



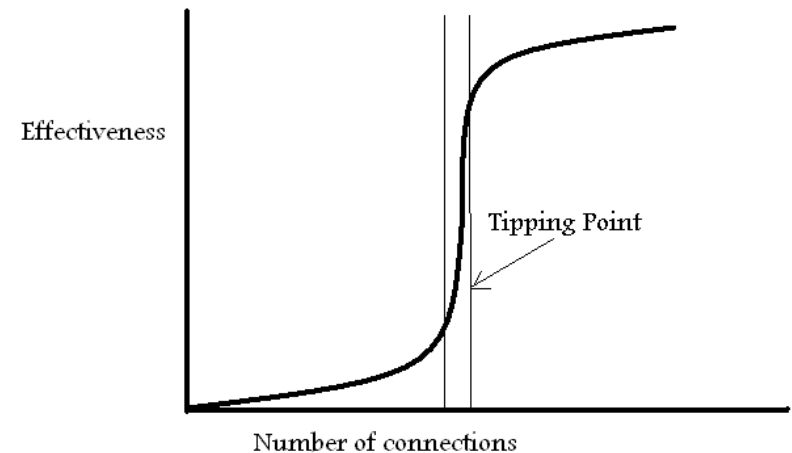
Shaping the Future of Digital Economy and Society

Carlos Cordon
LEGO Professor at IMD
6 December, 2017



We're over the tipping point of the digital revolution for companies

THE
TIPPING
POINT



Agenda

- The impact of digital transformation
- The “winner takes it all” model
- The Amazon tsunami
- The ever changing consumer
- How to succeed in the digital age: the profit formula, lean start-up and the golden circle

THE LARGEST COMPANIES BY MARKET CAP



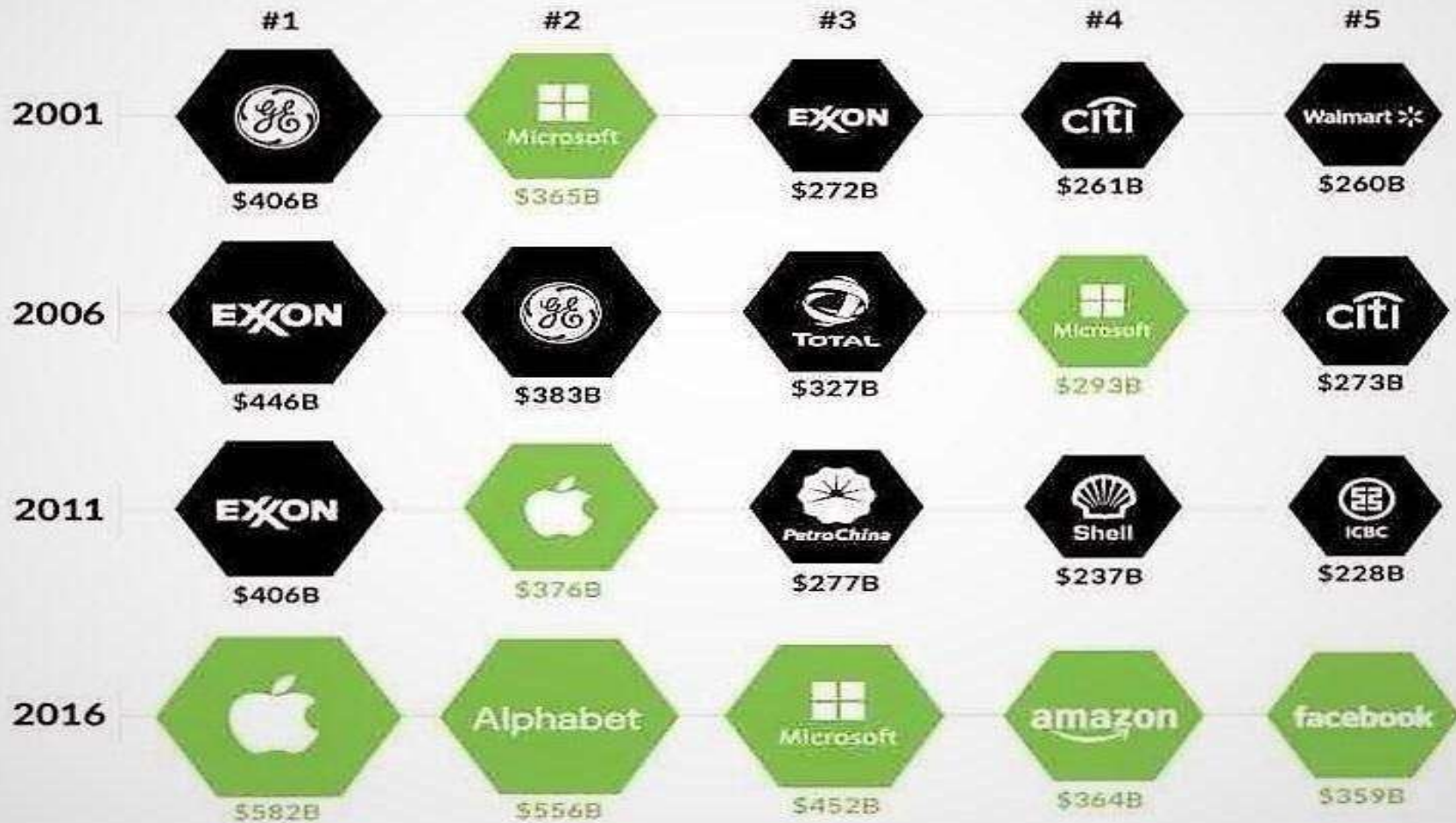
Top 5 Publicly Traded Companies (by Market Cap)



Tech



Other

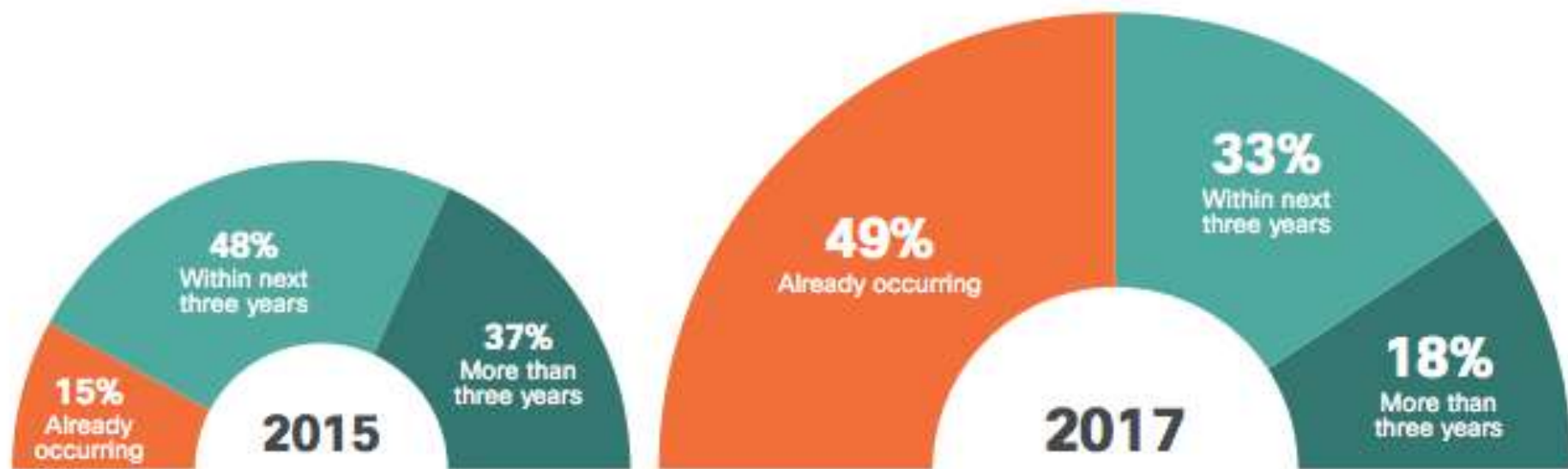


(Figure 1) Digital Vortex 2017: Industry Ranking



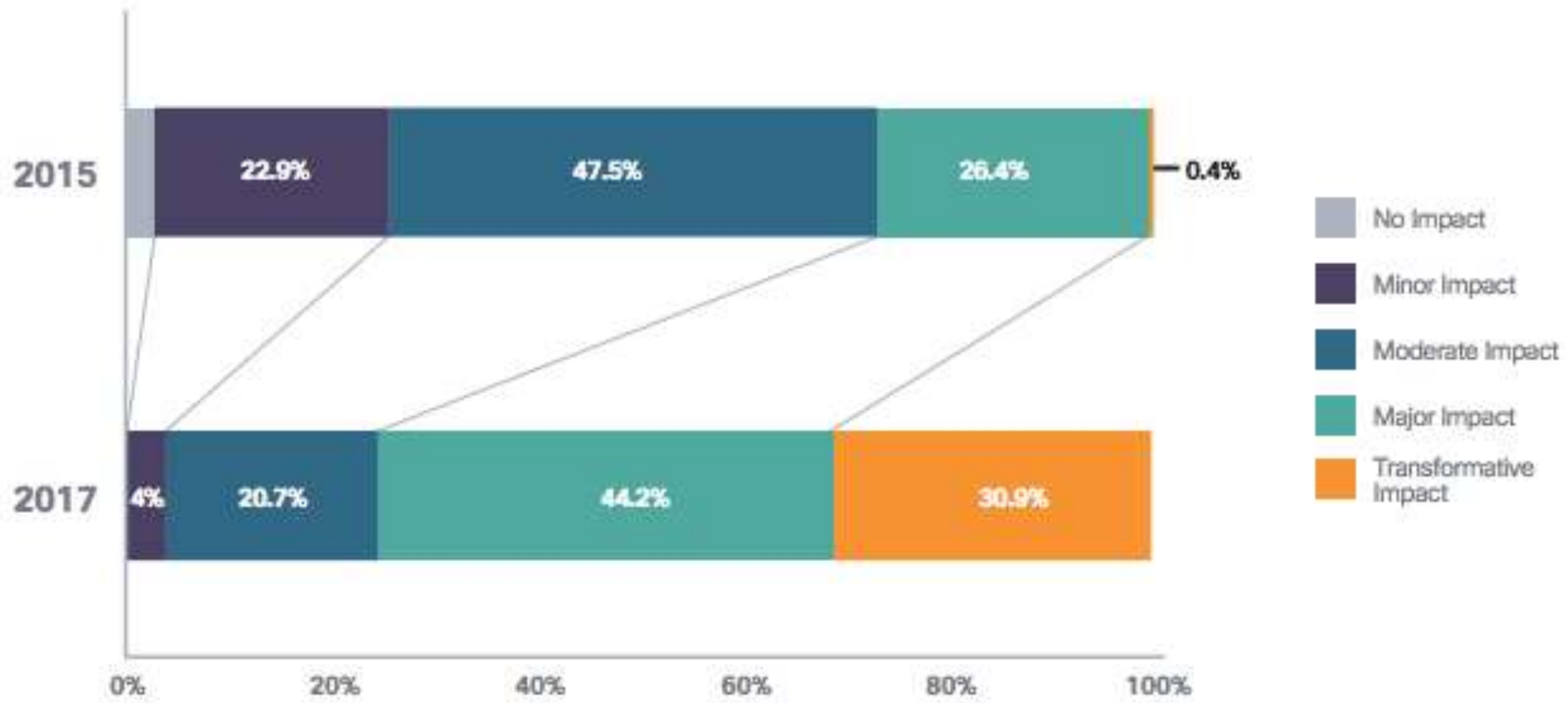
Source: Global Center for Digital Business Transformation, 2017

(Figure 2) Where Do You Expect the Impact of Digital Disruption to Occur?



Source: Global Center for Digital Business Transformation, 2017

(Figure 3) How Significant Will the Impact of Digital Disruption Be on Your Industry?



Source: Global Center for Digital Business Transformation, 2017

The Atlantic

What in the World Is Causing the Retail Meltdown of 2017?

In the middle of an economic recovery, hundreds of shops and malls are shuttering. The reasons why go far beyond Amazon.



Bloomberg

Markets

Tech

Pursuits

Politics

Opinion

Businessweek

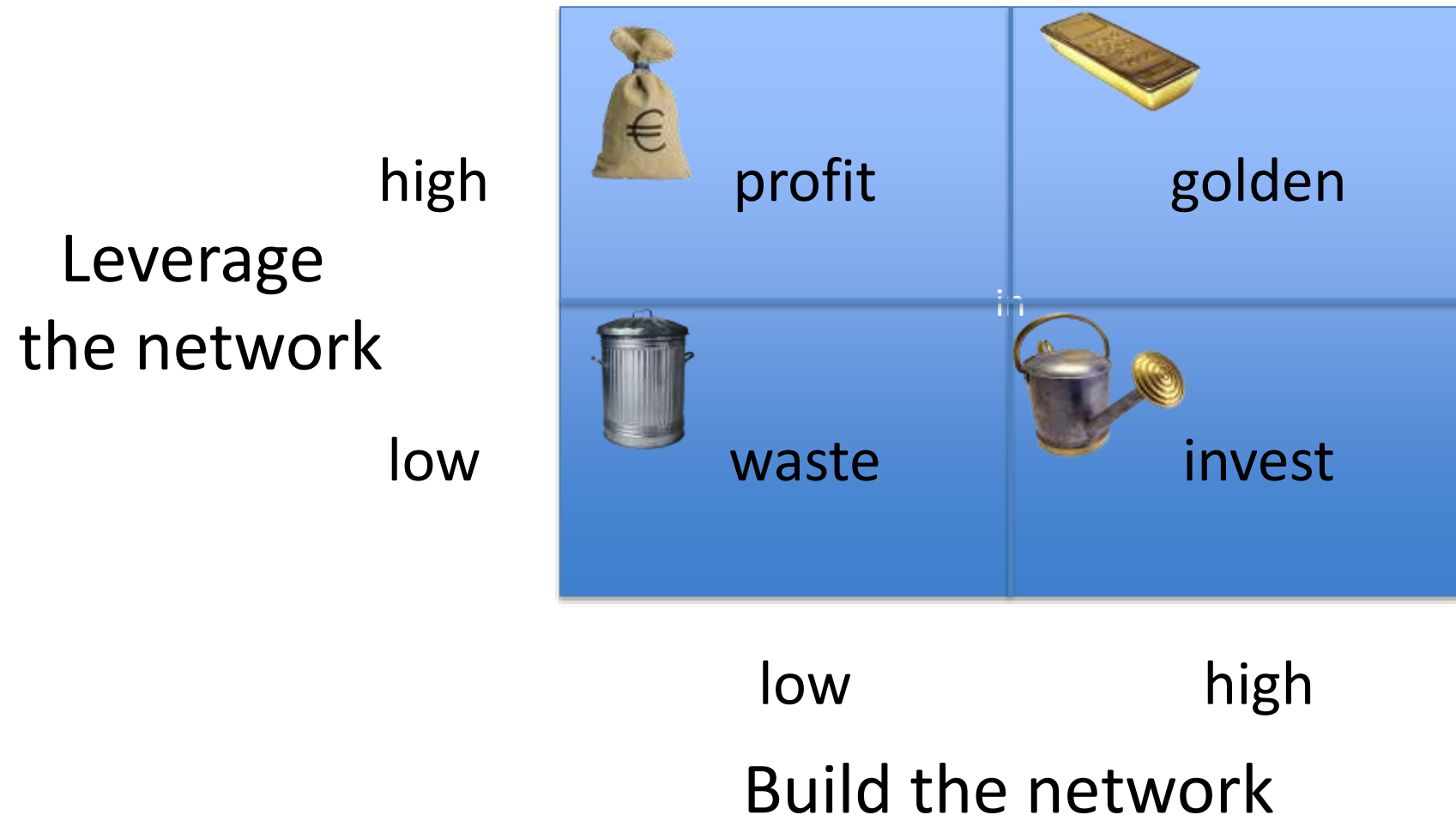
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Pandit Says 30% of Bank Jobs May Disappear in Next Five Years

By Chanyaporn Chanjaroen

13 September 2017, 05:57 CEST Updated on 13 September 2017, 08:18 CEST

The winner takes it all model



THE EXTRAORDINARY SIZE OF AMAZON IN ONE CHART

Amazon is bigger than most brick and mortar retailers put together

Market value as of December 30, 2016



Here is how the value of these companies has changed over the last 10 years:

COMPANY	MARKET VALUE 2006	MARKET VALUE 2016	% CHANGE
sears	\$27.8B	\$1.1B	↘ 96%
JCPenney	\$18.1B	\$2.6B	↘ 86%
NORDSTROM	\$12.4B	\$8.3B	↘ 33%
KOHL'S	\$24.2B	\$8.8B	↘ 64%
★ macy's	\$24.2B	\$11.0B	↘ 55%
BEST BUY	\$28.4B	\$13.2B	↘ 54%
TARGET	\$51.3B	\$40.6B	↘ 21%
Walmart	\$214.0B	\$212.4B	↘ 1%
amazon	\$17.5B	\$355.9B	↗ 1,934%

Source: Yahoo Finance (peak value in 2006), Google Finance (values for Dec 30, 2016)

visualcapitalist.com



Fulfillment by Amazon (FBA)



https://www.youtube.com/watch?v=IAi4fPb_kp4

Introducing Amazon Go, A Cashierless Store Available Near You



Harold Stark, CONTRIBUTOR

Bringing the world up to speed on lifestyle technology. [FULL BIO](#) ✓

Opinions expressed by Forbes Contributors are their own.



Amazon.com
Amazon Go: The Cashierless Convenience Store

<https://www.youtube.com/watch?v=NrmMk1Myrxc>

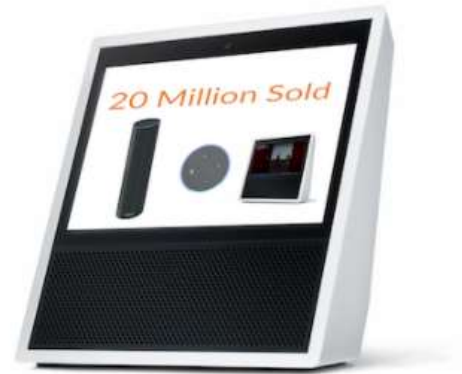
Amazon Alexa

Bezos Says More Than 20 Million Amazon Alexa Devices Sold

BRET KINSELLA on October 27, 2017 at 10:20 am



There is a hidden gem in yesterday's [earnings release](#) from Amazon. It has nothing to do with the fact that Amazon beat earnings estimates. Nor is it that Alexa was referenced 28 times in the release and Amazon Echo another 13 times. Both are noteworthy. But, what does this quote by Amazon CEO Jeff Bezos in the earnings release tell us?



"Customers have purchased tens of millions of Alexa-enabled devices..."

https://www.youtube.com/watch?v=9X_fP4pPWPw



Contact Us

Talk with Amazon Customer Service

Have us call you right now about:

Issue Details:

More non-order questions

[Edit Items or Details](#)

Enter your number and click Call Me. (You'll need an open phone line.)
We'll call you and connect you to a customer service associate.

Country

United States ▼

Your number

(202) 555 1234 Ext.

[Call me now](#)

[Call me in 5 minutes](#)

Click the "call me now" button to talk to a customer service associate. If your number you are contacting us from to call you back immediately.

If you prefer, you can also call our [general help number](#).

Amazon Pillars

amazon marketplace

amazonPrime



Operating Income (Loss)

Operating income (loss) by segment is as follows (in millions):

Operating Income (Loss):

North America

International

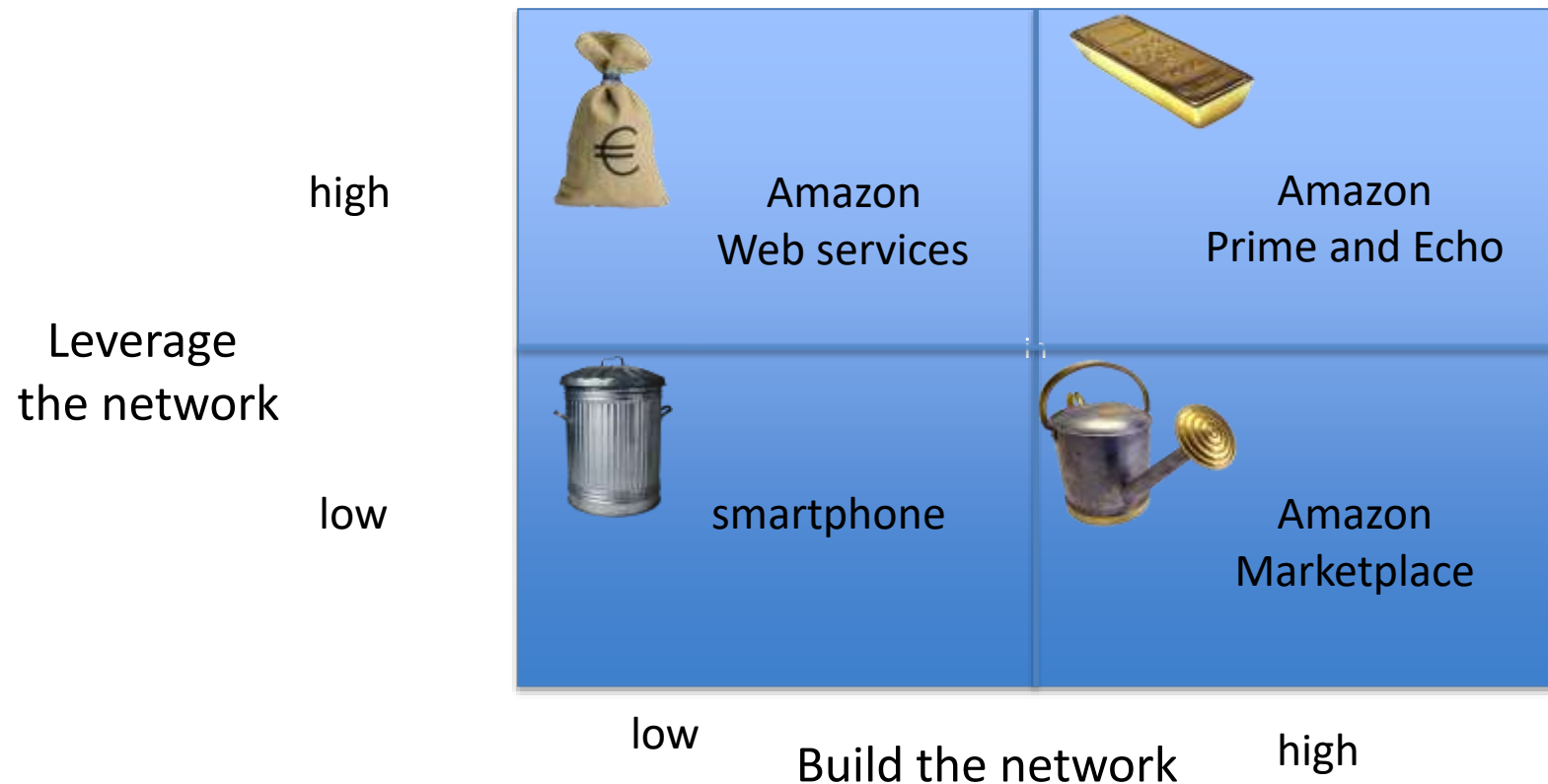
AWS

Total consolidated

Year Ended December 31,					
2014		2015		2016	
\$	360	\$	1,425	\$	2,361
	(640)		(699)		(1,283)
	458		1,507		3,108
\$	178	\$	2,233	\$	4,186



Amazon will become a \$1 trillion giant in 2018, says Morgan Stanley



The ever changing consumer: Adidas Omni-Channel in Moscow

3 Ways Adidas Plans To Take The Sportswear Industry By Storm

Speed, focus, and maybe some robots.



[Photos: Mike Liu and www.BilliniPhotos.com via Shutterstock. Yeezy via Adidas]

- Everything is online... every single item in any store in the country
- Consumers could buy in the store, on-line, on-line in the store, collect in the store, delivered at home....
- Every item with RFID
- Click & Collect: SALES INCREASE DOUBLE DIGIT IN 24 HOURS!!!
- Ship from Store: Reducing delivery times, reduces returns by 65%... Increases on-line sales by 50% !!!

Follow
these
simple
steps...



1

Find and view
a product

2

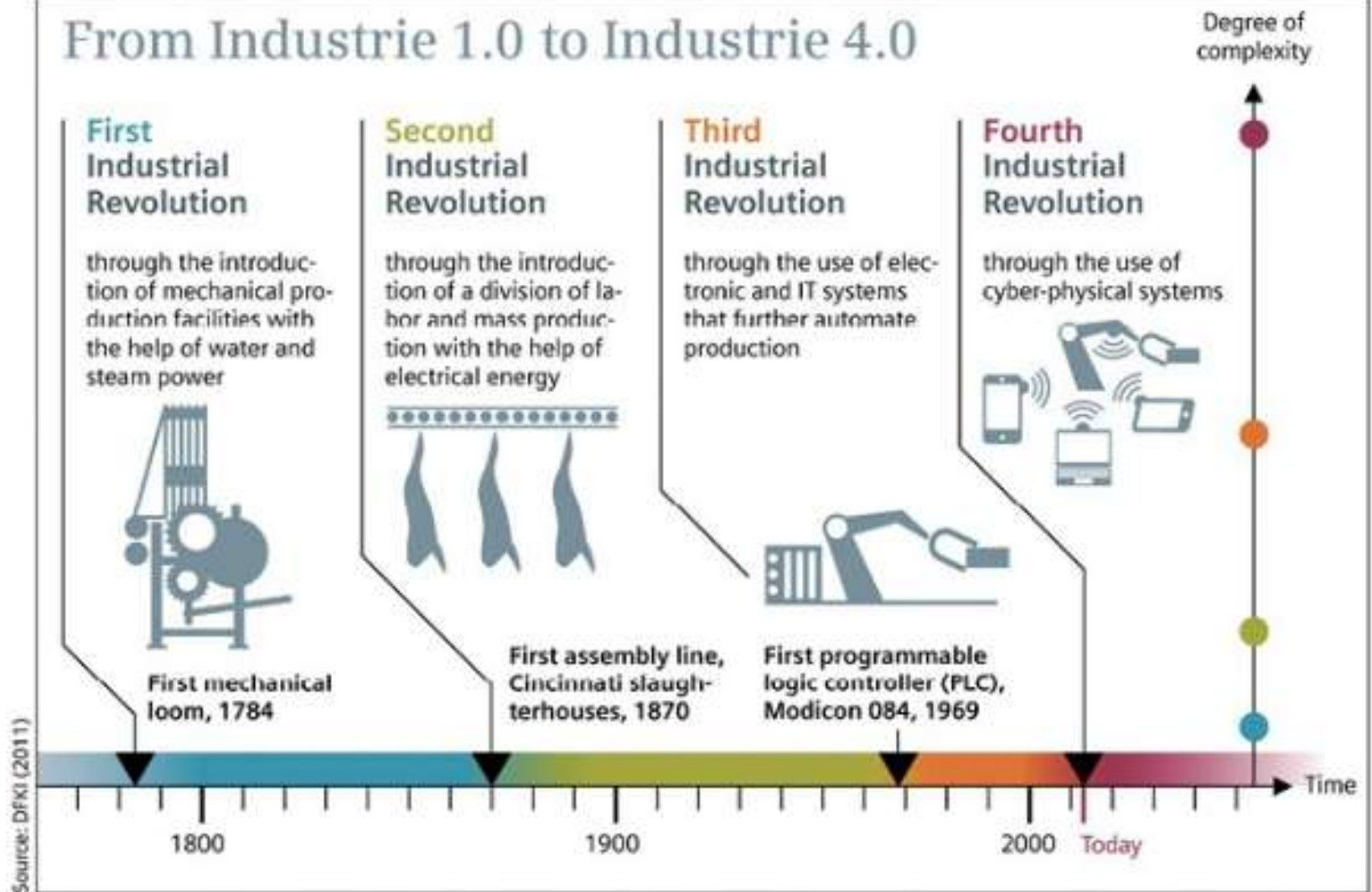
Add for
Click & Collect

3

Pay online - collect
FREE in store



From Industrie 1.0 to Industrie 4.0



Robotics: Sensors + Big Data + Artificial Intelligence





THE FUTURE NOW

THE TECHNOLOGY

INVESTORS

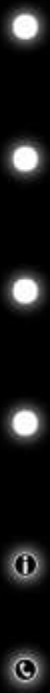
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FUTURE IS SERVED
MOLEY ROBOTICS

PLAY VIDEO



MODERN NEWSROOM

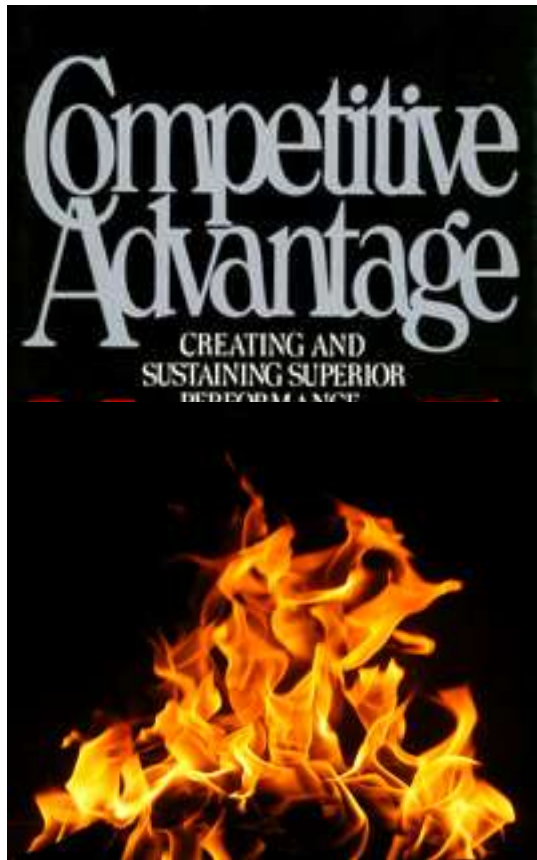
The Washington Post's robot reporter has published 850 articles in the past year

SEPTEMBER 14, 2017 by Lucia Moses

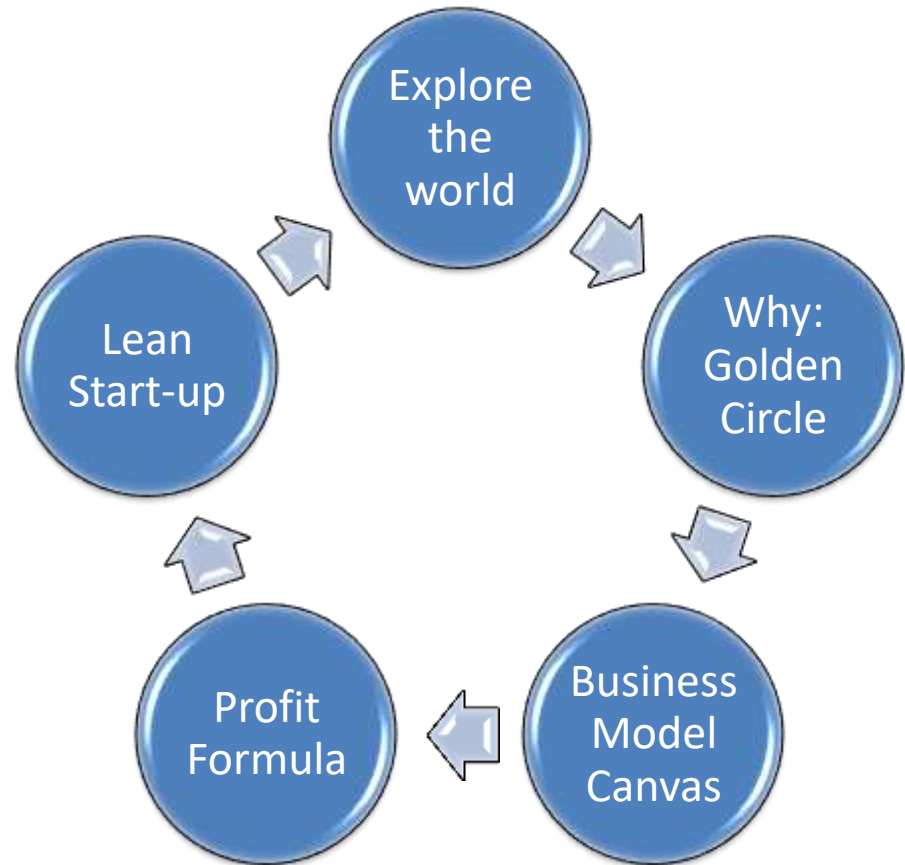
Journalists, look out: Google is funding the rise of the AI news machine in Europe

... you must use new methodologies and burn the old ones ...

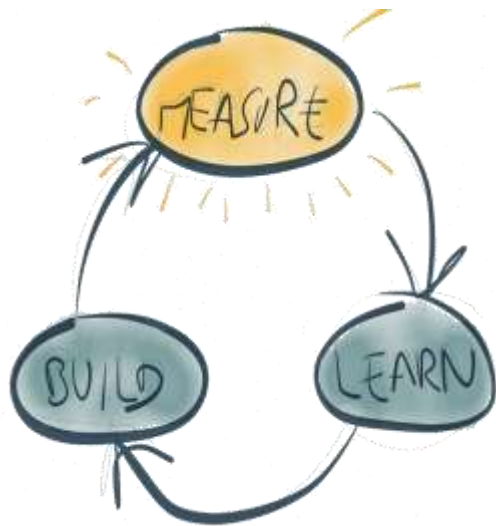
UNLEARN



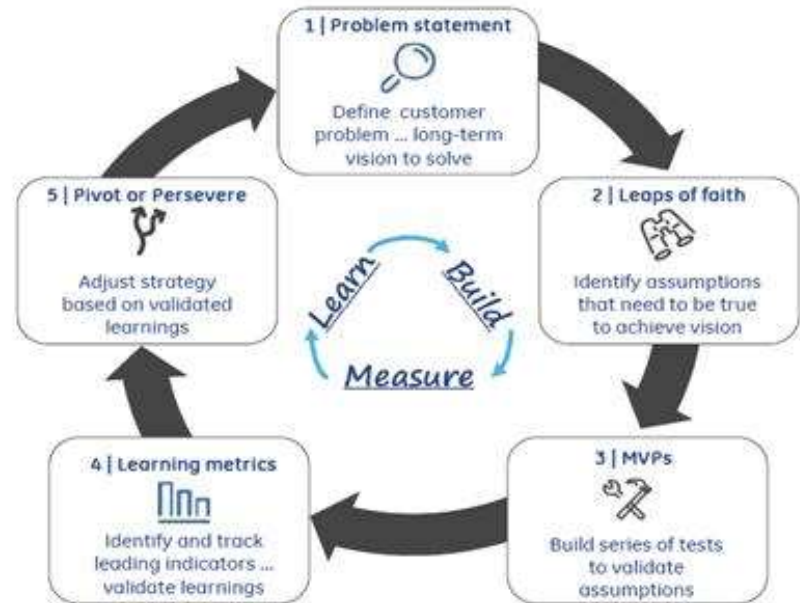
LEARN



... and fast implementation through lean startup ...



The FastWorks framework EXPERIMENT ... LEARN ... ITERATE



THANK YOU VERY MUCH

