Software Center

Why Digitalization Will Kill Your (Software) Company Too

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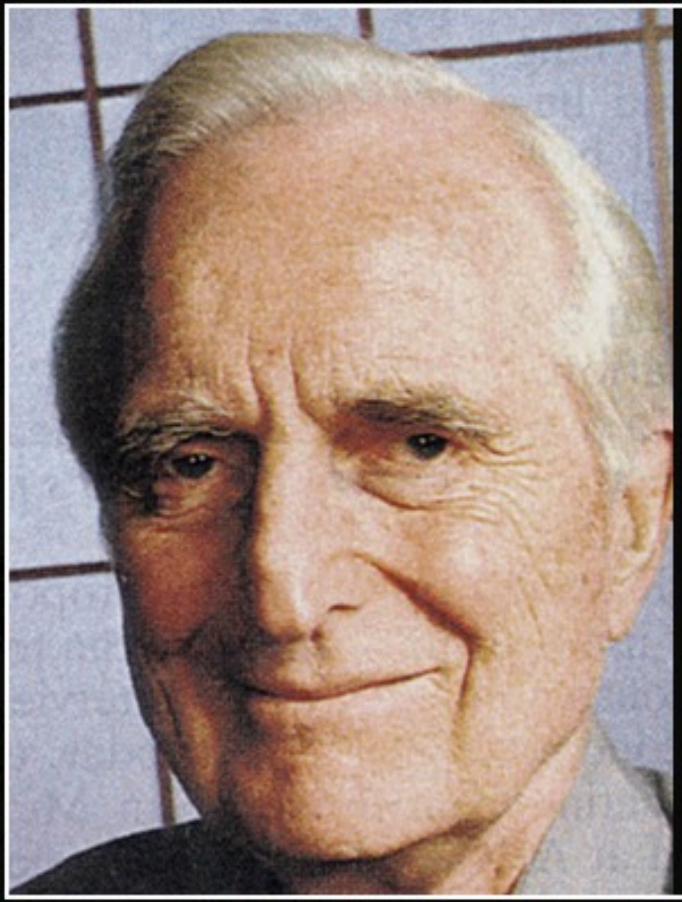
Swedish-German Business Day, Berlin 2019-11-21

Fortune 500

FORTUNE
52% of the Fortune 500 firms since 2000 are gone
Walmart
ExxonMobil
Chevron
Bank of America
ConocoPhillips
Ford
JPMorgan Chase & Co.
Berkshire Hathaway
McKesson
Cardinal Health
UnitedHealth Group
AmerisourceBergen
Costco Wholesale
kraft foods
The Walt Disney Company
comcast
at&t
FedEx
intel
Freddie Mac
cisco
Abbott
News Corporation
FannieMac
New York Life
MERCK
Johnson Controls
The Hartford
TIAA CREF
TRAVELERS
Morgan Stanley
MassMutual Financial Group
Raytheon
DELTA
amazon.com
Time Warner
Express Scripts
Wells Fargo
Sprint
Allstate
Kroger
Humana
Honeywell



Disruption Is The New Normal

- Jim Collins (Built to last): Companies last, on average, ~~30~~ ~~**15**~~ **10** years on the Fortune 500 list. And that time period is decreasing

- Main cause: Companies fail to innovate and to build new core capabilities

Digitalization Is The New Disruptor!

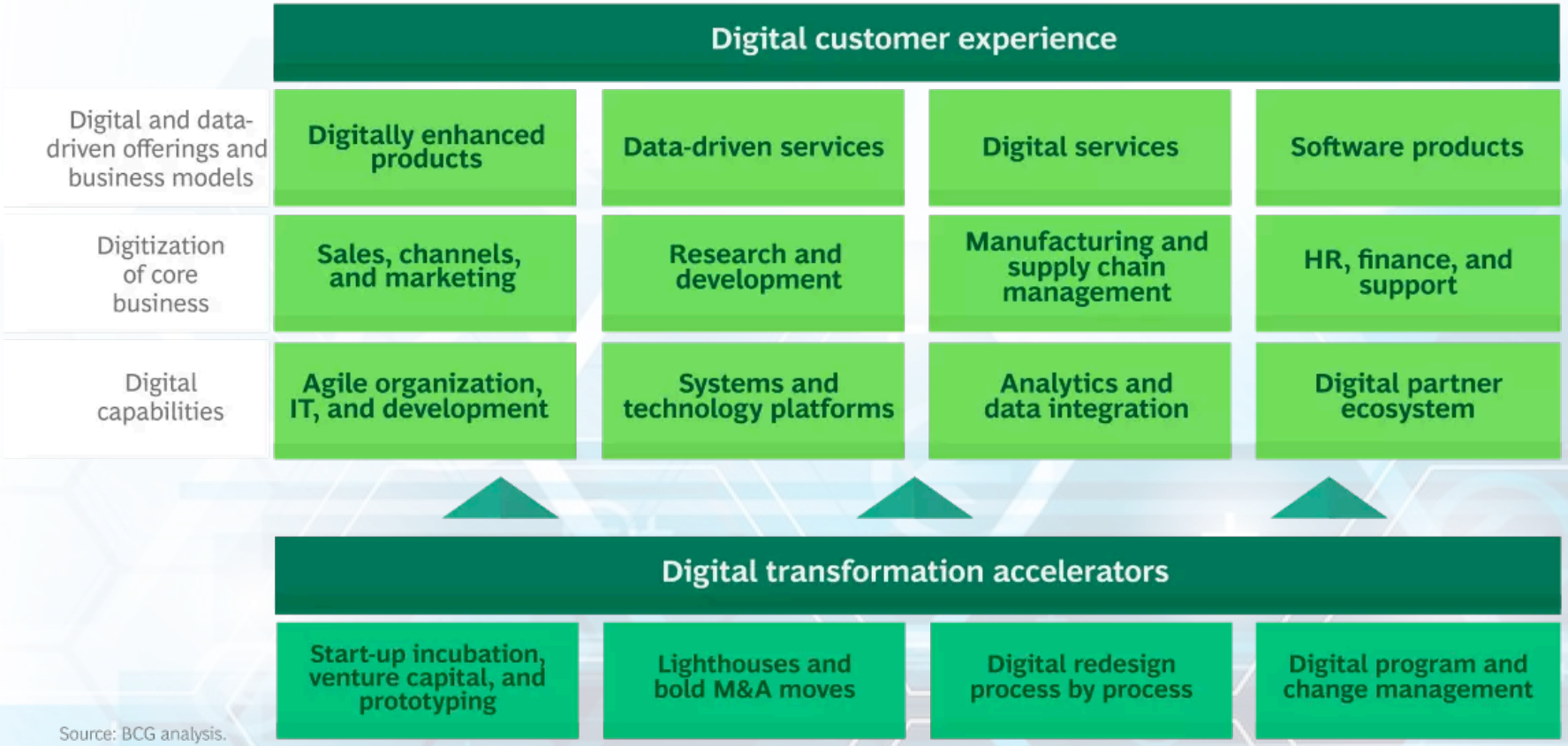
Digitalization

Digitalization is the use of digital technologies to change a **business model** and provide **new revenue** and **value-producing opportunities**; it is the process of moving to a **digital business**.

- Gartner

Digitalization

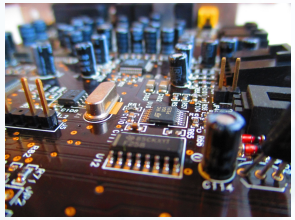
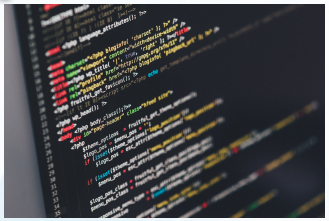
The Strategic Building Blocks of Digital Transformation

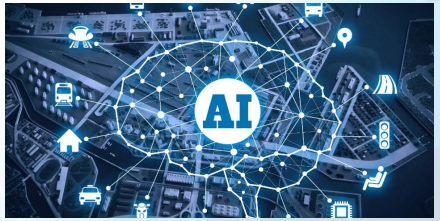


Source: BCG analysis.

Technology Evolution

digitalization

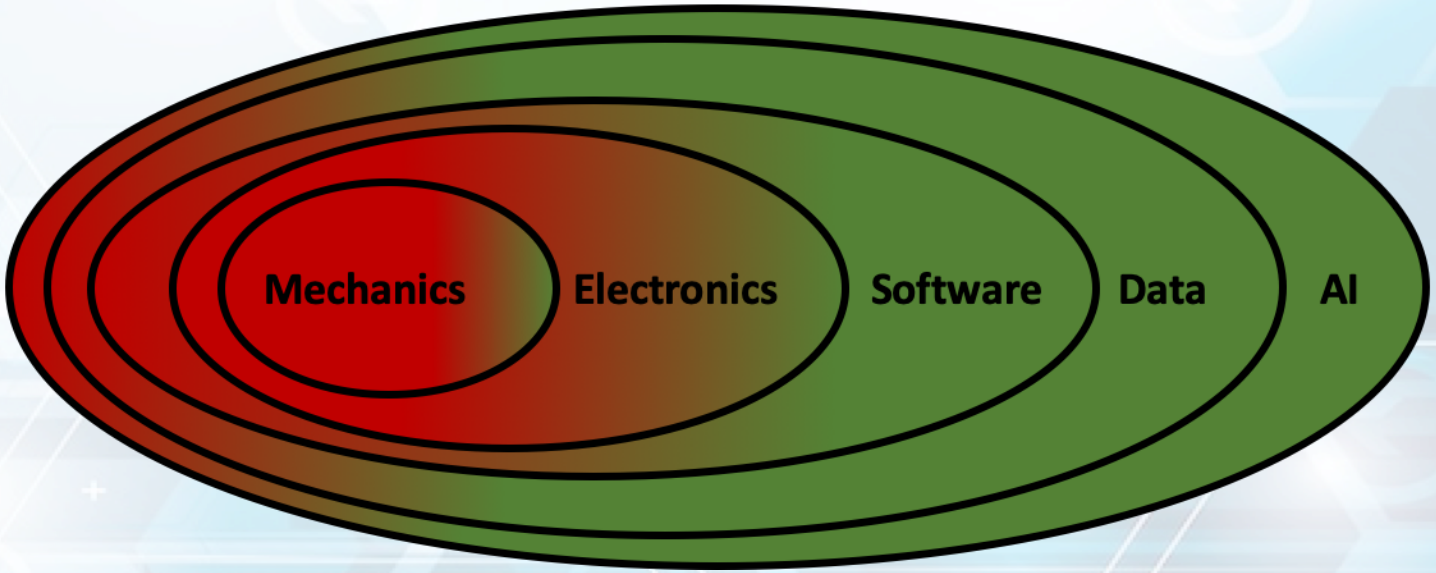


mechanics electronics software data artificial intelligence

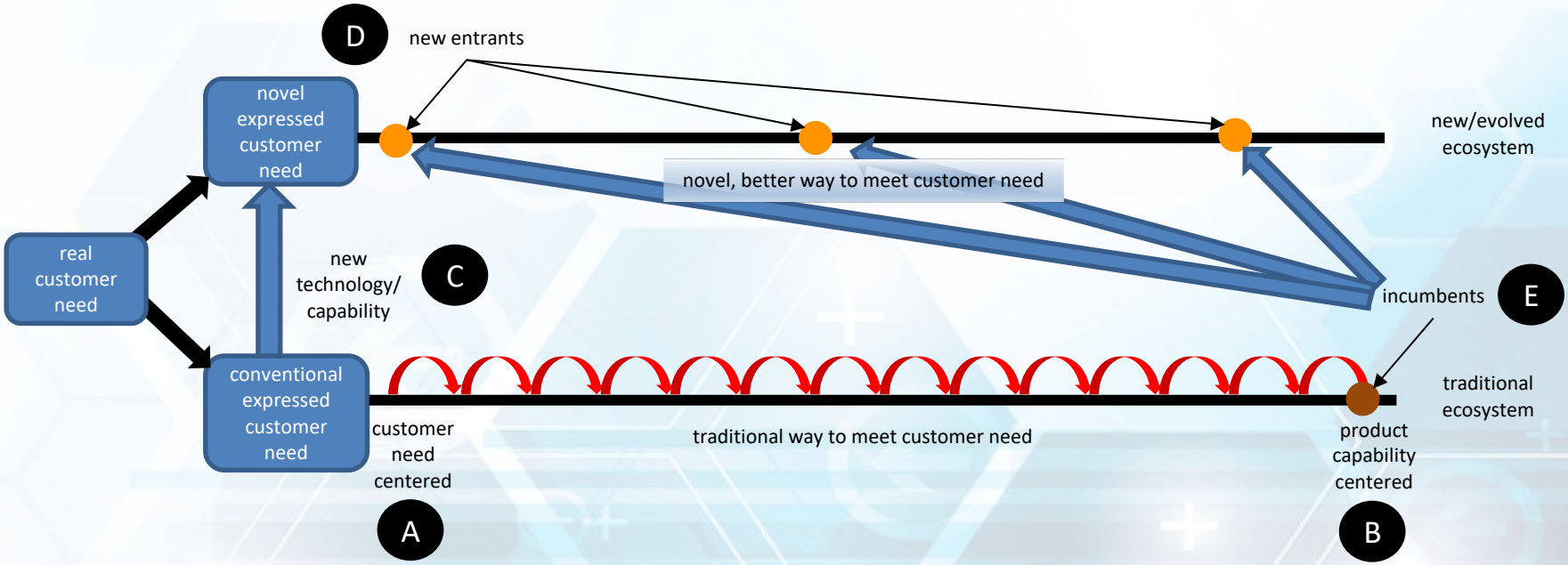
Business Evolution

: Commodity functionality

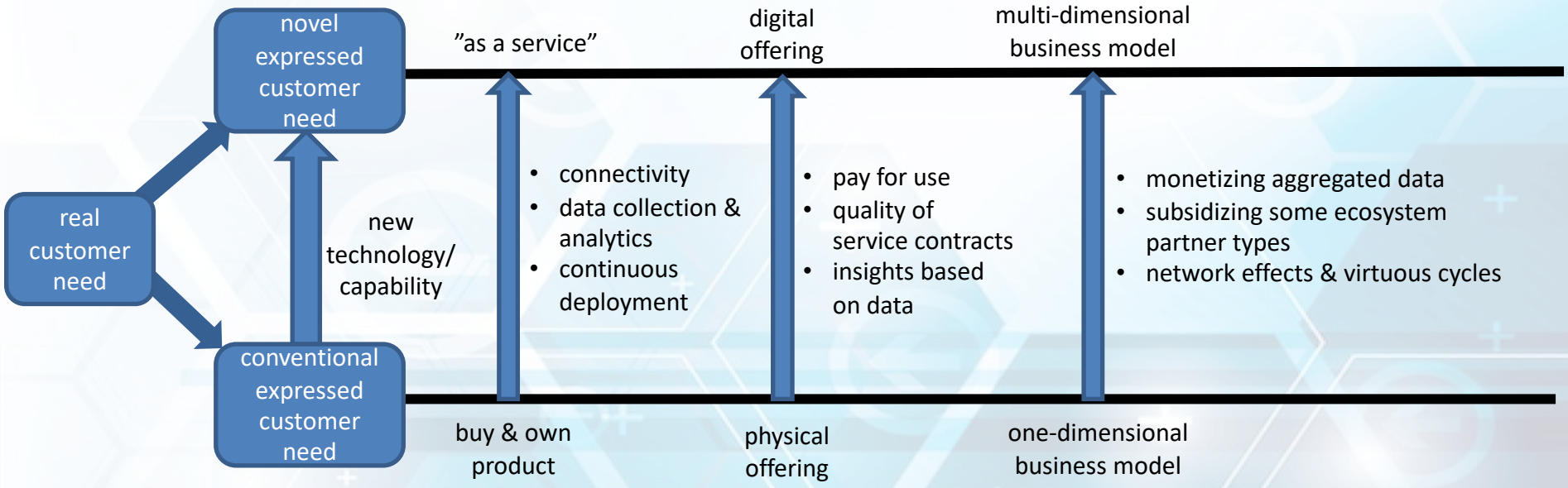
: Differentiating/innovative functionality



Disruption Model



Instantiated For Digitalization



What Makes A Digital Company?

- Using email?
- Have a website?
- Use social media?
- Video conferencing?
- Chatbots?

- Data-driven decision making
- Relentless experimentation (e.g. A/B testing)
- Short feedback cycles
- Decision making pushed down in organization
- Strategic data collection
- Unified data warehouse
- Pervasive use of AI and automation
- New job descriptions

Digitalization

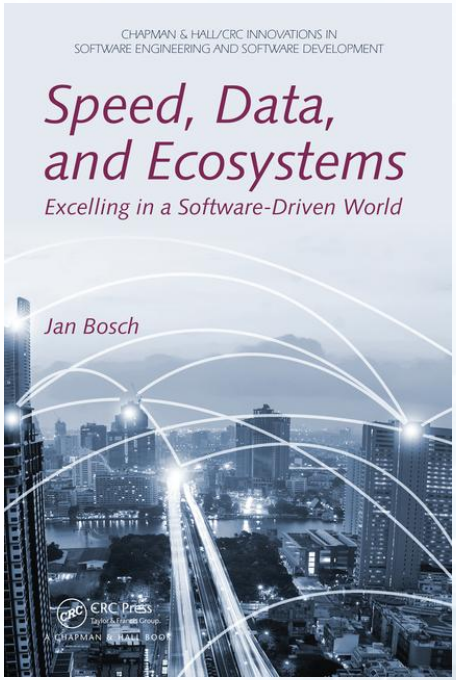
Challenge

- No software expertise
- Lack of ambidexterity
- Digitalization seen as technology only
- Customers not asking for it
- Overly zealous internal functions

Potential solution

- Appoint SW savvy board member(s) & senior leaders
- Implement systems (e.g. 3 horizons model) to ensure resource allocation
- Own digitalization in the C-suite
- Work with fringe customers
- Form cross-functional teams with E2E responsibility

Learn More?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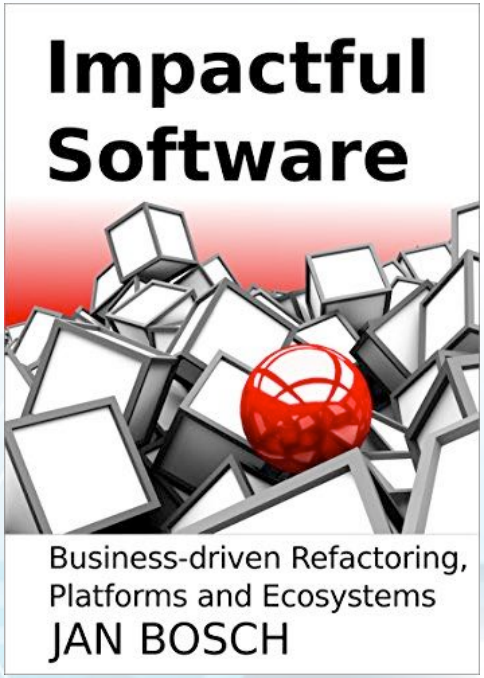
Excelling in a Software-Driven World
Jan Bosch
CRC Press

Using Data to Build Better Products
A Hands-On Guide to Working with Data in R&D - The Basics
JAN BOSCH


Impactful Software
Business-driven Refactoring, Platforms and Ecosystems
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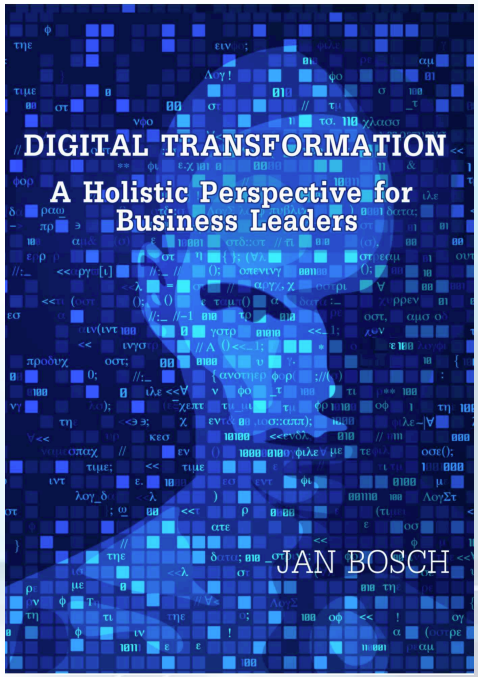
DIGITAL TRANSFORMATION
A Holistic Perspective for Business Leaders
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