



HARVARD | BUSINESS | SCHOOL

Digital Leadership & Transformation

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October, 2021

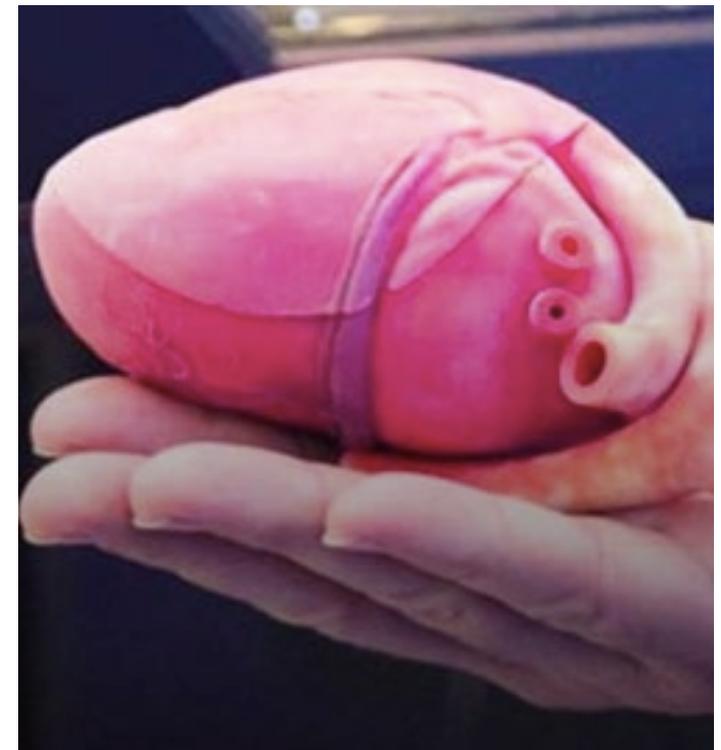
Technology is accelerating innovation



What did you eat last night



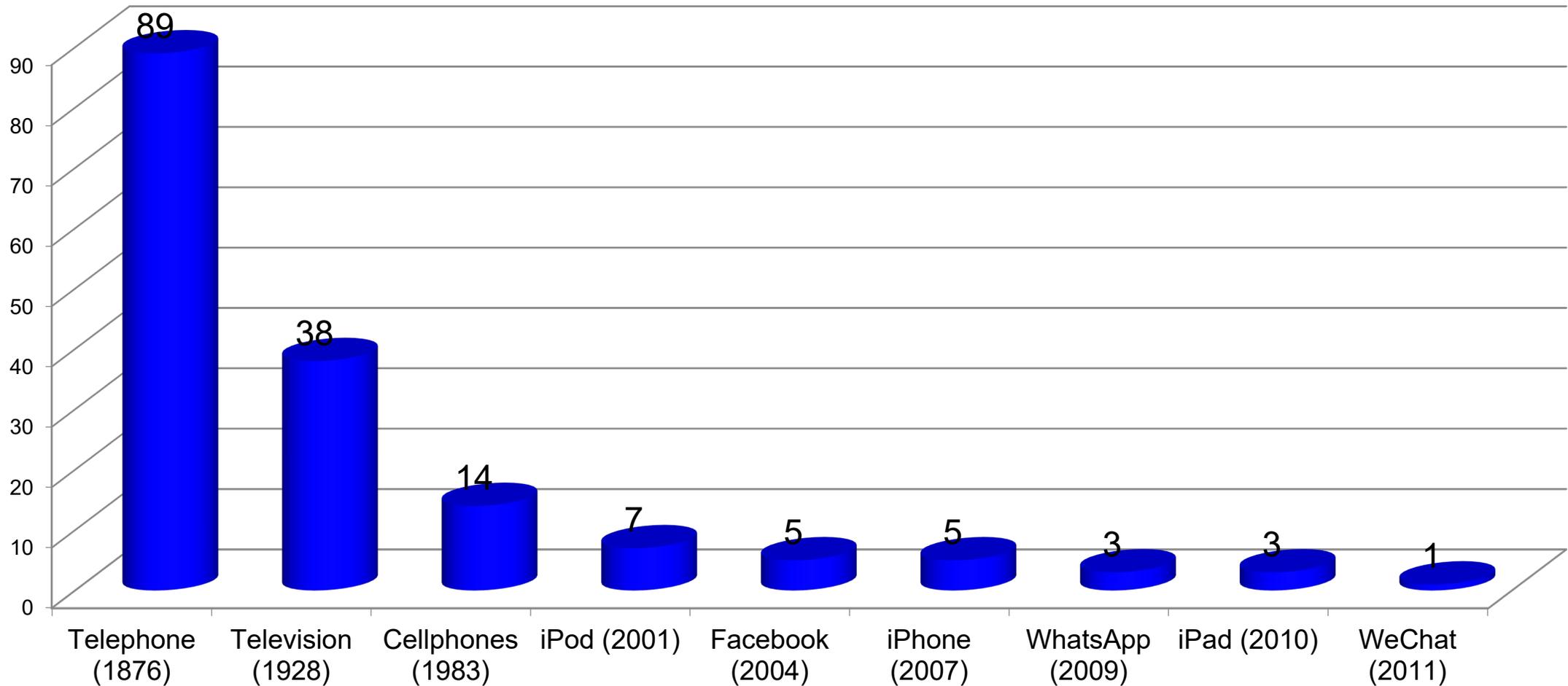
I see you



Please print a heart

And consumers are adopting technology faster

Years to Reach 150 million Users or Units



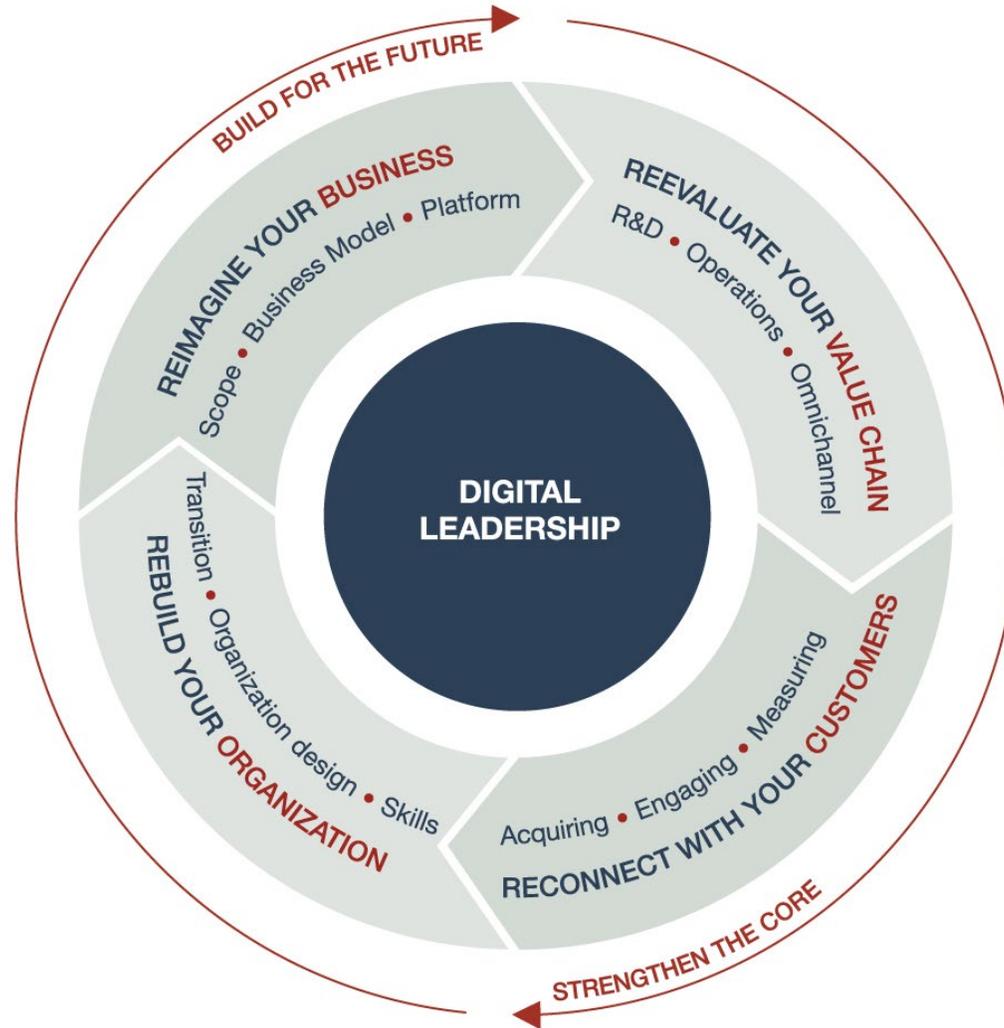
Pandemic has accelerated digital adoption



Remote visits to Mayo Clinic rose from **4%** before the pandemic to **85%** at the peak

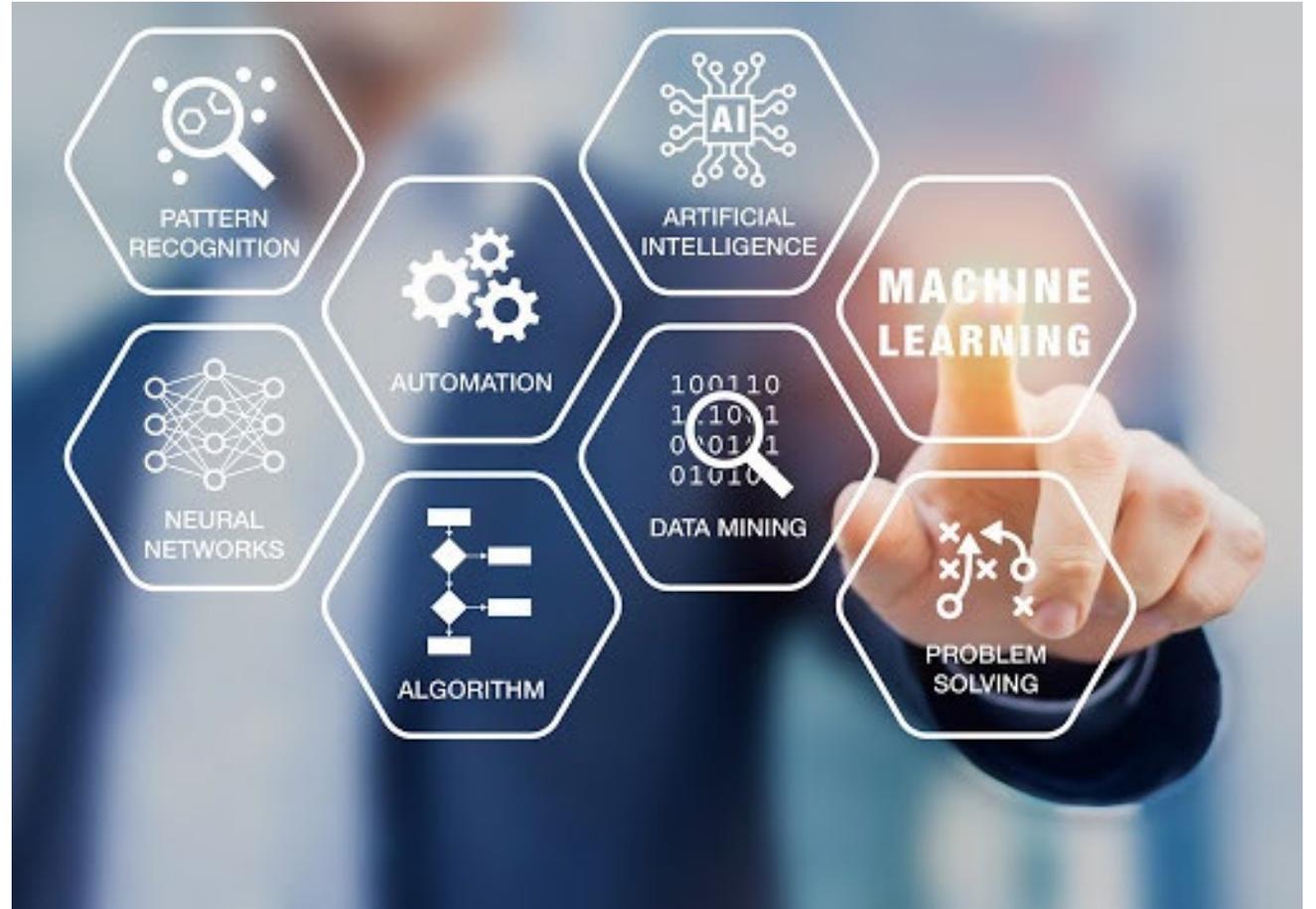
Ping An Good Doctor, a Chinese portal, had **1.1B** visits during the height of the pandemic

Digital leadership & transformation requires fundamental change

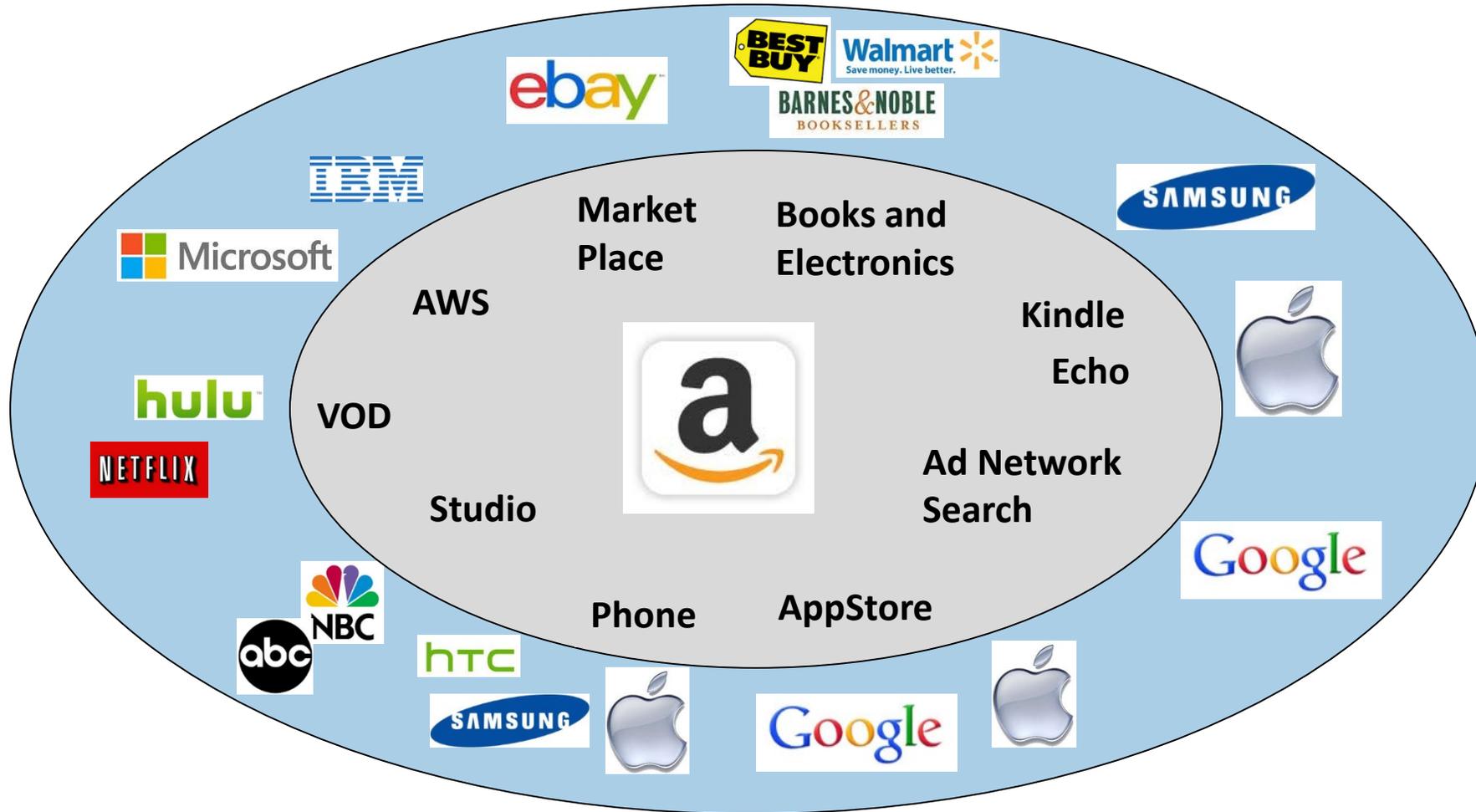


Redefining Business

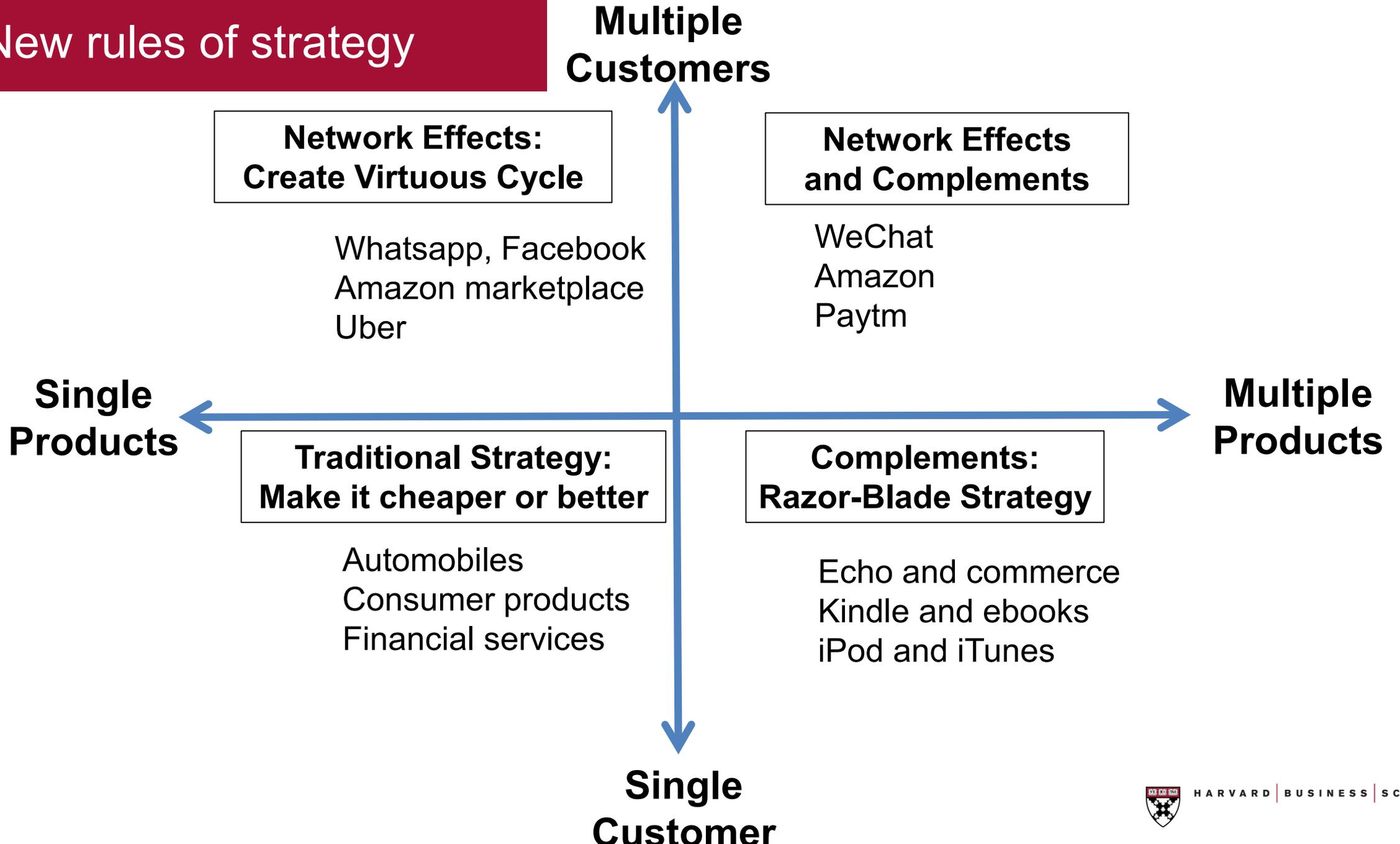
- New rules
- New insights
- New opportunities



What business are you in?



New rules of strategy



US Foods



US Foods

Product



Complements

**MENU
PROFITABILITY**

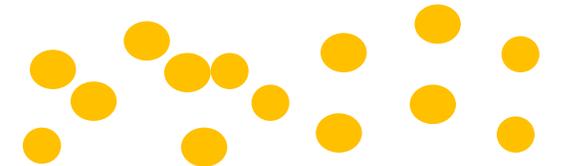
REDUCE WASTE

DRIVE TRAFFIC

**SIMPLIFY
STAFFING**

Network

Restaurants



Food Suppliers



 PELOTON

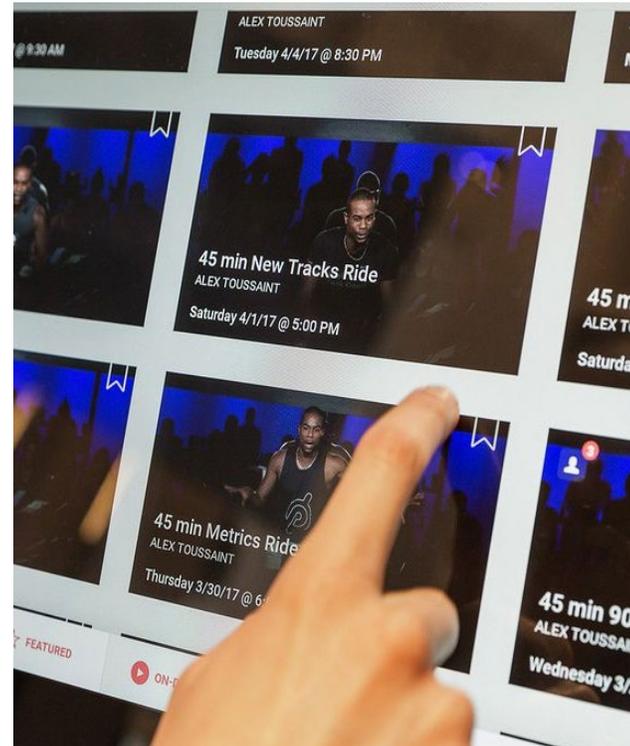


Peloton Bikes

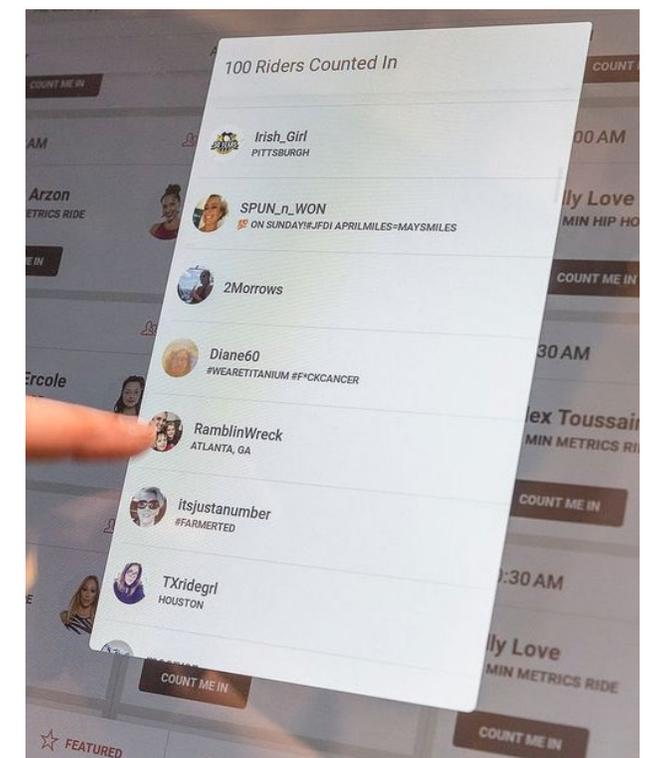
Product



Complement

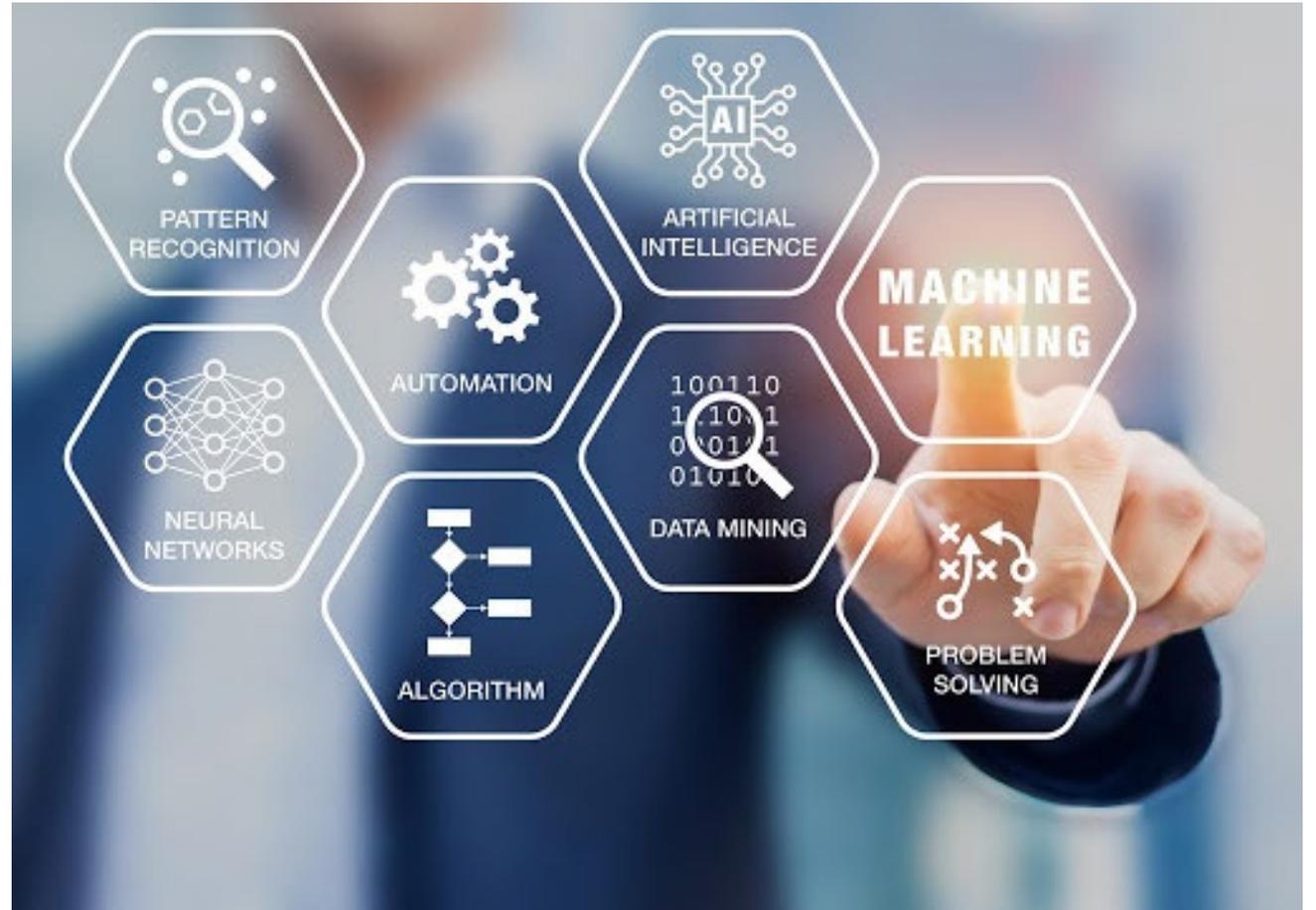


Network



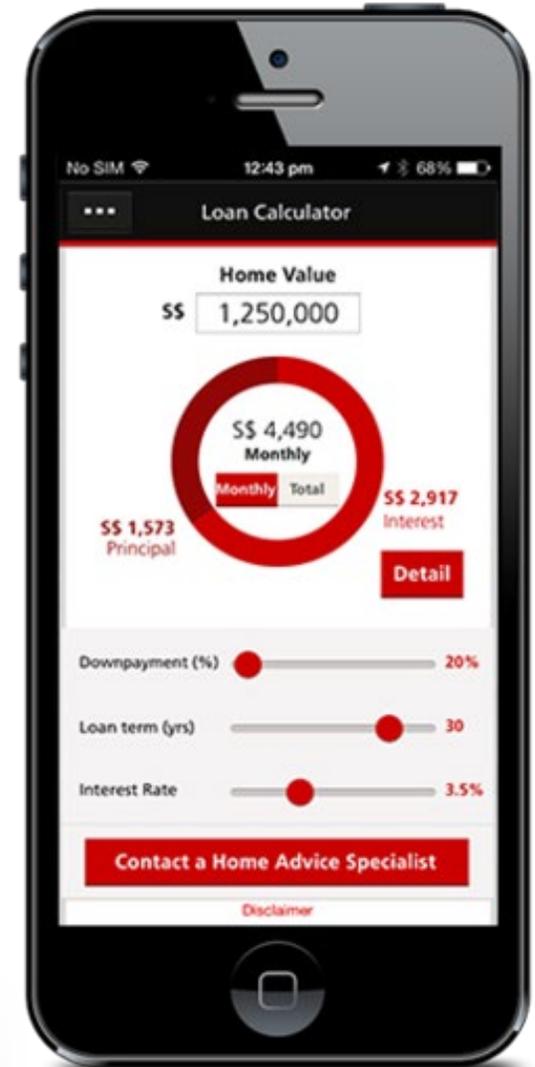
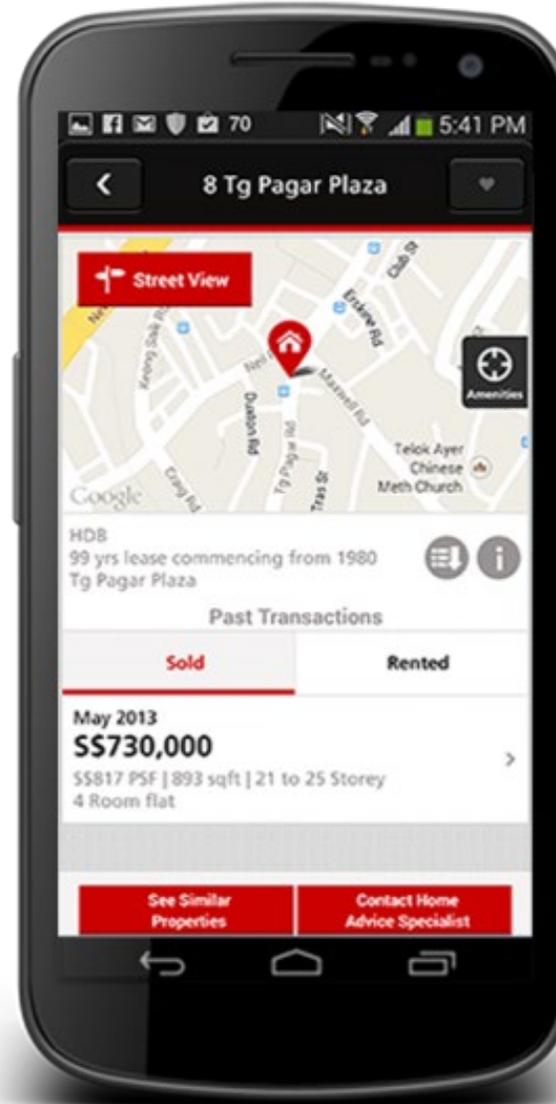
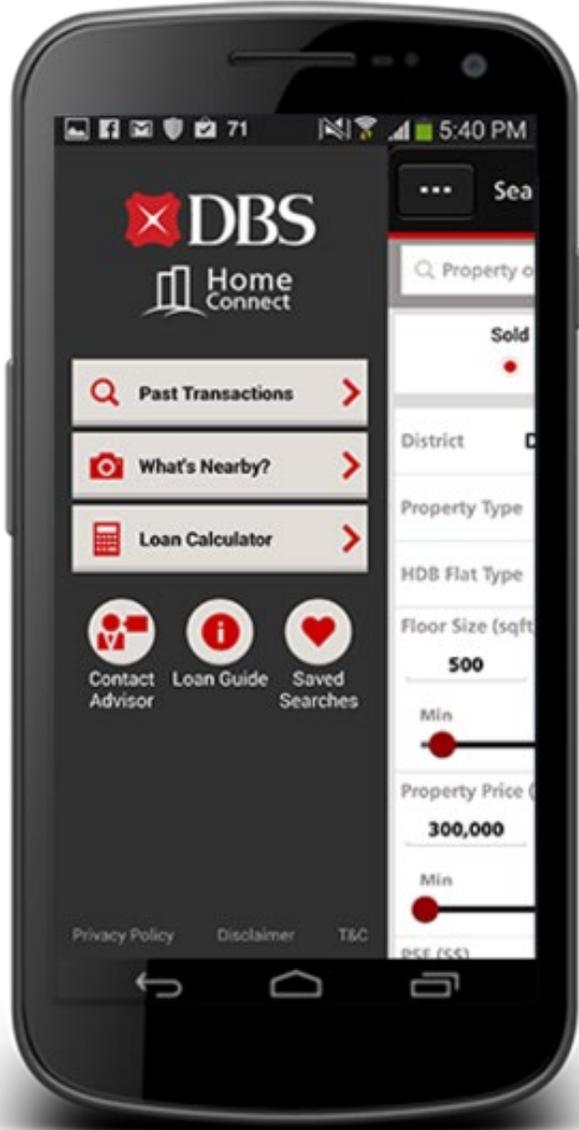
Redefining Business

- New rules
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Think beyond your product





Working backwards: customer obsession at Amazon



- “Wake up every morning terrified ... not of our competition, but of our customers.”
- “Senior leaders that are new to Amazon are often surprised by how little time we spend discussing actual financial results or debate projected financial outputs.”
- “Working backwards from customer needs often demand that we acquire new competencies and exercise new muscles.”

Redefining Business

- New rules
- New insights
- New opportunities



Leverage existing capabilities for new business opportunities

Current Business

New Capability

New Business

amazon

Online Retail



Marketplace



AWS

Marketplace



Search



Advertising

Warehousing



Computer
Vision



Amazon Go

Taobao



Escrow Account



Wealth Mgmt.


Alibaba Group

Goldman Sachs

Problem

- Goldman Sachs wasn't happy with cash management or transaction banking services it was getting from other banks

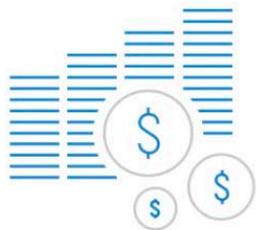
Solution

- So it built its own "treasury of the future"

Skill forward

- After a year it began using the system to manage its own cash, it opened its door to third-party clients.
- Within a year, this business has grown to **\$27.8 B** in deposits. Goldman forecasts significant growth for it in the future.

Transaction Banking



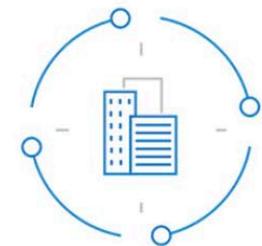
**Liquidity Management
& Virtual Accounts**



Payments



Escrow Services



Banking as a Service

Key Takeaways

- Competition is no longer defined by industry boundaries
- Sustainable advantage no longer comes from low cost and differentiation
- Complementary products and network effects provide strong sustainable advantage
- *Work backwards* to get new customer insights and *skill forward* to leverage new capabilities

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Driving Digital Strategy

A Guide to
Reimagining
Your Business

HARVARD BUSINESS REVIEW PRESS

Thank You!

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