

Digital – a force for change



Introduction to A.T. Kearney

ATKearney

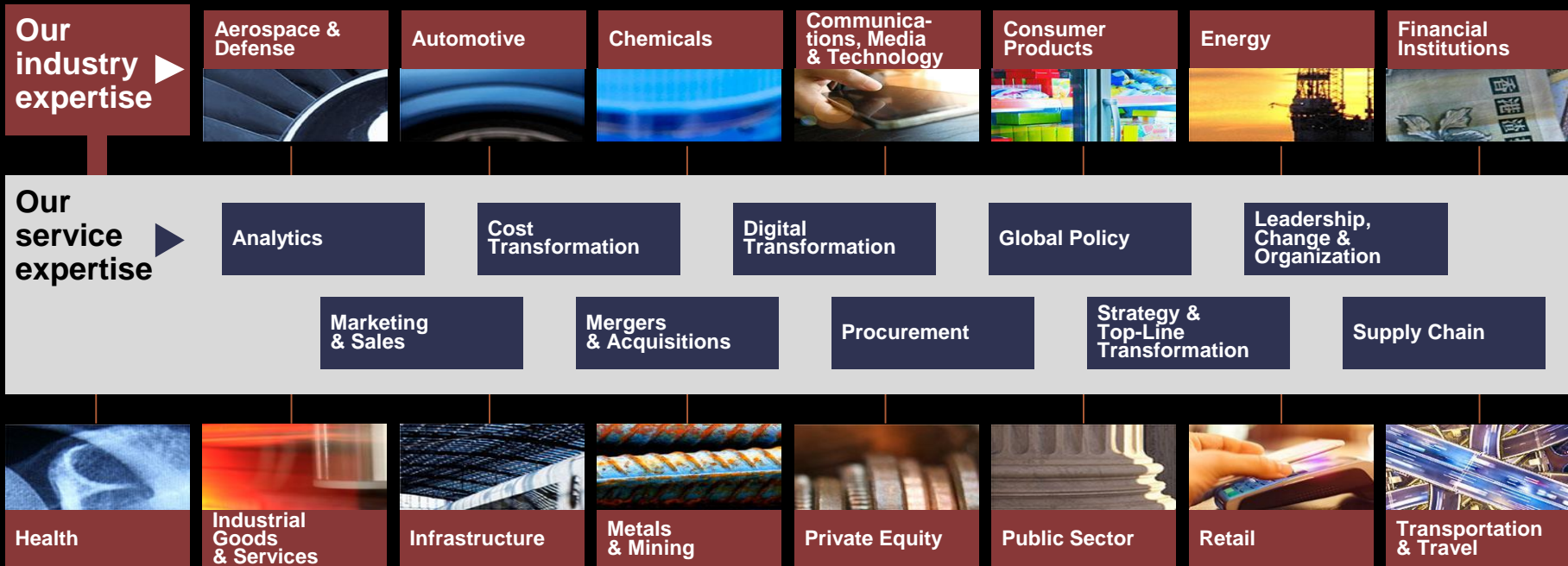
About A.T. Kearney

A.T. Kearney is a leading global management consulting firm with offices in 40 countries. Since 1926, we have been trusted advisors to the world's foremost organizations. A.T. Kearney is a partner-owned firm, committed to helping clients achieve immediate impact and growing advantage on their most mission-critical issues.



Our expertise spans a wide range of industries and services

What we do



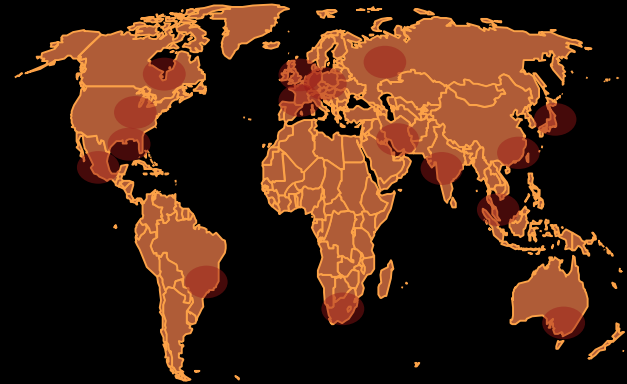
We are the leading consulting firm in Chemicals with a strong global presence

A.T. Kearney's Chemical Clients

- Globally 19 of top 25 chemical companies
- Top 3 North American players
- 50+ diversified/specialty chemical companies

Selection of recent consulting topics

- Growth strategy
- Marketing and sales effectiveness
- Organizational effectiveness and restructuring
- Customer satisfaction
- Operational assessment and improvement

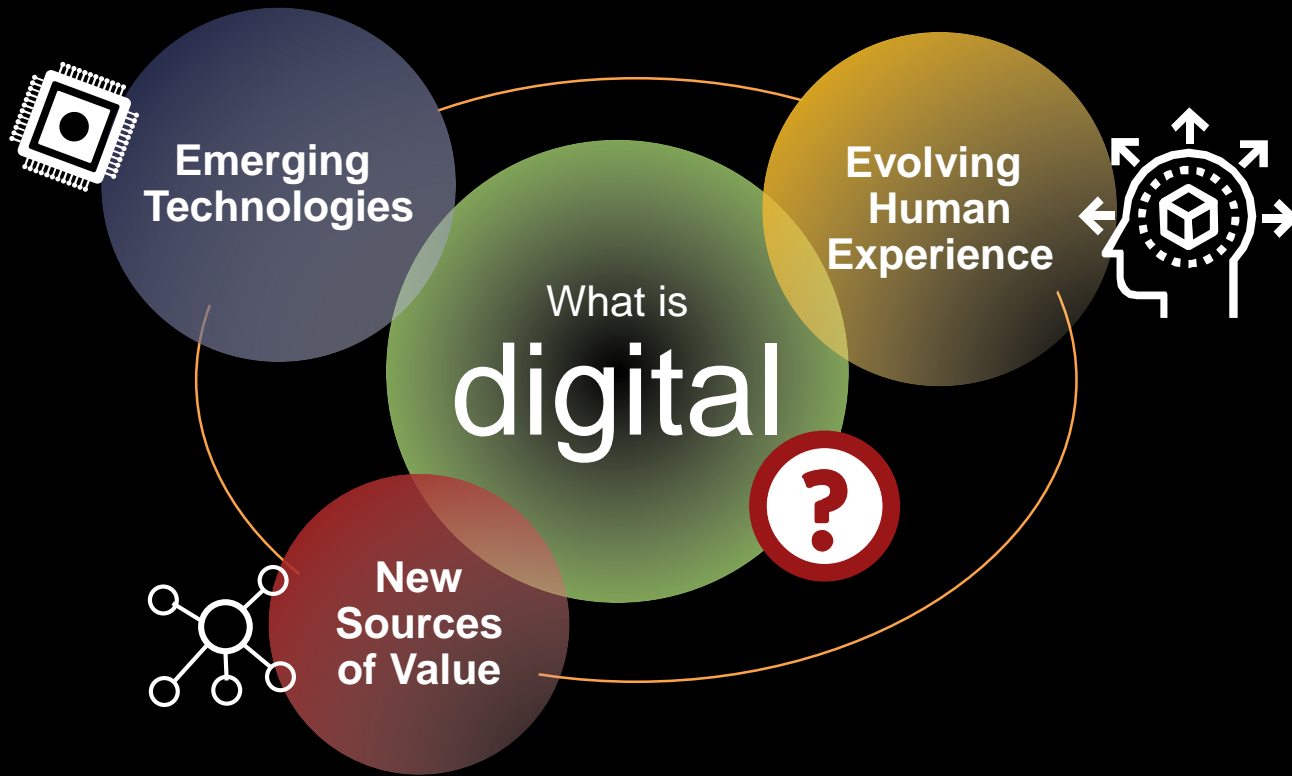


A.T. Kearney Chemicals Centers of Excellence

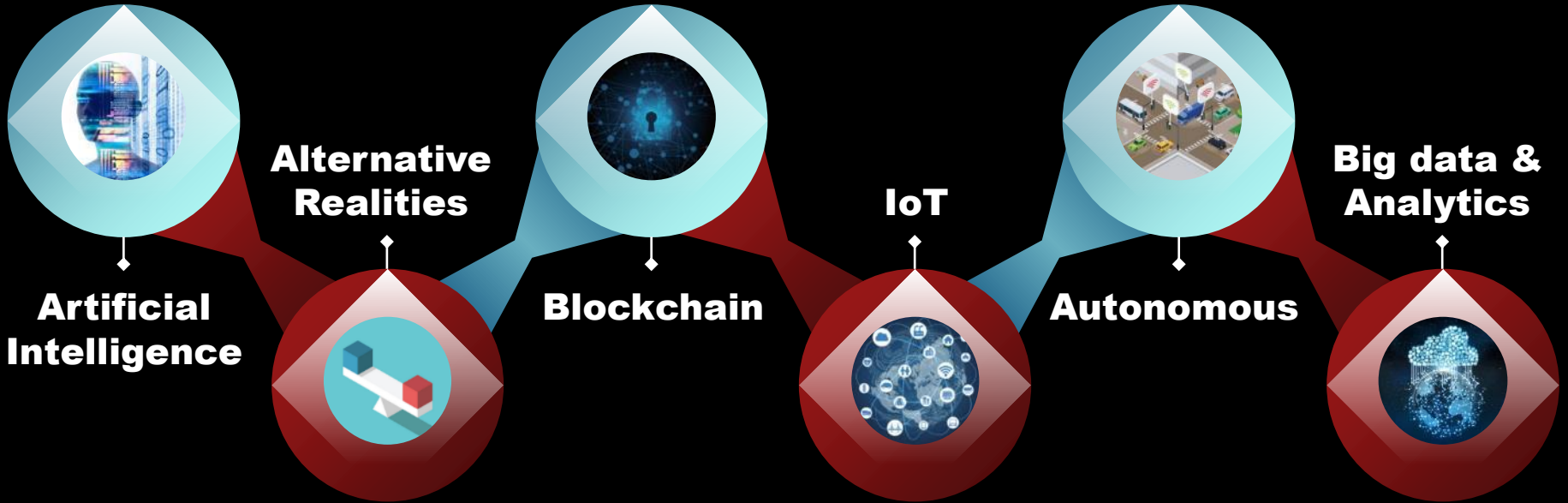
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|---------------|----------------|-------------|
| • Chicago | • London | • Dubai |
| • New York | • Düsseldorf | • Hong Kong |
| • Houston | • Moscow | • Melbourne |
| • Mexico City | • Paris | • Mumbai |
| • Sao Paulo | • Johannesburg | • Tokyo |
| • Toronto | • Riyadh | • Singapore |

Digital – Defined










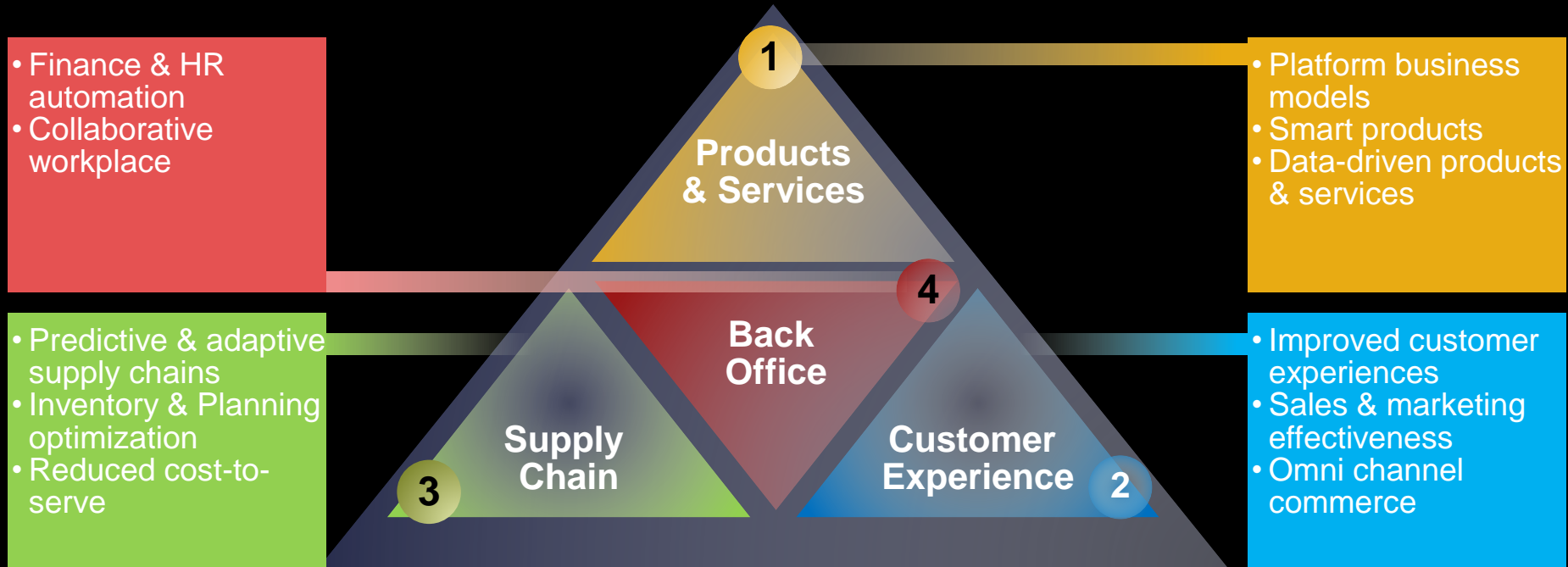
Today 6 technologies really matter...



At the same time – Human behavior & expectations are evolving

 Constant connection	<ul style="list-style-type: none">• Customers online all the time• Expect to manage order across channels	<ul style="list-style-type: none">• Increased demand for fast/easy transactions and constant order status updates
 Authenticity	<ul style="list-style-type: none">• Understanding of client problem and needs• Authentic engagement	
 Personalization	<ul style="list-style-type: none">• Consumer data leading to better targeting	<ul style="list-style-type: none">• Expect more tailored personalized offerings
 Pricing fairness	<ul style="list-style-type: none">• Pricing key factor in purchasing	<ul style="list-style-type: none">• Expect price unity, rewards for loyalty
 Instant gratification	<ul style="list-style-type: none">• Frictionless shopping experiences• Fast responses to questions and problems	<ul style="list-style-type: none">• Transparency in shipping and order status

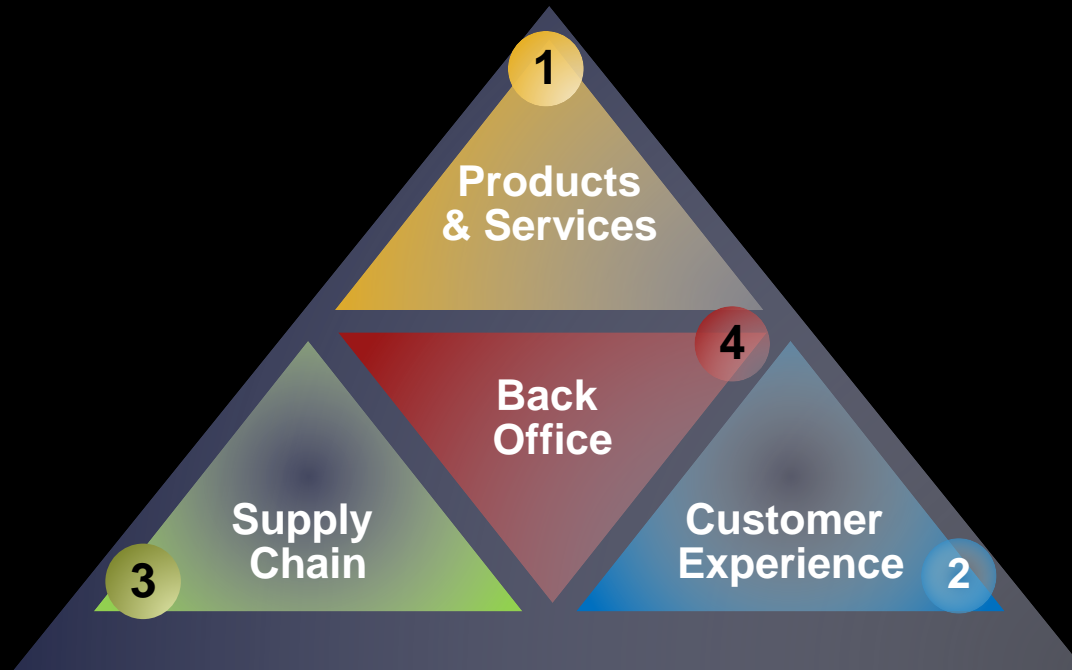
The convergence of new technologies & behaviors unlocks value across the business



Examples of Digital Use Cases



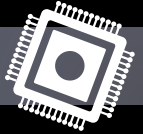
Digital leaders are creating new value across the enterprise





1 Analytics across data sources improve product performance

Technology



- Big data storage and analytics
- Mobile platform for consumer ease
- Machine learning algorithms to generate contextual insights

Value created



- Business insights into customers' needs and uses of products
- Customers received more value from the product as they were receiving actionable tips to use their machines, better service, and faster issue resolution
- Increased customer “stickiness”

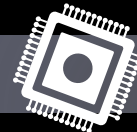


JOHN DEERE



2 AI proactively identifies potential component failures

Technology



- Text mining, predictive modeling, and visualization techniques to generate both keyword based insights and system generated intelligence

Value created



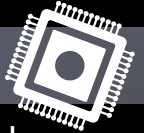
- Customer support team was able to rapidly identify component failures due to better access to data
- Significant client savings due to increased efficiency in complaint response

Airline Client



2 Advanced analytics enables a more effective reach of a larger customer base

Technology



- Behavioral analytics to analyze customer web history and webpage interactions to better segment and target customers

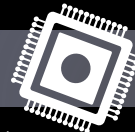
Value created



- Enhanced customer experience based on personal website behavior
- More efficient use of marketing dollars

2 A parts manufacturer drove ~\$100M in sales via a mobile app prototyped in ~3-weeks

Technology



- Agile workshop with cross functional teams to develop a new way of reaching B2B customers with apps
- 8 week development sprints to create app

Value created



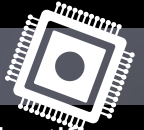
- 40,000 app downloads within 3 months of launch

\$100M
projected
app sales

Parts Manufacturer client

2 A global retail company decreased product complaints and risk with AI

Technology



- Machine learning and artificial intelligence identifies signs of customer dissatisfaction and/or product defects

Value created

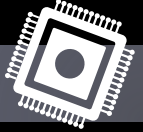


- Increased customer satisfaction
- Decreased operational cost of dealing with complaints

Retail company

3 A chemicals company used Agile to improve efficiencies in finance, operations, and supply chain

Technology



- Agile, cross-functional, workshops and ways of working

Value created



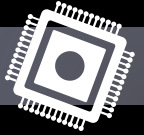
- Increased efficiencies in experimentation and digital adoption
- Warehouse plans which will increase supply chain capacity by 30%
- Dedicated Agile problem-solving space in offices

30%
increased
capacity



3 Smart pallets drive supply chain transparency for consumers

Technology



- Blockchain and IoT to track the location of shipments across the supply chain

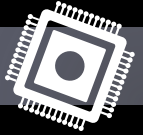
Value created



- Increased transparency for the company and their customers

3 IoT and AI decrease production parameter variability for fewer defects

Technology



- IoT sensors track production KPIs
- Machine Learning predicts which metrics could indicate production derailment

Value created



- Reduced variability by 50% by adjusting machine parameters 240 times a day

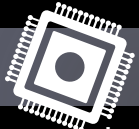
50%
reduction
in product
variability

HERSHEY'S



3 Honeywell improved worker safety and productivity through IoT

Technology



- IoT wearable sensors track working conditions and process KPIs
- AI extracts actionable insights for plant management and employees

Value created



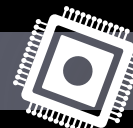
- Information to help plant managers / incident commanders anticipate and prevent unsafe workplace conditions

Honeywell



3 Valmet's digital twin increased production efficiency

Technology



- Analytics support Valmet paper production to view and analyze historical data related to production
- This analysis creates actionable insights which are leveraged to improve production processes

Value created

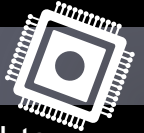


- Lower costs and increased quality from insights gathered



3 P&G improved demand forecasting accuracy through advanced analytics

Technology



- Advanced analytics pooled forecasting insights across business functions

Value created



- Demand forecasting which updates based on latest information
- Fast-moving SKUs are updated up to twice daily to ensure data is as accurate as possible

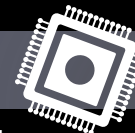


Jabil uses predictive analytics to better meet customer demands with faster, more customizable solutions



4 A Chemicals company used RPA to decrease order errors

Technology



- Agile workshops with stakeholders across the business worked together to create a solution to decrease warehouse defects

Value created



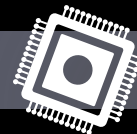
- Reduces number of production errors
- Substantially fewer emails relating to product orders
- Higher customer satisfaction from higher transparency

0
customer
complaints



4 HR improved candidate quality and application tracking by collecting internal and external data

Technology



- Internal and external social networks were connected in a platform
- New ways of working to create platform

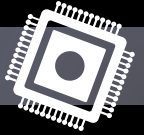
Value created



- Increased candidate pool from employees' internal and external networks
- Increased information when selecting candidates

4 Finance productivity optimization through RPA and AI

Technology



- AI NLP automates forms and filings
- Data lakes, streaming, and management

Value created



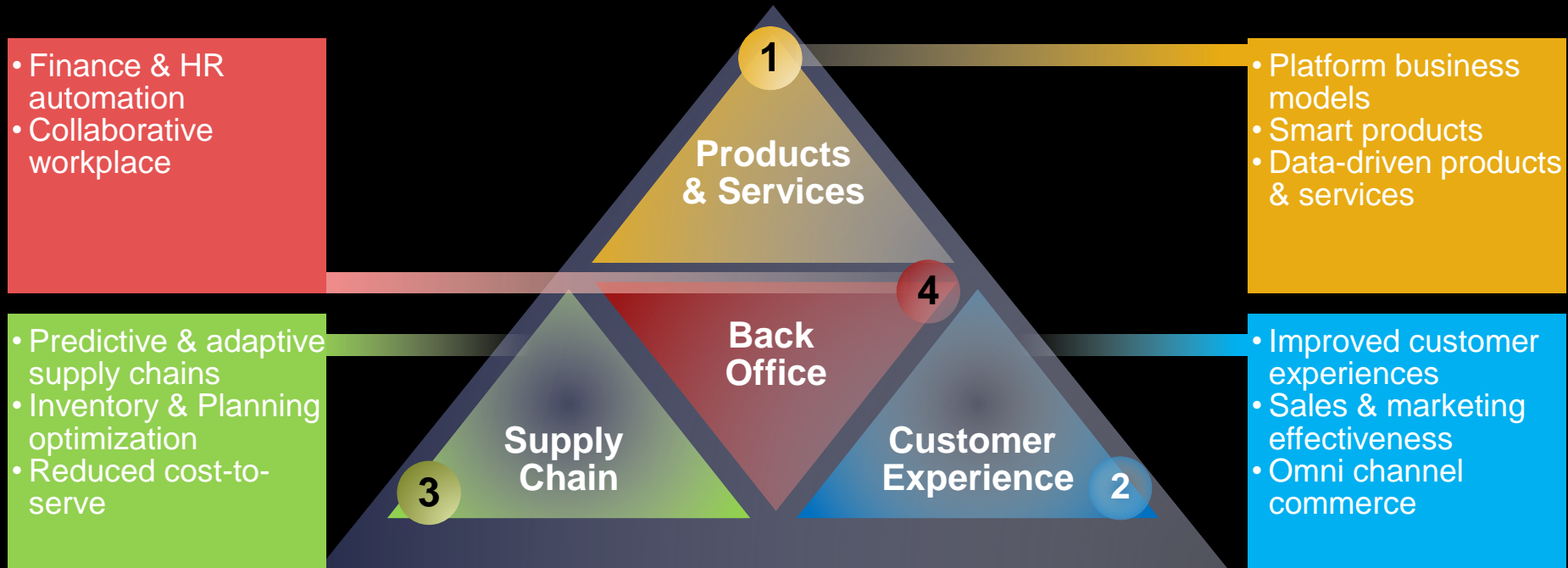
- 75% reduction in finance 's time filling out forms
- 15-20% reduction in T&E spend through proper data streaming

50%
reduction
in product
variability

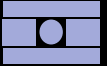
Lessons for Digital Transformation



The convergence of new technologies & behaviors unlocks value across the business



The A.T. Kearney Digital Transformation Framework highlights critical 'get-rights' and core components needed for success



- Set “North Star”

Digital Ambition Setting

- Senior management alignment
- Agree on **quick-win initiatives**



Digital Mindset Development

Cultural change to:

- Leverage **design thinking**
- Learn from **lean start up**
- Deliver through **agile methods**

Impact Focus



Digital Journey Mapping

- Translate vision into **concrete initiatives** by digital transformation domain
- Assess value impact and **prioritize into waves**
- Map waves into a **digital transformation roadmap**

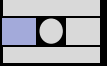


- **Center of Excellence** (“Digital Factory”)

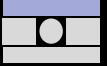
Digital Infrastructure Build

- Build internal and external **capabilities and culture**
- **MVP delivery** and acceleration support

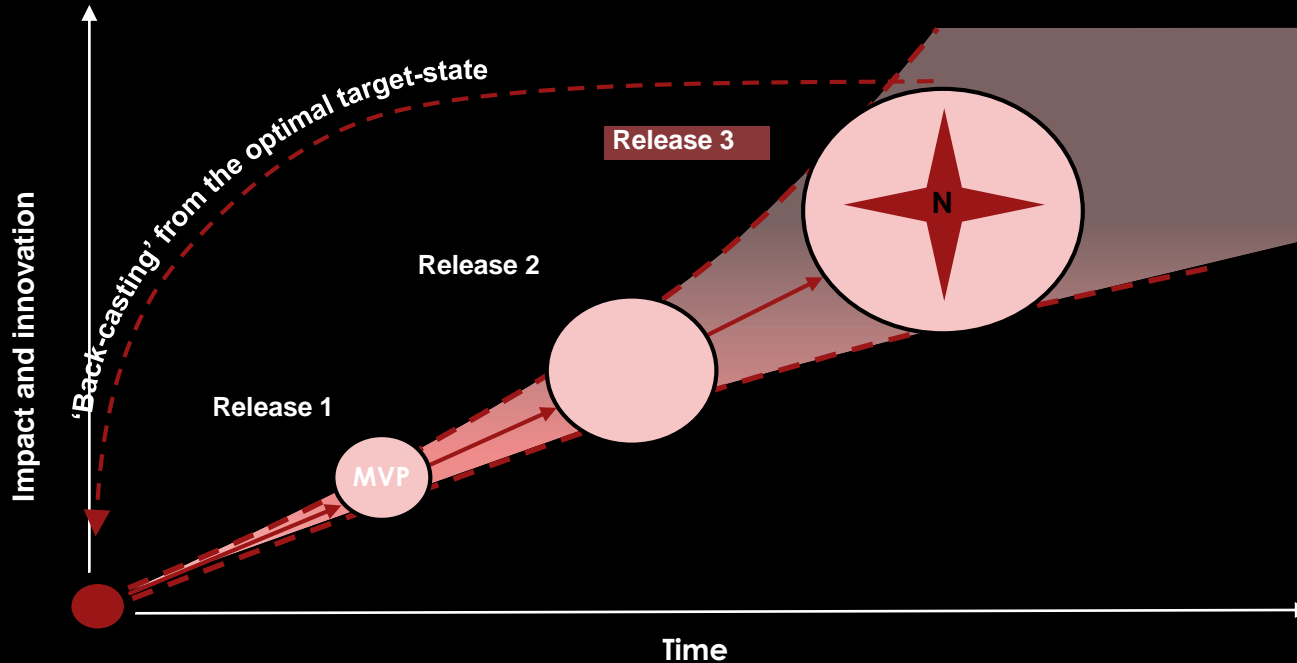
We differentiate by our focus on mindset shift and capability uplift, which are core to the way we drive digital innovation and transformation



The “North Star” represents the digital target state; all digitalization efforts should be directed to achieving



“North Star” framework



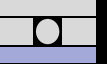
What is the “North Star”?

- A **target state** end-vision and a **reference point** to check all our decisions against

A “North Star” can be defined at different levels and needs to be cascaded down:

- **Business level**
- **Domain level.**
- **Digital product level**

Key is to drive mindset shift, starting with the customer while running a lean and agile model to deliver MVPs



DESIGN THINKING

- End-users at the heart
- ‘Customer’-back to solve root causes

LEAN START-UP

- Deliver a new product in uncertainty
- Scale successes, learn quickly, Pivot to find the real value

AGILE DEVELOPMENT

- Deploy batches of features in “sprints”
- Delivering value in every iteration

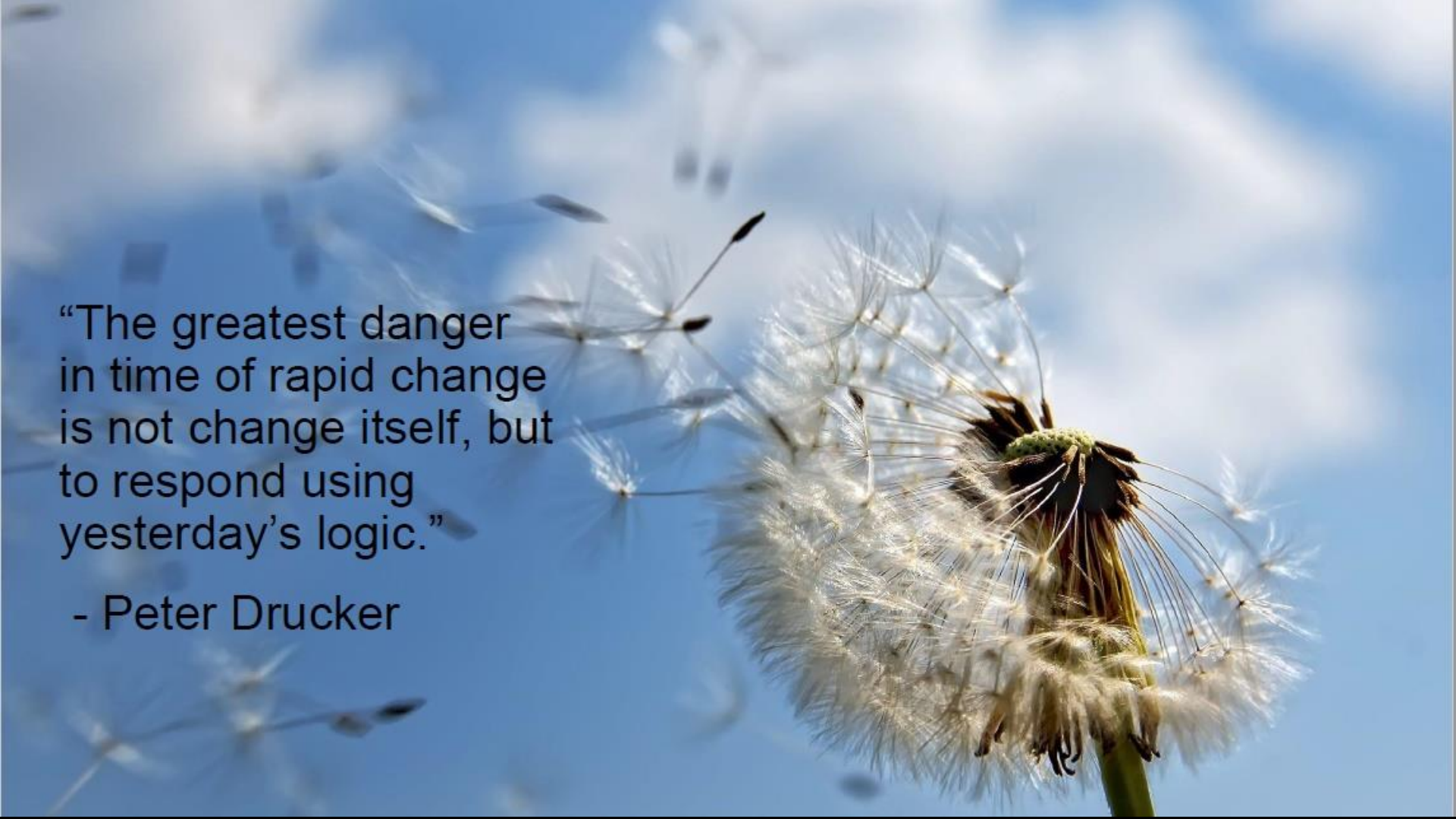
MINIMUM VIABLE PRODUCT (MVP) DELIVERY

- Deliver real value, rapidly
- Avoid large upfront investment with uncertain outcomes over long period.

4 truths about digital transformation

Facts

- 1 Digital transformation is not 'one and done'
- 2 New skills and mindsets are required for the future
- 3 You will need to bring the outside in
- 4 Yesterday's allocation of capital doesn't apply to digital

A close-up photograph of a dandelion seed head in the process of blowing away. The seed head is on the right side of the frame, with its green stem visible at the bottom. The seeds are white and fluffy, with long, thin stems extending from them. Many seeds are captured in mid-air, scattered across the frame, creating a sense of movement. The background is a bright blue sky with soft, white clouds. The lighting is bright, suggesting a sunny day.

“The greatest danger
in time of rapid change
is not change itself, but
to respond using
yesterday’s logic.”

- Peter Drucker

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