

How Innovation Drives New Business Value

The world is about to change even faster



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⁾



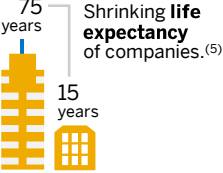
By 2020, over 80% of the G500 will be digital services suppliers through Industry Collaborative Cloud (ICC) platforms. ⁽⁴⁾

Industry overhaul driven by digital players

Keep up or drop out

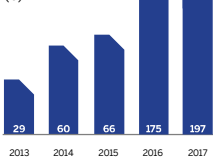
88%

of the companies have **disappeared**, merged, or contracted.



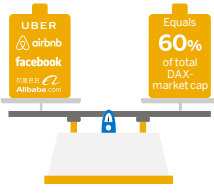
The unicorns

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



New heavyweights

New players born in the digital age rival old economy giants.



Different landscape

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

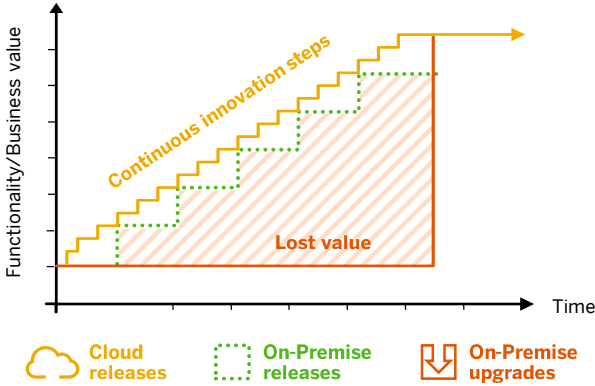


72%

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

Winners go for the Intelligent Cloud ERP

The journey of faster steps



Speed driven by:

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 Chief Digital Officer must drive cultural change, championing the digital transformation across the company.

Big opportunities with Intelligent Cloud ERP



Higher profits

Customers with best-in-class customer experiences achieve 527% higher profit margins YoY vs. peers and 359% higher revenues. 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 see 9 times more brand value appreciation than brands 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



Sources:

- (1) Gartner, Top Strategic Predictions for 2017 and Beyond:
Surviving the Storm Winds of Digital Disruption Oct, 2016
- (2) Centric Digital, How Omni-Channel Customer Experiences Drive Brand Transformation Oct, 2015
- (3) World Economic Forum, Healthcare in 2030: Goodbye hospital, hello home-hospital Nov, 2016
- (4) IDC Research, Inc. Nov, 2016
- (5) Steven Denning (Forbes) Aug, 2011
- (6) CB Insights May, 2017
- (7) Forbes April, 2016
- (9) Forbes Insights, 2016 Global CEO Outlook Aug, 2016
- (10) Gartner Newsroom - <http://www.gartner.com/newsroom/id/2865718> Oct, 2014
- (11) Aberdeen Group, CEM Exec's Agenda 2016: Aligning Business Around the Customer May 2016
- (12) The Center for Global Enterprise, Digital Supply Chains: A Frontside Flip Oct 2016
- (13) Kantar Millward Brown, BrandZ™ Top 100 Most Valuable Global Brands June 2016
- (14) The Huffington Post, 50 Important Customer Experience Stats for Business Leaders Oct, 2015
- (15) MIT Sloan Management Review, Thriving in an Increasingly Digital Ecosystem, June, 2015