

Digital value creation through continuous innovation

April 2017

Digital innovation is gathering pace



By 2020, the average person will have **more conversations with bots than with their spouse.** ⁽¹⁾



By 2020, **100 million consumers will shop in augmented reality.** ⁽¹⁾



By 2020, **85% of a customer's brand experience will occur without any human interaction.** ⁽²⁾



By 2030, **organs will be biologically 3D-printed on demand.** ⁽³⁾



By 2020, **over 80% of the G500 will be digital services suppliers** through Industry Collaborative Cloud (ICC) platforms. ⁽⁴⁾

Why it matters – the cost of not innovating

88% of the companies have disappeared, merged, or contracted.

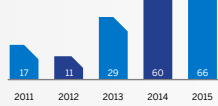


75 years Shrinking life expectancy of companies. ⁽⁵⁾

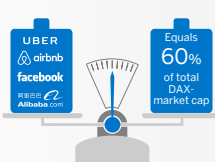


The unicorns

The number of new venture-backed start-ups winning billion-dollar valuations. ⁽⁶⁾



New heavyweights



In 2016, 5 of the top 10 largest companies globally are **technology companies** and 70% are new in the list! ⁽⁷⁾



Airbnb usage is projected to grow **1,165% by 2025**, reaching one billion 'room nights'. ⁽⁸⁾

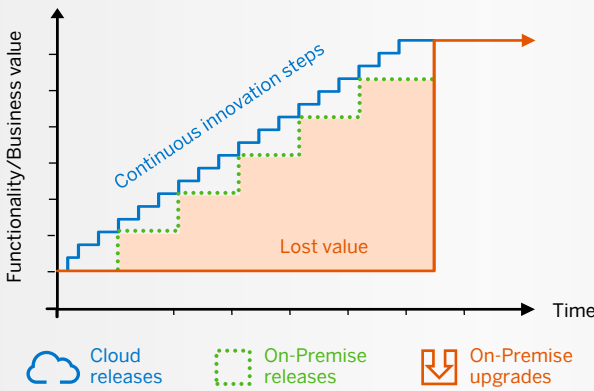


72%

of global CEOs believe the **next 3 years** will be more critical for their industry than the **last 50 years.** ⁽⁹⁾

Creating competitive edge through faster adoption

The journey of faster steps



The benefits

Regular 'quarterly' manageable updates

Immediate adoption of value-adding functionality

Focus on driving business not implementing software

Key innovation roles in the business



CFO

CFOs shift focus from IT budget to innovation spend.



CIO

Gartner: In the digital world CIOs need bimodal IT: Rock solid it with ability for fluidity. ⁽¹⁰⁾



CDO

PwC: The CDO must be an agent of cultural change, championing the digital transformation throughout the company.

Big opportunities



Higher profits

Companies with best-in-class customer experience management achieve year-over-year customer profit margins 527% higher than their peers, and 359% greater company revenue growth.

Source: Aberdeen Group, CEM Executive's Agenda 2016: Aligning the Business Around the Customer



Reduced costs

Digital supply chains can reduce supply chain process costs by 50%, reduce procurement costs by 20%, and increase revenue by 10%.

Source: The Center for Global Enterprise, Digital Supply Chains: A Frontside Flip



Better reputations

Innovative brands experience brand value appreciation 9 times more than brands that are perceived to be less innovative.

Source: Kantar Millward Brown, BrandZ™ Top 100 Most Valuable Global Brands



New revenue streams

86% of consumers are willing to pay more for an upgraded experience, and 55% are willing to pay for a guaranteed good experience.

Source: The Huffington Post, 50 Important Customer Experience Stats for Business Leaders



Faster growth

Companies with 50% or more of their revenues from digital ecosystems achieve 32% higher revenue growth and 27% higher profit margins.

Source: MIT Sloan Management Review, Thriving in an Increasingly Digital Ecosystem



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Sources:
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 (2) Surviving the Storm Winds of Digital Disruption
 (3) Centric Digital, How Omni-Channel Customer Experiences Drive Brand Transformation
 (4) World Economic Forum, Healthcare in 2030: Goodbye hospital, hello home-spital
 (5) IDC Research, Inc.
 (6) Steven Denning (Forbes)
 (7) CB Insights
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 (9) Forbes Insights, 2016 Global CEO Outlook
 (10) Gartner Newsroom - http://www.gartner.com/newsroom/id/2865718
 (11) Aberdeen Group, CEM Executive's Agenda 2016: Aligning the Business Around the Customer
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 (13) Kantar Millward Brown, BrandZ™ Top 100 Most Valuable Global Brands
 (14) The Huffington Post, 50 Important Customer Experience Stats for Business Leaders
 (15) MIT Sloan Management Review, Thriving in an Increasingly Digital Ecosystem