories¹ – operations and equipment optimization



2.4\$T

Cities & vehicles¹ – public health, transportation and autonomous vehicles



1.0\$T

Human & home¹ – chore automation, security, health & fitness



1.8\$T

Relevant use cases¹ – Inventory, Productivity and Process optimization

Industrial IoT: human-machine efficiency

Connected Factory

Connected Field Services

Digital Twin

Supply Chain Solutions

Remote Monitoring

Predictive Maintenance

Connected Vehicle: mobility ecosystem

Customer experience management

Connected vehicle solutions

Consumer IoT: improved interoperability

Design for Consumer IoT

Connected medical devices

Consumer Experience Design

Others: business process optimization

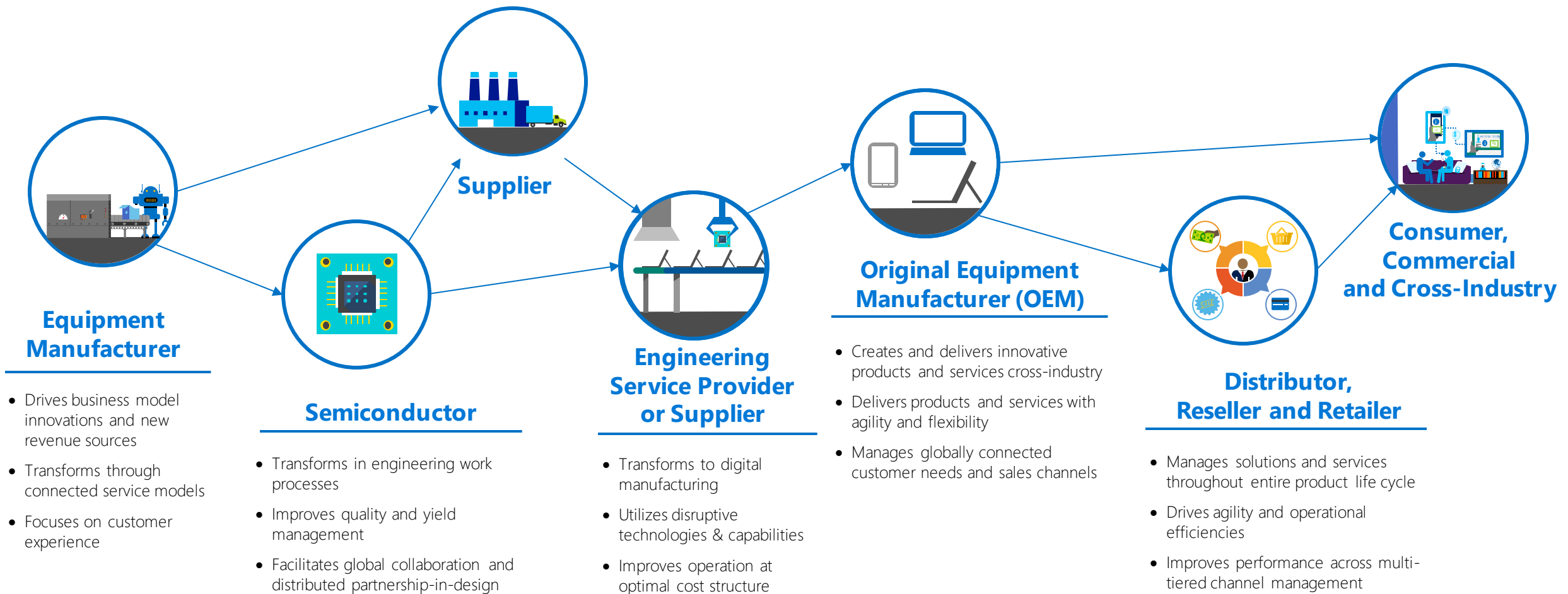
Smart CPQ

Quote-to-cash

Contract Lifecycle Management

¹) The Internet of Things: Mapping the Value Beyond the Hype, McKinsey 2015

...require a fresh, new digital value chain perspective...



"Tech companies are not only transforming themselves but they're transforming other industries through their software solution offerings." Satya Nadella, CEO, Microsoft

... while selected tangible results show across industries



Connected chillers are **back online 9x faster** than unconnected equipment, avoiding more than **\$300,000** in hourly downtime costs



Rolls-Royce

"Power by the hour" model maximizes aircraft availability, while **cutting fuel usage by 1%**, saving **\$250,000** per plane, per year



thyssenkrupp

Data from sensors and systems create valuable business intelligence and **reduce downtime by 50%**

Rockwell Automation

Access to production and supply chain **data** worldwide can reduce downtime costs by as much as **\$300,000 per day**

The logo for WEIR, consisting of the word 'WEIR' in a bold, blue, sans-serif font.

The logo for FUJITSU, featuring the word 'FUJITSU' in a red, sans-serif font with a small infinity symbol above the 'J'.

The logo for Schneider Electric, with 'Schneider' in green and 'Electric' in a smaller green font below it.

The logo for LIEBHERR, featuring the word 'LIEBHERR' in a bold, black, sans-serif font.

The logo for Purell, featuring the word 'Purell' in a blue, sans-serif font with a small red and white icon above the 'l'.

The logo for HERSHEY'S, featuring the word 'HERSHEY'S' in a brown, serif font.

The logo for JABIL, featuring the word 'JABIL' in a blue, sans-serif font.

The logo for ABB, featuring the letters 'ABB' in a bold, red, sans-serif font.

Two show cases illustrate joint achievements...

MAERSK "Supply Chain"

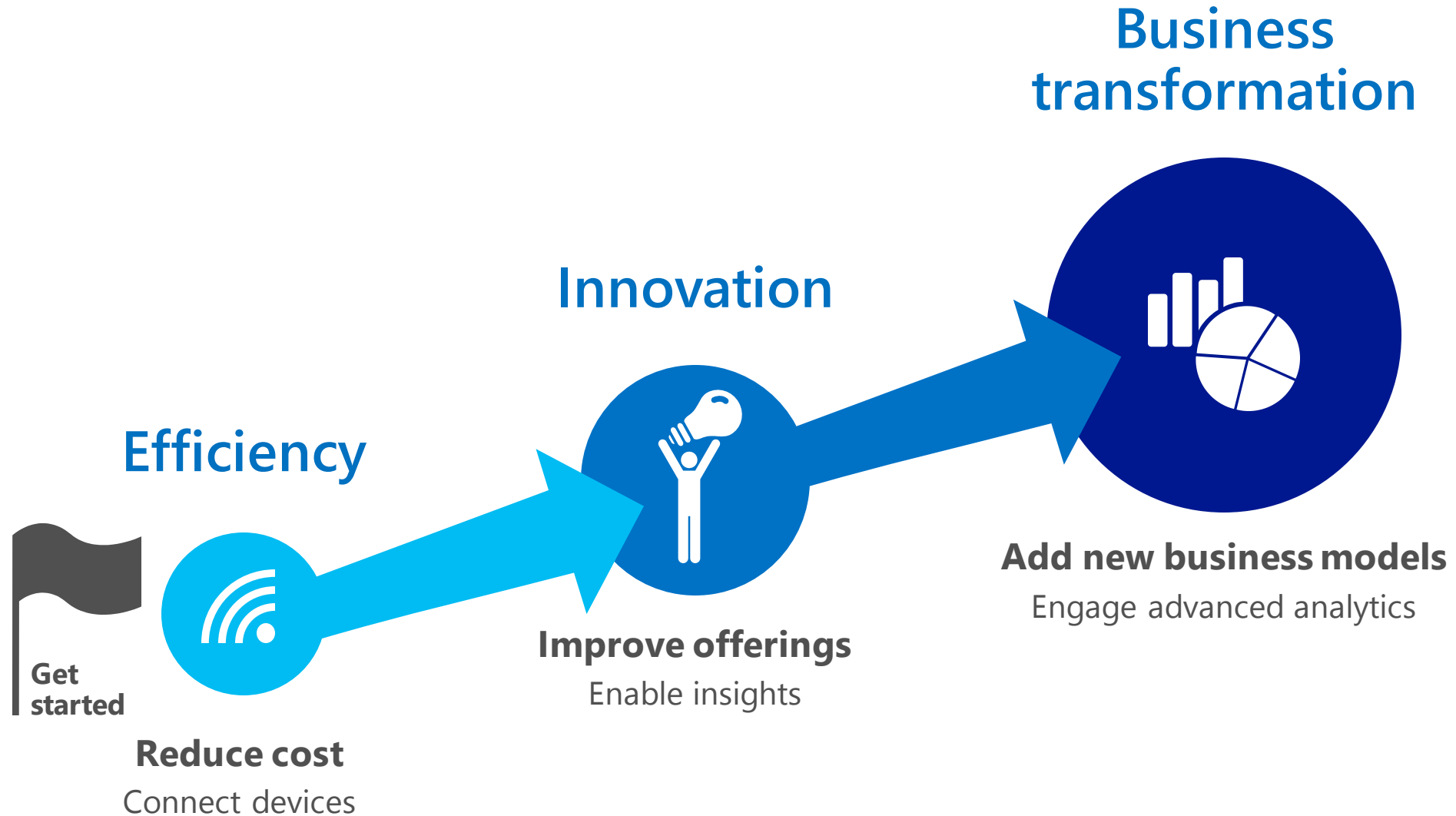


TetraPak "Operations & Services"



... let's talk about how your industry 4.0 perspective could look like and what you could learn from clients and partners who successfully empowered their operations?

Typical starting points for our discussions with clients



Lessons learned: Which “digital innovation” traps better to avoid?!

Which “digital innovation” traps better to avoid...?

Thomas Aquinas

1225-1274 AD

“If the highest
aim of a captain
were to
preserve his ship,
he would
keep it in port
forever!”



... and what to learn from successful innovators...!

- Leadership endorsement! Or you start... and 9 months later... you have an app
- Full inclusiveness! Run it across your organization or you have a side project
- Customer value = your value! Set innovation focus on customer needs
- Growth mindset! Build a culture of innovation and growth
- Digital innovators don't have legacy! Fix that millstone or competitors will do it for you
- Agile! Digital innovation means you start something which you will never finish

Q&A



*"If you change the way you see the world,
you can change the world you see"*
Satya Nadella, CEO, Microsoft

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