twimbit

Demystifying Digital Transformation

Twimbit's Global Top 10

INSIGHTS FOR SUCCESS | IDEAS TO EXECUTE

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Table of Contents

Preface

The 21st century is an era of exponential growth and development of humanity. We have experienced disruption and pain before, and every generation has tried solving the fundamental problems we suffer as a society. Financial inclusion, access to food and clean water, safe living environment, ecological balance, education, healthcare and wellness are our primary challenges and there is no better time or opportunity to solve each of those.

The question we have struggled with for long is how do we do it? Till now, it has been people and organizations operating in silos or large multi-country platforms trying to talk about these issues and solve them. But results aren't often satisfactory.

This is the real opportunity. We are the only generation ever with access to so many resources and the technology frameworks needed to make it happen in our lifetime.

Unlike other digital transformation reports focusing on outcomes of the effort, we uncover the core fundamentals of why transformation initiatives of certain organizations have led to massive economic outcomes and delivered observable progress towards these goals. To this end, we decided to shortlist the world's top 10 companies that have managed to transform and position themselves for relevance in the coming decade. We then have tried to understand their journeys, so that you can learn from them.

We hope this report not only gives you information but also a framework to re-think your organization's vision and purpose, culture and your ability to create value through technology.

Three Steps to Digital

Digital transformation is a buzzword. We study business leaders and companies who are really looking to understand and implement it the right way in their organizations.

It is one thing for business leaders to understand its importance from a business perspective but implementing and achieving success in this transformation involves an in-depth understanding and the ability to lead and manage an uncertain construct.

Recognizing the need for this understanding, we, at Twimbit, looked at 10 companies which has achieved phenomenal business success through digital transformation and ranked them on the basis of certain core factors and how well they performed in each of those key areas.

What is digital transformation?

Googling this term throws at least a gazillion results and surprisingly each definition often describes digital transformation differently.

For instance, Wikipedia, the encyclopedia of the web describes digital transformation as "the use of new, fast and frequently changing digital technology to solve problems. It often utilizes cloud computing, reducing reliance on user-owned hardware but increasing reliance on subscription-based cloud services."

The Enterprisers Project, an online community helping CIOs and IT leaders achieve success further define digital transformation as "the integration of digital technology into all areas of a business, fundamentally changing how you operate and deliver value to customers. It's also a cultural change that require organizations to continually challenge the status quo, experiment, and get comfortable with failure."

We asked ourselves if true digital transformation really is about adopting technology, finding a way to deliver value to customers and building a viable economic model around it. We felt all of these are really outcomes of certain fundamental shifts.

The 3 Steps

Sense of purpose

The first shift is leadership mindset. It means to instill in your people a 'sense of purpose'. We can't stress the importance of this fundamental factor. In fact, the key criteria of success in any transformative exercise isn't management but leadership through purpose. A purpose-driven organization can rally all stakeholders. **Digital transformation** is to serve a larger purpose. Having a sense of purpose will allow organizations to look beyond short-term failures and achieve long-term outcomes with exponential impact.

Building tech expertise

Owning digital transformation is to lock the 'pre-digital' mindset and adopt the 'technology company' mindset. This means investing in R&D to learn and build new technology skill sets, training existing employees and hiring new tech personnel to drive the change. It is about the democratisation of technology to enable every functional department and every business process to own their own digital transformation journeys.

Business model innovation

The most sustainable value creation happens through business model innovation. The leverage of technology is enabling several new business models, viz., Pay-As-You-Go, Platform As A Service, Personalization, Direct-to-Consumer, Data Monetization and more. Companies have reimagined customer journeys to help unlock value. Collaboration and partnerships have emerged as the core fundamentals of this new era of business model innovation.

Inclusion

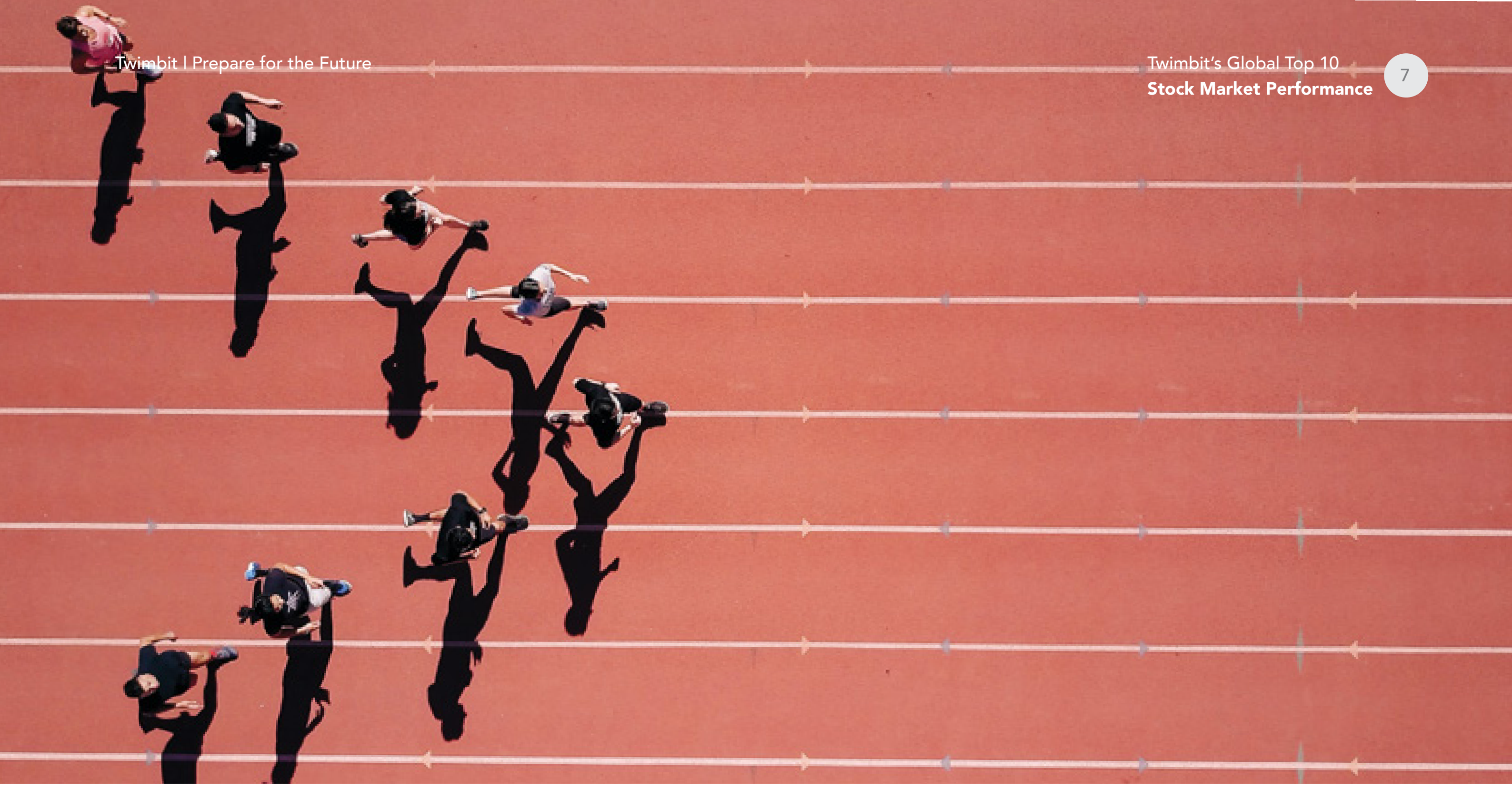
The key purpose for us to judge true digital transformation is to see it outside the purview of 'digital native' companies. However, we have included Microsoft and Adobe as the two exceptions. Both firms are software natives but because they are fairly mature organizations and their digital transformation journeys have been painful, both these stories present great learning and deserve a place in our rankings.

Exclusion

In the making of this report, we have ignored technology-first companies. So, you will not see a Google, Apple, Amazon or Alibaba here. The reason is simple; they are pure play technology companies and it will be unfair to rank relatively new entrants in the space with stalwarts. We want to understand how companies with relatively little know-how in technology are understanding the used cases ground up, and building new and innovative business models.

Closing

Our rankings reflect these fundamental characteristics. We looked at companies which have successfully achieved digital transformation and have made a fundamental re-shift in the way they create and define value for all stakeholders. Our opportunity is to understand how these organizations did it and perhaps, implement in our own little ways, a framework to improve the odds of a mammoth transformative effort.



Stock Market Performance

Our first point of analysis starts from the investor perspective. Are investors happy about the transformation initiatives?

The chart below showcases that all of these firms have delivered returns higher than the S&P500 Index. This means investors realize the value of the transformative bet and are willing to back up companies which may not yet have their financial performance fully reflect this disruption.

These companies have all made significant strides adopting digital. It is safe to say that despite being in completely different industries these firms realize the importance of adopting technology in so far as to call themselves as a pure play technology company.

Another point is the patience and long-term view most of these investors take. We often call markets short-term but on the contrary, investors are long-term and patient as this data shows. It shows how well leaders like Amazon understand the market. As Jeff Bezos famously said, "If you make it (product), they (profits) will come."

Ranking of companies and their stock returns over a 5 year period

Rank	Company	CEO	Stock Price 2014	Stock Price 2019	5-Year Cumulative Returns	5-Year CAGR
1	Ping An	Jessica Tan	37.20	93.1	150%	20%
2	Microsoft	Satya Nadella	47.66	153.24	222%	26%
3	Adobe	Shantanu Narayen	74.45	305.96	311%	33%
4	Nike	John Donahoe (Designate)	47.42	97.72	106%	16%
5	Orsted*	Henrik Poulsen	252	656.2	160%	38%
6	JP Morgan Chase	Jamie Dimon	61.93	138.02	123%	17%
7	Disney	Bob Iger	92.89	147.76	59%	10%
8	Domino's	Richard Ellison	95.69	296.65	210%	25%
9	Marriott	Arne M. Sorenson	77.43	145.1	87%	13%
10	Lululemon Athletica	Calvin McDonald	53.5	224.47	320%	33%
	S&P 500		2070.65	3168.57	53%	9%

Note: Stock price as at 13 Dec 2019 and 19 Dec 2014 except Orsted (10 Jun 2016)

Twimbit's Top 10

*Section 1: **Company Rankings***

RANK COMPANY	PURPOSE	EMERGING TECHNOLOGY	BUSINESS MODEL
1 Ping An	Strives to become a world-leading technology powered retail financial services group	Artificial intelligence, machine learning, deep learning, and mobility	Platform as a service
2 Microsoft	Empower every person and organization in the world to achieve more	Intelligent cloud and mobility	Platform as a service
3 Adobe	Give emerging artists and global brands everything they need to design and deliver exceptional digital experiences	Cloud applications	Product as a service
4 Nike	Do everything possible to expand human potential	Augmented reality, mobility and machine learning	Direct to consumer
5 Orsted	A world free of fossil fuels where green energy is the driver of industry and societies	Offshore wind	Fossil to renewables
6 JP Morgan Chase	To be the best financial services company in the world	Artificial intelligence, mobility and machine learning	Mobile-first banking
7 Disney	Use technology, storytelling and iconic characters to continually raise the scope and breadth of entertainment for all people	Cloud and artificial intelligence	Digital streaming
8 Domino's Pizza	To be the best pizza delivery company in the world	Mobility, artificial intelligence and machine learning	E-commerce & micro-logistics
9 Marriot International	To be the world's favourite travel company	Mobility, artificial intelligence and machine learning	Personalized stays
10 Lululemon Athletica	To be the experiential brand that ignites a community of people living the sweatlife through sweat, grow and connect	Mobile web and experiential stores	Direct to consumer

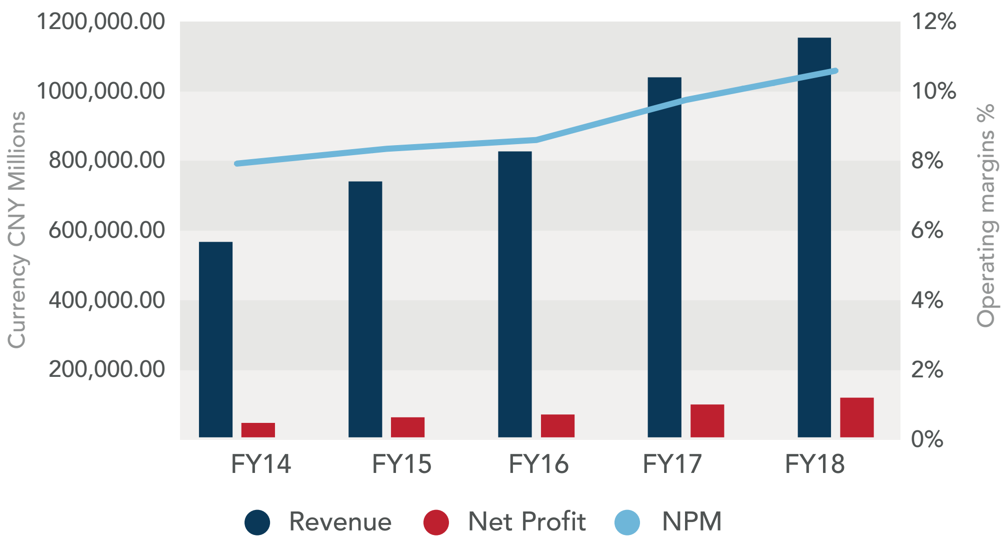
1 Ping An

"We never take 'no' for an answer."

CEO: **Jessica Tan**

Ping An in Numbers:
5-Year Stock Price

5-Year Operational Performance
Ping An's 5-Year Financial Performance



Business Model Innovation

Platform as a service

For analysts covering the Chinese financial services market, Ping An is clearly seen as a leader in the space. They have been in the insurance business for 30 years, employ over 1.8 million people, and manage over $1 trillion in assets.

What started as a pure play insurance business has now diversified its offerings into every aspect of the financial services industry. The company realizes the true potential of digital and is a force to reckon with in the space by innovating and inventing cutting-edge products across verticals in the last decade. The firm has been investing 1 percent of its revenue every year in technology R&D and in 2018 alone, the firm spent close to $1.5 billion building technology-enabled solutions.

Company's Vision

Strives to become a world-leading technology powered retail financial services group.

Emerging Technology

Artificial intelligence, machine learning, deep learning, and mobility

To show Ping An's commitment to digital and to get the context of these investments, let us look at a few ways the company is leveraging the power of data and machines to build digital-only scalable business models. They are reinventing the financial businesses in more ways than anybody has previously imagined.

In the last decade, Ping An has incubated 11 new tech businesses covering financial services, auto and healthcare to name a few. Four of these companies have gone on to become unicorns by the end of 2019.

AI and Ping An

Ping An is one of the only few companies in the world with the breadth and depth of businesses where you can actually train algorithms from the massive amount of real-time offline/online data in order to get this working.

The result: 2018 saw Ping An receive 11 million car accident claims to which they settled a staggering 98.7% of them within a day. Furthermore, 60 percent of these were self-service claims. All you need to do is take a picture of your car and within a few hours, your claim is automatically settled and disbursed to your account.

The firm achieved this through leveraging the power of AI. It studied claims of the last two decades, looked at where hot spots are, where have accidents usually occurred and trained its algorithms to recognize 60,000 different car models and 25 million different parts. They learnt from the best adjusters and looked at the logic in which they identify fraud.

The Result: Ping An's car insurance business has been the best in the industry in terms of profitability and growth for the past 7 years.

Disrupting Consumer Finance With Technology

Ping An also owns one of the largest consumer finance companies in China. 60 percent of its lending is done through its peer-to-peer (P2P) lending platform.

In 2015, the company had a loan book of $5.5 billion and ran a traditional non-tech, pure offline branch-based consumer lending business. The challenge scaling this business was that only one-third of Chinese consumers had a credit record maintained with the national regulator.

Ping An recognized the challenge and created one of the largest private credit bureaus in China. Today, it processes 88 million monthly loan applications coming from all financial institutions through its credit bureau. This has allowed Ping An to cover 75 percent of people who do not have a credit bureau record.

Ping An was also able to capture and learn micro facial features and train it for past 3 years to learn if people were lying about their salary, job or purpose of loan. This has allowed Ping An to grow its loan portfolio 10X in 5 years to cross $55 billion.

The Transformation

Ping An has closed all of its 823 physical branches and now manages its entire consumer business through online mode. Its ticket size, unlike other fintech start-ups, isn't a few thousand dollars but as much as $100,000, and all of it is completely online.

Two-thirds of lending happens in tier 2, 3, and 4 cities while most of the source of this capital comes from tier 1 and 2 cities. The P2P model is a great way to cover the unbanked populace and help lenders analyse credit rating of unbanked customers.

Disrupting SME Lending Through A Blockchain-enabled App

Like consumers, SMEs face stringent challenges getting the capital they need to grow and scale. The company's blockchain-enabled platform was approved by the Hong Kong Monetary Authority, and now used by 12 banks to evaluate SMEs for loan applications.

The platform has 1.14 million registered SMEs of which 21 percent authorizes Ping An, on a daily basis and in real-time, to grab data from their financial, CRM, and ERP systems. This enables banks to assess the risk profile of SMEs and grant them capital.

This is truly revolutionary. It has enhanced credit access and promulgated the growth of the entire economy.

Future

Ping An group's CO-CEO Jessica Tan revealed that all of this wasn't easy and highlighted that the biggest challenge to achieve this level of impact was getting people from different disciplines and teams to work together.

Areas like AI require cross-functional collaboration to see any significant success and Ping An will continue to use the power of community and support the open source ecosystems to scale its platforms.

One-connect, the firm's fintech platform is served to 450 banks in China. Regional banks (93%) and large banks (60%) are using Ping An's technology to make their everyday lending and risk assessment decisions.

The future for Ping An is to become an ecosystem enabler and build innovative tech to disrupt current models and build massive consumer-facing applications to enable people to achieve their goals.

2 Microsoft

"Don't wait for your next job to do your best work."

CEO: **Satya Nadella**

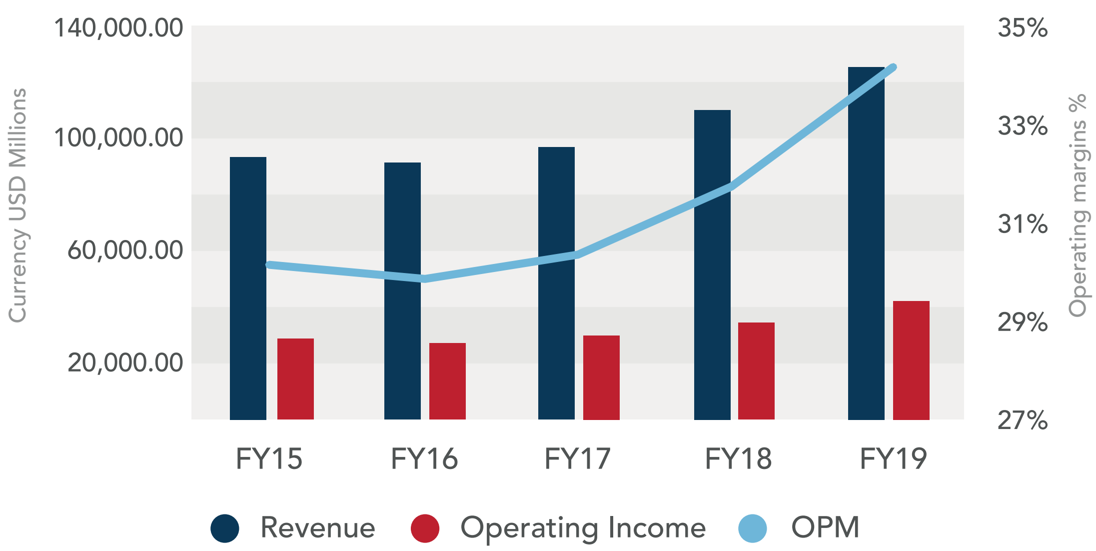
Microsoft in Numbers:
5-Year Stock Price

153.24 USD +1.54 (1.02%)

Closed: 13 Dec, 6:16 am GMT-5 - Disclaimer
Pre-market 153.94 + 0.70 (0.46%)

Open	151.65	Mkt cap	1.17T	Prev close	151.70
High	153.44	P/E ratio	28.85	52-wk high	153.44
Low	151.02	Div yield	1.33%	52-wl low	93.96

5-Year Operational Performance
Microsoft's Revenue, Net Income and Operating Margins



Business Model Innovation

Platform as a service

Microsoft's new service offerings are mobile first, and powered by the intelligent cloud. It has built a scalable tech platform powered by the Azure cloud computing framework to offer its technologies, products and services like enterprise ERP, CRM, and office productivity solutions through subscription based plans."

Microsoft's phenomenal financial success is a result of the company's major initiatives to attract the developer community and create more open source systems and applications to generate community value. Acquiring GitHub for $8.5 billion was a step towards creating value from the collective minds of the global developer community. There are over 26 million developers using GitHub to collaborate and re-write the world in code.

Company's Vision

Empower every person and organization in the world to achieve more.

Emerging Technology

Intelligent cloud and mobility

Envisioning a world where every organization will eventually kneel towards technology, and perhaps become technology companies themselves, this acquisition was the first step towards aligning the developers with Microsoft's vision of empowering people and organizations to achieve more. The company is opening many closed loops and intends to unfurl as an open source platform, apps, tools and services ecosystem.

Leadership impact

For Satya Nadella, his role at the top of a leading technology company has been a difficult and challenging one. As a non-founder CEO, he had to make explicit his vision, values and strategy in a much more robust way than either Bill Gates or Steve Ballmer.

Satya's rise to the top of Microsoft and his subsequent impact on company's stupendous business success in the cloud space can't be seen in isolation. The transformation at the leadership level is what has trickled down and is now visible in the amazing financial outcomes the company has achieved since the day he took over.

But what are the real core drivers of Microsoft's successful transformation? Is it the cloud technology, the noise created all around popular business media of the need for organizations to ride the digital transformation wave, or just plain old luck?

Our research shows that Satya's focus on an inspired vision, nurturing the growth mindset and making the organization people-centric in-and-out lie at the heart of this massive financial success.

When Ballmer first asked Satya to spearhead the cloud division, it was still nascent and the organization had no clear-cut strategy to make it big in this space. However, Ballmer was prepared to make a zero-sum bet. This leadership support enabled Satya to focus on non-financial KPI's like customer satisfaction and usage growth versus traditional KPI's like gross margins. For any new business, there is always a path to profitability, It may not be obvious at first, but staying on the path and learning from your stakeholders eventually tells you the right fitment of the value your product delivers, and the price customers are willing to pay for it.

Microsoft's success in the cloud is an outcome of this slow and steady 'people-centric' mindset. While the business didn't really contribute much to the firm's overall growth or profitability in the initial years, it is the relentless focus towards harnessing tech know-how, setting the right vision and speaking to customers not to sell, but to discover their core needs that sets the service apart.

The company has ended fiscal 2019 with $38 billion from its enterprise cloud offerings. It has now become the world's largest enterprise cloud company, surpassing Google cloud's revenue ($8 billion) 4X, Salesforce.com's revenue ($13 billion) 3X and its largest competitor in this space, Amazon AWS ($25 billion) 1.5X.

Future

Microsoft realizes that the journey from possibility to reality is fraught with unknown challenges but have figured out that the way forward isn't a closed-door company but an open source, collaborative and community-driven ecosystem.

Acquiring GitHub to support and deliver best in-class solutions, platforms, infrastructure and services to the global developer community was a step towards it.

Microsoft is betting on a future which is connected, and by looping in the developer community at GitHub and the global professional community with LinkedIn, it lays the foundation for a business-developer collaborative ecosystem.

We foresee Microsoft to leverage more of such strategic acquisitions, to continue building their cloud and mobile technology and to make its technology and systems available to the open source community. The future for Microsoft is a world driven by data, and empowered by Microsoft's cloud, productivity and open source ecosystems.

3 Adobe

> **"If you can connect all the dots between what you see today and where you want to go, then it's probably not ambitious enough or aspirational enough."**
>
> CEO: **Shantanu Narayen**

Adobe in Numbers:
5-Year Stock Price

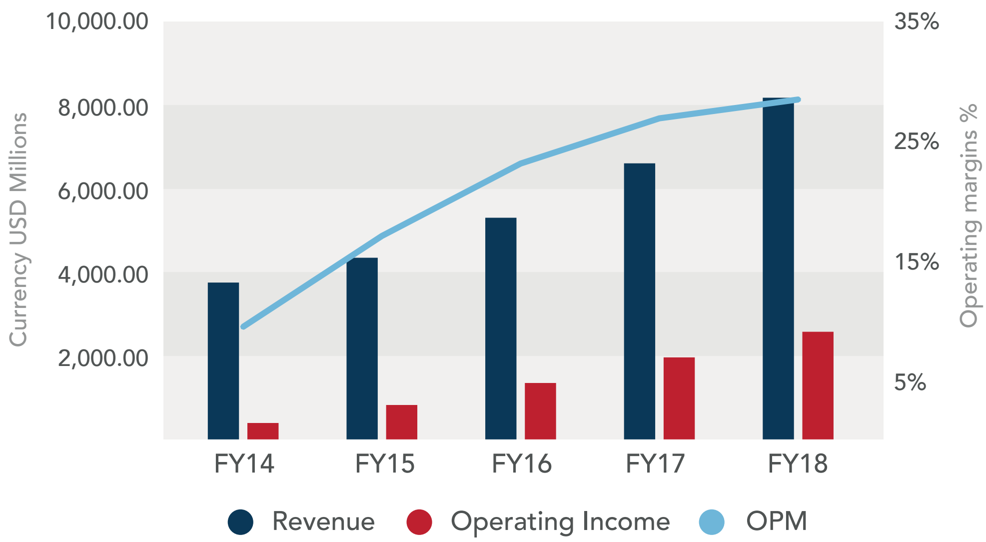
305.96 USD +2.22 (0.73%)

13 Dec, 5:54 am GMT-5 - Disclaimer
Pre-market 315.50 +9.54 (3.12%)

1 day | 5 days | 1 month | 6 months | YTD | 1 year | **5 years** | Max

Open	**303.00**	Mkt cap	**148.11B**	Prev close	**303.74**
High	**306.58**	P/E ratio	**54.32**	52-wk high	**313.11**
Low	**300.72**	Div yield	**-**	52-wl low	**204.95**

5-Year Operational Performance
Adobe's 5-Year Financial Performance



Business Model Innovation
Product as a service

Adobe's success in the last five years marks the re-birth of the company in many ways. The most incredible part of this growth story stems from its mission to enable people and enterprises to change the world through digital experiences.

In building the industry's most comprehensive platform for customer experience management, Adobe has literally started from scratch to reimagine customer journeys.

Company's Vision

Give emerging artists and global brands everything they need to design and deliver exceptional digital experiences.

Emerging Technology

Cloud applications

While many other players in the industry are looking at digital tools in silos or as a tick mark on their digital transformation checklist, Adobe's unique approach and success comes from the leadership's immaculate focus on profoundly understanding how users discover, try, buy, use and renew their products.

The tie up with Microsoft to build the entire customer experience platform using the power of Azure cloud added scalability and a frictionless growth experience both for technology enablers within the firm and for customers outside.

Marketo + Magento + Adobe Experience = Winning Digital Strategy

Eyebrows were raised when Adobe recently acquired the cloud-based marketing software provider Marketo. This is Adobe's largest acquisition to date. The value it will derive spending $4.75 billion is nothing compared to the end-to-end bouquet of marketing, analytics, branding and content creation softwares that Adobe will be able to package and sell to companies and individuals. The acquisition only strengthens Adobe's customer experience cloud and the company's ability to deliver an unrivalled set of solutions for delivering transformative customer experiences across a range of industries and clients ranging from small start-ups to large enterprises.

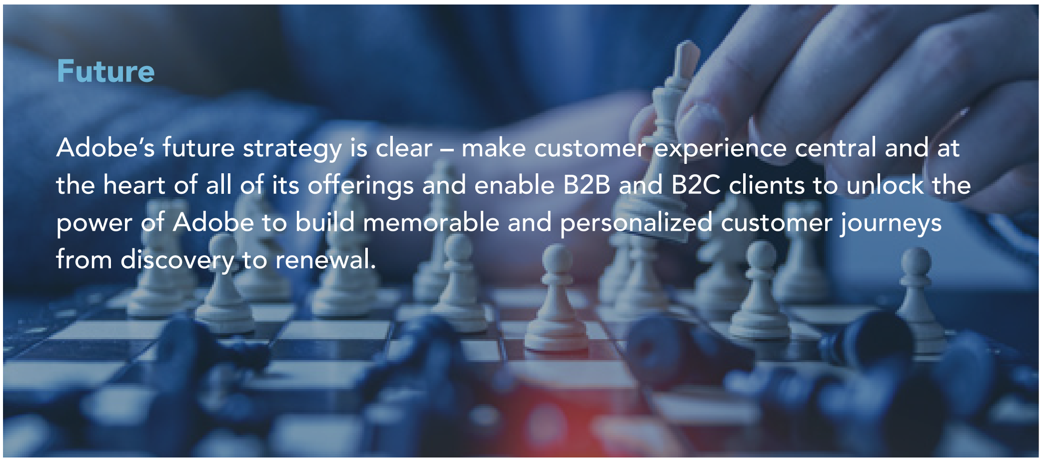
Steve Lucas, ex-CEO Marketo, outlined his vision of the combined offering in a blog post and said, "The combination of Marketo and Adobe's Experience Cloud will form the definitive system of engagement for B2C and B2B enterprise marketers.

Marketo's exceptional lead management, account-level data, and multi-channel marketing capabilities will combine with Adobe's rich behavioral dataset to create the most advanced, unified view of the customer at both an individual and account level. The result will be an unprecedented level of marketing engagement, automation, and attribution power, all with a goal of delivering end-to-end, exceptional experiences for our customers, where and when they want them."

Further, the acquisition of Magento at US$1.7 billion will help Adobe make every shopping experience commerce-enabled by providing the basic platform to B2C and B2B users to engage and close transactions online. This completes the journey from Adobe's stand point in regards to its vision for the Adobe Experience Cloud. Acquiring Magento gives the company that e-commerce underpinning that allows customers to finalize a digital transaction that started online with digital marketing tools Adobe already offers.

The Impact

Adobe ended fiscal 2018 with $9.03 billion in combined revenues post deal closure. Digital media revenue grew 26 percent year-on-year while the digital experience segment which includes the Adobe Experience Cloud subscription ended with a 20 percent year-on-year revenue growth rate.



Future

Adobe's future strategy is clear – make customer experience central and at the heart of all of its offerings and enable B2B and B2C clients to unlock the power of Adobe to build memorable and personalized customer journeys from discovery to renewal.

4 Nike

"Great leaders are never too proud to learn."

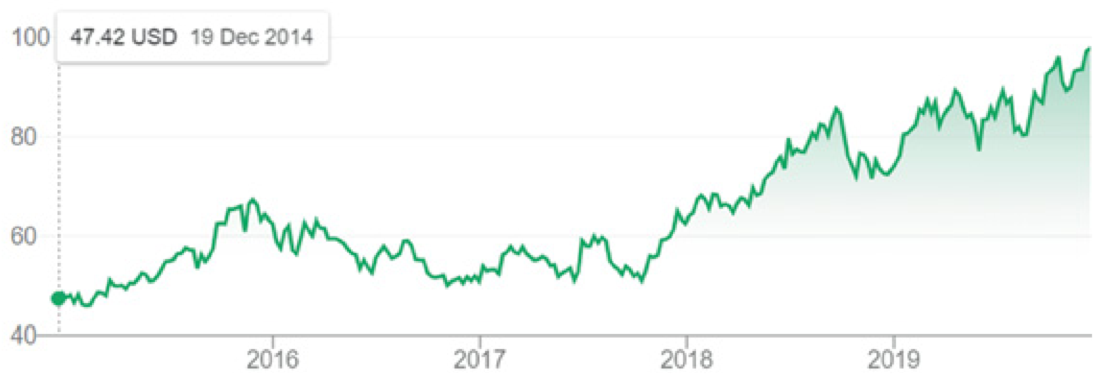
Nike in Numbers:
5-Year Stock Price

CEO: **John Donahoe (Designate)**

97.72 USD +0.54 (.56%)

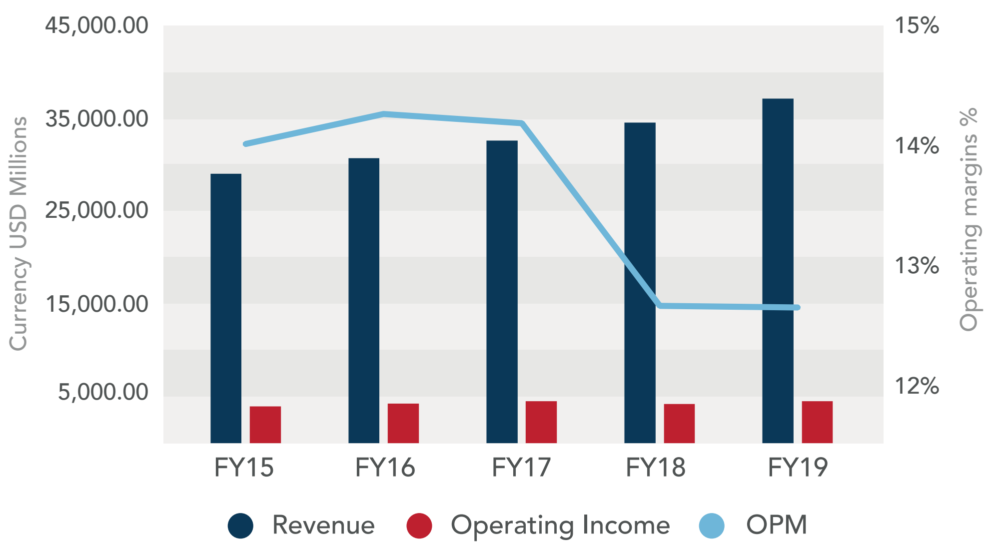
13 Dec, 4:34 am GMT-5 - Disclaimer
Pre-market 98.42 +0.70 (0.72%)

1 day | 5 days | 1 month | 6 months | YTD | 1 year | 5 years | Max



Open	**97.32**	Mkt cap	**121.76B**	Prev close	**97.18**
High	**98.18**	P/E ratio	**36.50**	52-wk high	**98.18**
Low	**96.90**	Div yield	**1.00%**	52-wl low	**66.53**

5-Year Operational Performance
Nike's 5-Year Financial Performance



Business Model Innovation

Direct to consumer

Nike has achieved cult status in the hearts and minds of individuals across the world. Whether you play a sport or not, owning a shoe or an apparel made by Nike is a statement you make to the world.

For a company which has, for years, tried to learn the nuances of the human foot and body, the current transition to become a technology company has been a remarkable move. Digital transformation at Nike is a combination of digital product creation, consumer demand sensing, flexible and responsive manufacturing, and new consumer and commerce models.

Company's Vision

Do everything possible to expand human potential.

Emerging Technology

Augmented reality, mobility and machine learning

The early effects of this transformation are beginning to yield results and it is having a profound impact on the way Nike has traditionally created value. Elevating consumer experience and the brand through better digital partnerships is Nike's mantra for digital transformation. In fact, they are going so far as to describe themselves not as a sports apparel company but as a technology company.

Nike believes it is their understanding of the human body and motion that makes its digital solutions stronger. It is this understanding that puts Nike in a position more likely to find the right solution when others can't.

At Nike, it starts with the consumer. In fact, consumers seek out relationships with the brand. This allows Nike to understand athletes unlike any.

Consumer Direct Offense

Recently, Nike launched the 'consumer direct offense' strategy which puts a premium on building unbreakable relationships with customers. In this case, Nike builds trust by solving problems that athletes don't even know exists yet. This type of grounded problem-solving is digital's true potential and Nike's core success.

Neural networks, machine learning, artificial intelligence and augmented reality are all tools Nike is using to solve real customer problems and to make the human experience better, more intuitive, simpler and more elegant. Problem-solving is inherent in Nike's mission and by their definition, if you have a body, you're an athlete.

Of late, Nike's evolution to become a tech company feels like a revolution and if we look at the numbers, they're killing competition at god speed. The investment in digital is leapfrogging Nike into an era of untapped opportunities.

The company's CEO designate, John Donahoe, is an experienced veteran of the Valley. He was the CEO of eBay and is currently at the helm of Service Now, another technology company. Hiring a technocrat to lead an apparel brand sounds counter-intuitive but this strategy is aimed at cementing Nike's position in the market as a 'technology company'.

The Impact Thus Far

Nike ended fiscal 2019 with $39.1 billion in top-line driven by strategic investments in innovation and global digital sales growth. Nike's direct-to-consumer revenues were $11.8 billion, up 16 percent on a currency-neutral basis, driven by a 35 percent increase in digital commerce sales. Direct-to-consumer now contributes 30 percent of the firm's overall revenue.

Future

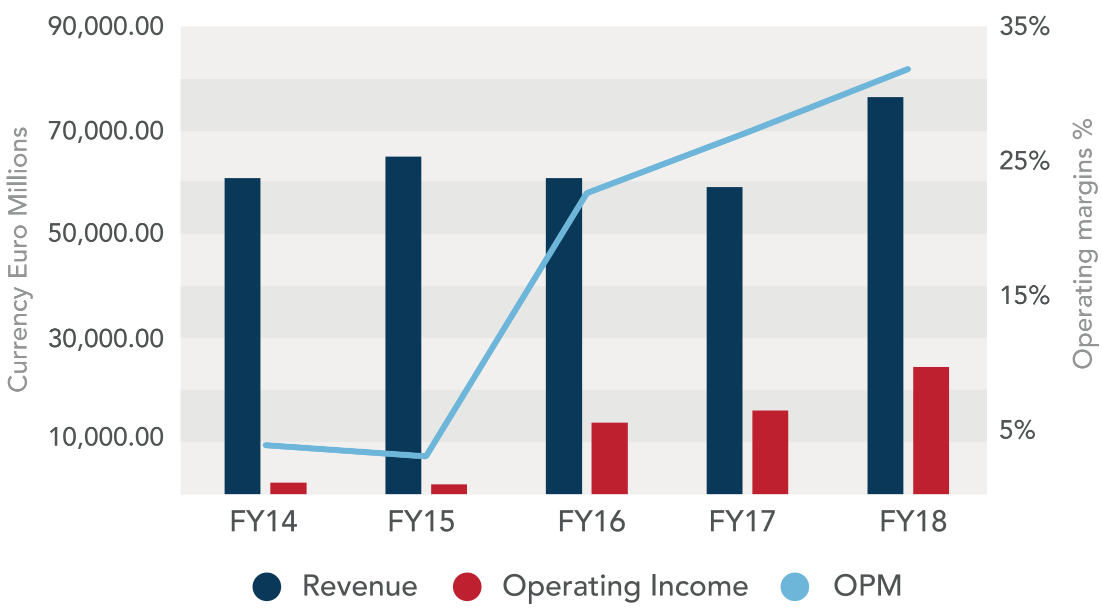
Nike's vision is clear. It aims to foster deeper direct customer relationships and is leveraging a barrage of technology, mobile applications and in-store personalization technologies to achieve this mission. We believe Nike's sustained and continuous adoption of digital technologies to solve the key challenges athletes face will build more trust and eventually translate into higher growth, margins, and new product innovation.

5 Orsted

> **"If you look 10 or 20 years ahead, it may well be that the corporation will have to reinvent itself again."**
>
> CEO: **Henrik Poulsen**

Orsted in Numbers:
5-Year Stock Price

5-Year Operational Performance
Orsted's 5-Year Financial Performance



Business Model Innovation

Fossil to renewables

Little did Dong Energy know that the arrival of Henrik Poulsen as the CEO will change the firm's path forever. As a veteran in turnarounds, Poulsen had already cemented his name as a specialist in the market. He faced similar challenges at his erstwhile organizations – TDC, the Danish telecom company, and Lego, the toy maker.

As a leader, Poulsen has donned the role of "hatchet man" or someone who is given charge to carry out controversial or unpleasant tasks and he doesn't stay for long to enjoy the upside as is evident in his career choices.

Despite the turnaround at Dong Energy, Poulsen believes his work at the company isn't over yet and it is only the beginning of a great renewables' opportunity.

Company's Vision

A world free of fossil fuels where green energy is the driver of industry and societies.

Emerging Technology

Offshore wind

The Beginnings

Dong, now known as Ørsted, is an ode to the 19th-century Danish physicist Hans Christian Ørsted who discovered electromagnetism and laid the foundations for modern electricity generation. Alongside the company's new name and bright blue logo came a bold vision – a world that runs entirely on green energy.

To solidify this strategy, the firm divested all its oil and gas assets in May 2017 to UK petrochemical company, Ineos for $1.05 billion.

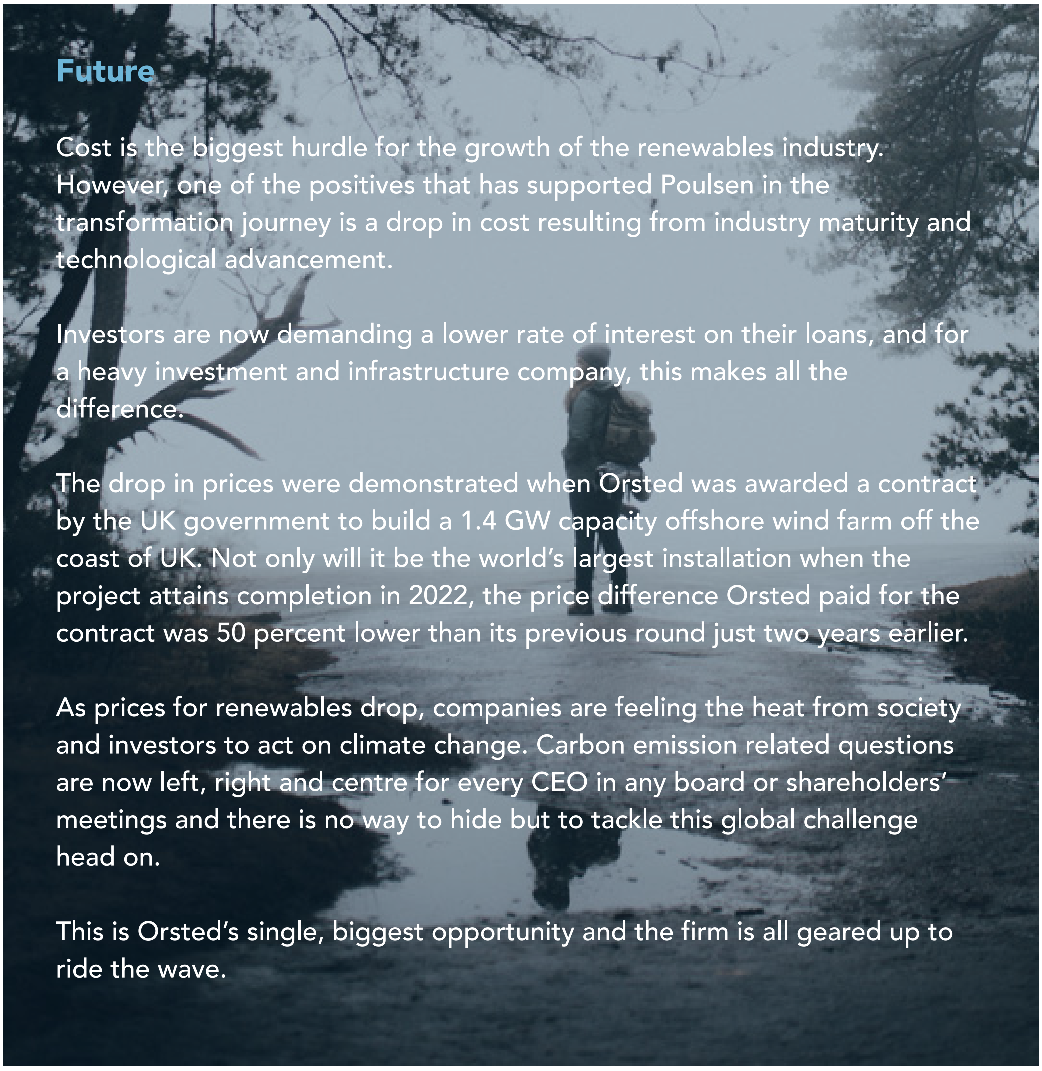
The company also made significant strides to build up its offshore wind capacity in this period. When Poulsen took over, the firm managed an installed capacity of 1.7 GW, and in 2017, this number climbed to 3.9 GW with new projects from Denmark, Sweden, the UK and Germany.

Orsted's biggest success today is to make renewables profitable.

Green Challenge

Capturing the offshore wind market in most of Europe and catapulting Orsted into becoming the largest offshore wind farm builder in the world, Poulsen is now looking to diversify the company's asset base and offerings. Orsted is now looking to strengthen its portfolio by entering into other areas of renewable energy generation and storage primarily onshore wind and solar.

To date, the company has invested €10.7 billion on its green bet and thus far, the gamble has paid off well. They have now set an ambitious target of building and managing offshore wind capacity of 12 GW by 2025.



Future

Cost is the biggest hurdle for the growth of the renewables industry. However, one of the positives that has supported Poulsen in the transformation journey is a drop in cost resulting from industry maturity and technological advancement.

Investors are now demanding a lower rate of interest on their loans, and for a heavy investment and infrastructure company, this makes all the difference.

The drop in prices were demonstrated when Orsted was awarded a contract by the UK government to build a 1.4 GW capacity offshore wind farm off the coast of UK. Not only will it be the world's largest installation when the project attains completion in 2022, the price difference Orsted paid for the contract was 50 percent lower than its previous round just two years earlier.

As prices for renewables drop, companies are feeling the heat from society and investors to act on climate change. Carbon emission related questions are now left, right and centre for every CEO in any board or shareholders' meetings and there is no way to hide but to tackle this global challenge head on.

This is Orsted's single, biggest opportunity and the firm is all geared up to ride the wave.

6 JP Morgan Chase

"We're going to do the right thing for the company and our customers, all things considered."

CEO: **Jamie Dimon**

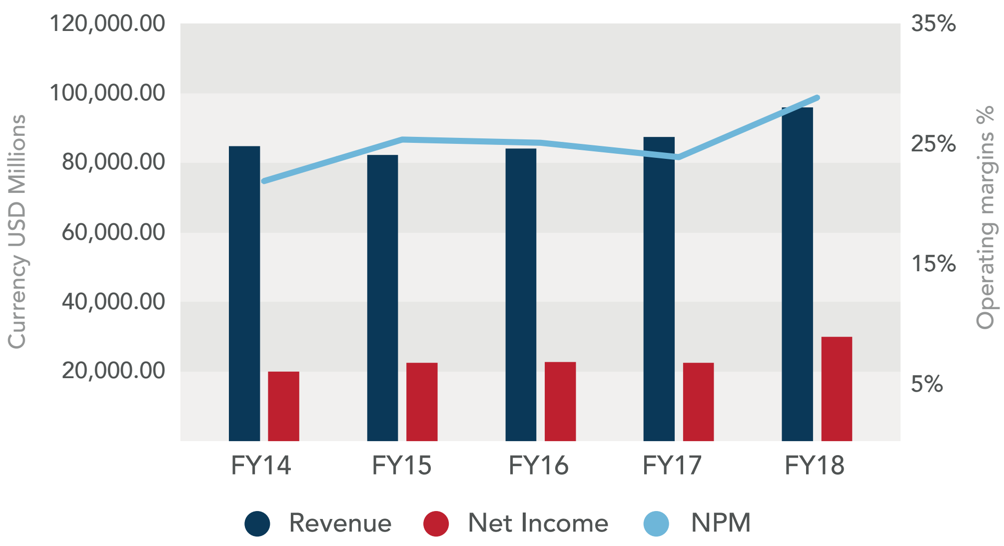
JP Morgan Chase in Numbers:
5-Year Stock Price

138.02 USD +3.84 (2.86%)

Closed: 13 Dec, 6:27 am GMT-5 - Disclaimer
Pre-market 139.12 +1.10 (0.80%)

Open	134.49	Mkt cap	432.90B	Prev close	134.18
High	138.47	P/E ratio	13.58	52-wk high	138.47
Low	134.21	Div yield	2.61%	52-wl low	91.11

5-Year Operational Performance
JP Morgan Chase's 5-Year Financial Performance



Business Model Innovation

Mobile-first banking

The Institutional Investor magazine published an article on JP Morgan's digital transformation efforts and it starts with the following lines, "The JPMorgan Chase CEO rushes to turn his bank into Amazon before Amazon turns into a bank."

The statement is so powerful, capturing the essence of technology's true potential and the far-reaching impact it has on the oldest business our society has pursued.

The Outcome – A first-time wealth management customer can sign-up for an investment account with the bank in a matter of three minutes straight from his mobile phone rather than spend his entire morning at a branch signing a whole bunch of documents.

Company's Vision

To be the best financial services company in the world.

Emerging Technology

Artificial intelligence, mobility and machine learning

Moving to the corporate or institutional level, clients can use AI-powered software with the ability to scan myriad financial reports and identify companies likely to issue new debt or equity. Further, in an app development process followed by the biggest technology companies in the world, customers are invited to JP Morgan's branches to try out new app launches and features while researchers stand behind hidden, two-way mirrors to observe them and identify signs of frustration reading their body language.

Investing over $20 billion dollars to turn the bank into a technology behemoth is Jamie Dimon's answer to technology companies' storming at the doors and enticing customers to drop the age-old financial bracket and enter the wonderful world of technology-enabled financial lifestyle.

The firm realizes that it has to think like a tech company first and this means to embrace the ecosystem mindset. Dimon's frequent visits to the Valley in a bid to "partner" with fintech firms in peer-to-peer space is also a 'first' in the industry.

The Impact

From driving down the marginal cost of electronic trades to close to zero, and reducing expenses for check deposits by 94%, the firm has overall achieved payback for its technological investments by reducing its operating leverage. The result of this technology innovation is JP Morgan's ability to minimise its expense to revenue ratio to 55 percent, a number much lower than its primary competitors – Bank of America (63%) and Wells Fargo (66%).

Future

To capitalize on the emerging trends in banking, it has amassed an army of 50,000 technologists on its payroll and is consistently setting aside 10% of its annual revenue towards technology transformation. The future of banking is digital and invisible, and JP Morgan's 'Mobile first, digital everything' strategy is game for success.

7 Disney

"I get up at 4:30 in the morning, seven days a week, no matter where I am in the world."

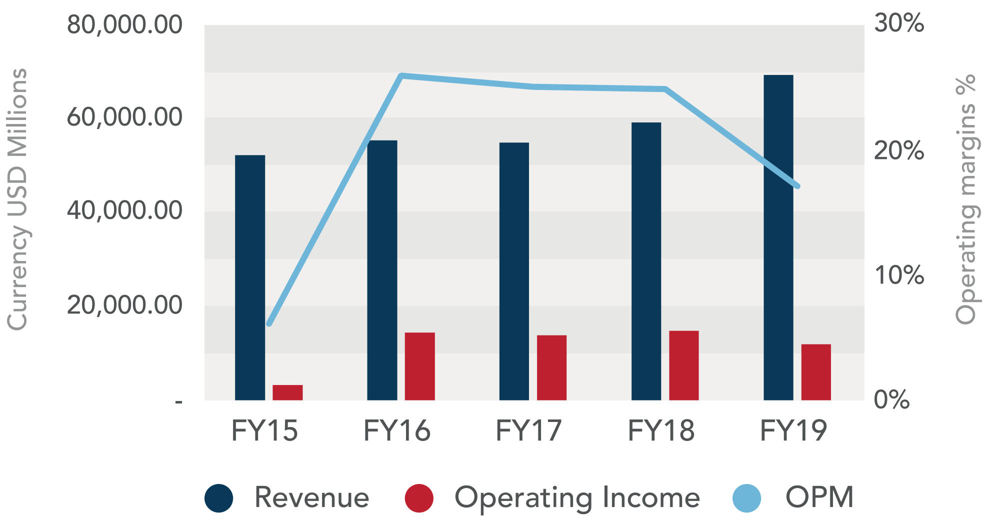
CEO: **Bob Iger**

Disney in Numbers:
5-Year Stock Price

147.76 USD +0.12 (0.081%)
Closed: 12 Dec, 7:55 am GMT-5 - Disclaimer
Pre-market 148.24 + 0.48 (0.32%)

Open	**147.92**	Mkt cap	**266.32B**	Prev close	**147.64**
High	**148.93**	P/E ratio	**23.65**	52-wk high	**153.41**
Low	**147.32B**	Div yield	**1.19%**	52-wl low	**100.35**

5-Year Operational Performance
Disney's 5-Year Financial Performance



Business Model Innovation

Direct streaming

Wall Street analysts are on the battlefield predicting a very difficult time for the global video streaming industry. They say the grand old entertainment company's foray into digital streaming is going to change everything. From rising production costs to over-the-top marketing spends, the arrival of Disney+ on the street is not going to be an easy sail either.

People who know Bob Iger, CEO of Disney and an introvert of sorts believe this move is what will etch his name in company's history and will perhaps even overshadow industry-defining moves like the acquisition of Marvel, Pixar, Lucas films and more recently, the mammoth acquisition of 21st Century Fox.

Company's Vision

Use technology, storytelling and iconic characters to continually raise the scope and breadth of entertainment for all people.

Emerging Technology

Cloud and artificial intelligence

So, what is the game Bob is trying to play here, and why?

It all started in 2015 when its cable networks led by ESPN which, at that point in time, contributed 40% of Disney's overall profits, saw a decline in cable TV memberships and the stock price went tumbling down 9%. At the same time, Netflix saw a double-digit growth in its online video streaming business.

However, the biggest challenge to go digital at Disney was its lack of understanding and expertise in the technology business. Being digital natives, launching and scaling a digital streaming service is much less of a technological challenge for Netflix, Amazon, Apple and Google. However, this is not the case for Disney. Its non-existent technological background became a huge barrier in making any sort of leeway in this space.

The failed acquisition of Twitter became the turning point for Disney as Iger started looking elsewhere. It was then that Iger and the board doubled down on their earlier minority investment in Major League Baseball-owned online streaming company BAMTech. BAMTech which was originally a 33% minority investment by Disney to take ESPN's online streaming service to the market, is now a wholly-owned Disney company and is the foundation technology framework behind Disney+.

Pixar – Marvel – Lucas – Fox - Disney+

Bob Iger's core strategy to grow Disney and its footprint throughout the global entertainment market can be articulated as below:

- **Put capital in high quality IP**
- **Use technology to reach people**
- **Grow globally**

Each acquisition has been to solidify and actively pursue this strategy. Till today, the missing piece in this strategy has been to really have a solid direct-to-consumer model at play. However, with Disney+, Iger has essentially come full circle. Yes, for Disney it is foraying into unknown territory but with solid technology in place and a barrage of high-quality characters and shows in its armoury, Disney can really change the face of the global streaming industry.

Future

The company estimates to sign-up and serve 90 million subscribers under its Disney+ offering by 2024. Considering Hulu (part of Fox acquisition) and ESPN+, the firm is targeting a combined online user base of more than 160 million users.

Although this number may well be half of Netflix, the real game changer is the array of characters and the hot digital properties that Disney owns.

The firm now intends to use Disney+ as an intertwined offering whose ripple effects will be far and wide across the Disney model. For instance, the upcoming Marvel movies will have storylines connected to shows launched on Disney+ while spurring the merchandising and consumer product businesses, too. This will change the game for Disney and the future of the entertainment industry forever.

8 Domino's Pizza

"If I could eat whatever I wanted every day, I would have Domino's pizza with pasta carbonara inside every slice."

CEO: **Richard Ellison**

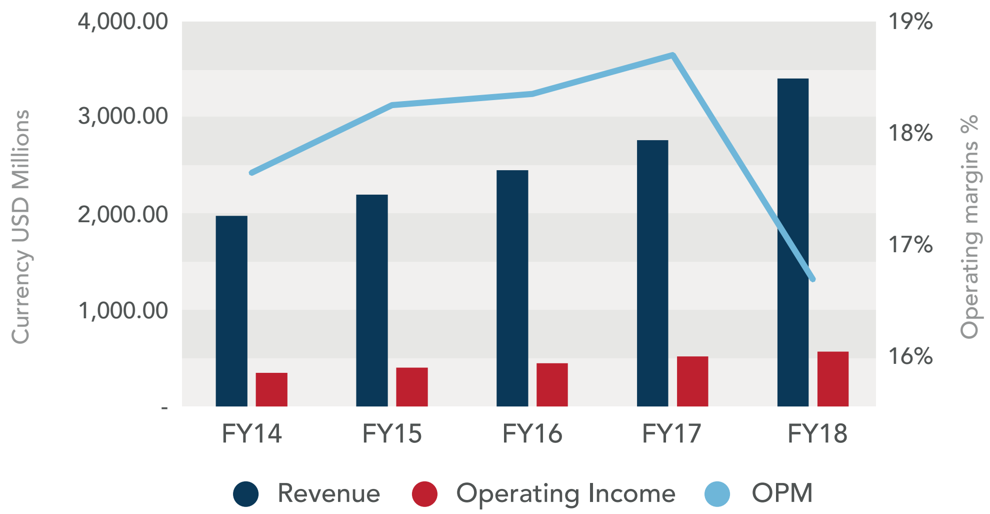
Domino's in Numbers:
5-Year Stock Price

296.65 USD +2.33 (0.79%)

Closed: 12 Dec, 4:38 pm GMT-5 - Disclaimer
Pre-market 296.65 0.00 (0.00%)

Open	**292.95**	Mkt cap	**12.13B**	Prev close	**294.32**
High	**297.33**	P/E ratio	**32.69**	52-wk high	**302.04**
Low	**292.61**	Div yield	**0.88%**	52-wl low	**220.90**

5 Year Operational Performance
Domino's 5-Years Financial Performance



Business Model Innovation

E-commerce and micro-logistics

Domino's has been a household pizza brand in most of the developed and emerging world for the last 3 decades.

Domino's has demonstrated its commitment to technology disruption through many a firsts like drone delivery, mobile-based consumer ordering, voice assistant, artificial intelligence, and augmented reality. The company has now rolled out digital-first apps in 7 out of the 9 major global markets it operates in.

Company's Vision

To be the best pizza delivery company in the world.

Emerging Technology

Mobility, artificial intelligence and machine learning

The company's e-commerce system now books over 65 million orders per year, and mobility has been a game changer for the company to scale up sales and reach previously unserved customers. The power of turning digital is now visible in the numbers with 65 percent of the total sales in FY19 coming from digital.

The Firm's Mantra – Keep customers at the centre of their technology and make every touch point seamless.

The firm's employee roster now constitutes 50 percent technology employees. These people come up with out-of-the-box solutions, and the firm creates an agile bridge between marketing, leadership and technology to ensure buy-in of new technology ideas and secure funding as well as market positioning.

Future

Partnerships with food aggregators like Grubhub, Door Dash, and Uber Eats is the firm’s next disruption target. These companies, funded through a lot of free money, are leveraging their deep discounting strategies to attract customers and charging restaurants a fortune to ensure access to customers.

Domino’s next step in achieving digital disruption is by owning the customer experience end-to-end via taking the delivery part in its fold. Working with aggregators in managing the delivery not only keeps them from controlling and managing the customer experience, but also negatively impacts the operating margins because the delivery cost is substantial relative to the price of the underlying food.

The firm is experimenting with robotic machines to start delivering pizzas from one of its stores in Houston and based on data and analytics, it will roll out this delivery in all stores across the US.

The company intends to be off these aggregators and own up delivery end-to-end. Perhaps, a first mover advantage in delivery technology is the next big frontier for Domino’s and it may well open doors to solve the micro-delivery puzzle at scale and create significant value tomorrow by no longer sticking to pizza as the only item to deliver.

9 Marriott International

> **"We love doing deals, but the deals need to make sense."**
>
> CEO: **Arne M. Sorenson**

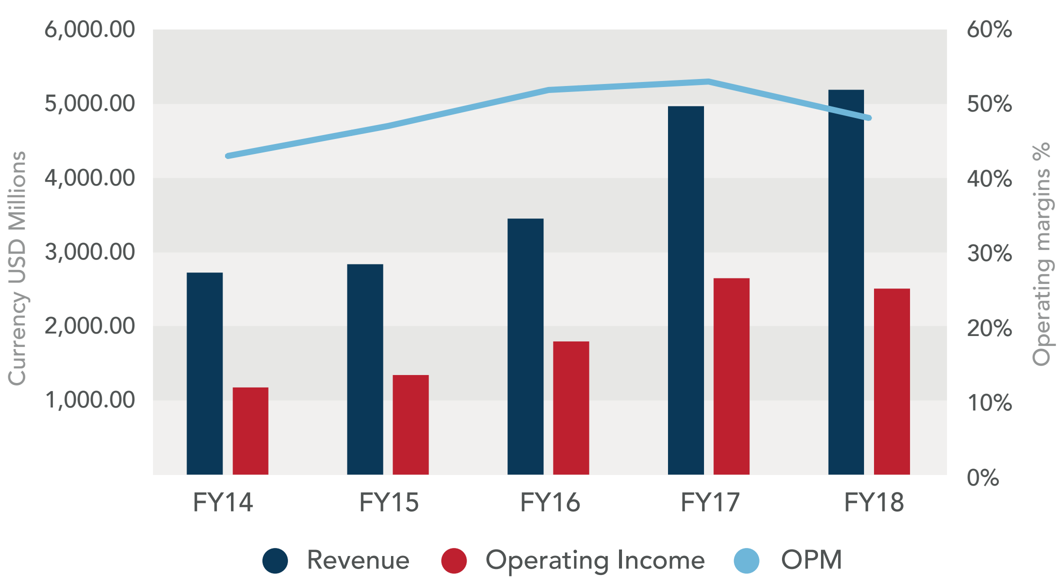
Marriott International in Numbers:
5-Year Stock Price

145.10 USD +2.35 (1.65%)

Closed: 12 Dec, 4:58 am GMT-5 - Disclaimer
Pre-market 145.10 0.00 (0.00%)

Open	**142.64**	Mkt cap	**47.44B**	Prev close	**142.75**
High	**145.59**	P/E ratio	**34.95**	52-wk high	**145.59**
Low	**142.33**	Div yield	**1.32%**	52-wl low	**100.62**

5-Year Operational Performance
Marriott International's 5-Year Financial Performance



Business Model Innovation

Personalized stays

Arne Sorenson is not your average Fortune 500 CEO. He is low key, extremely soft-spoken but let it not be mistaken as docile. Being the first non-family CEO of the 92-year-old company meant big shoes to fill and so far, his approach and leadership is well accepted both in the hospitality chain per se and the larger hotel ecosystem.

From tie-ups with technology-first hospitality companies like Airbnb trying out new business models like whole homestays, to enabling digital technologies with an approach to make customer experience frictionless and personalized are all actions he must be credited for.

Company's Vision

To be the world's favourite travel company.

Emerging Technology

Mobility, artificial intelligence and machine learning

Arne's background as a lawyer to currently managing a large hospitality conglomerate is both amazing and disruptive. He worked with Bill Marriott for 22 years as a legal advisor to the company before being picked by the stalwart himself to lead the chain in the future.

His biggest bet so far has been the mammoth $13 billion acquisition of Starwood Hotels with an aim to acquire its loyalty systems. The company is spending $100 million a year on building its loyalty and reservation systems from scratch and envisions a future where each customer is delivered a personalized experience.

The company is operating on a vision that your room should reflect the fact that 'we know you'. This level of personalization is calling for Marriott to fundamentally absorb customer data and analyse it in myriad ways. It is leveraging partnerships and technologies through companies like Salesforce to equip its sales leaders with a better understanding of its customers to make an informed pitch.

The company believes that there will be some level of automation but not enough to completely eliminate the human touch. It intends to balance the two and utilize its human capital to deliver a better customer experience. The firm is also trying to disrupt the landline, an age-old communication tool used by customers to interact with hotel associates, and leverage modern communication tools to make customer experience simpler, faster and more seamless.

Future

Marriott's game is to use technology in every aspect of its business. From managing and training employees to giving their people access to tools enabling them through better training, are some of the ways Marriott is looking to prioritize technology.

In the future, Marriott intends to use technologies like voice recognition and computer vision to make customer journeys personalized and frictionless whilst maintaining the human connect and the cultural ethos of Marriott. With 750,000 people around the world enabling Marriott to achieve its vision, it is critical for the company to make them feel involved and have a clear growth map. Hence, digital is a critical enabler for them.

The future for Marriott is to leverage technology partnerships and to put its associates first to empower them using technology which in turns empower customers who come to Marriott for the experience.

10 Lululemon Athletica

"People love to help. I don't have to be insecure and know it all."

CEO: **Calvin McDonald**

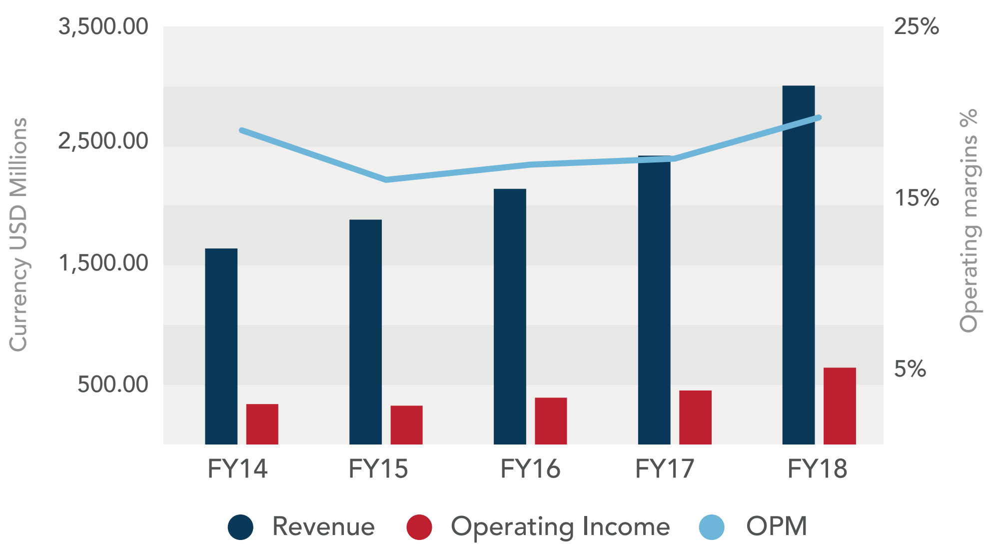
Lululemon Athletica in Numbers:
5-Year Stock Price

224.47 USD -8.72 (3.74%)

Closed: 13 Dec, 6:25 am GMT-5 - Disclaimer
Pre-market 221.89 -2.58 (1.15%)

Open	**226.05**	Mkt cap	**29.24B**	Prev close	**233.19**
High	**228.82**	P/E ratio	**52.14**	52-wk high	**235.50**
Low	**218.18**	Div yield	**-**	52-wl low	**110.71**

5-Year Operational Performance
Lululemon Athletica's 5-Year Financial Performance



Business Model Innovation

Direct to consumer

For a company selling yoga pants for over two decades, promulgating the vision of elevating the world from mediocrity to greatness sounds rather far-fetched. Yet, in all fairness, it's not the first time we're reading such over-the-top vision statements.

For this little known ath-leisure brand, the last 5 years have been nothing short of phenomenal. The company has achieved almost one-third growth in its top-line and improved its gross margins by 3 percentage points.

Company's Vision

To be the experiential brand that ignites a community of people living the sweatlife through sweat, grow and connect.

Emerging Technology

Mobile web and experiential stores

The company's stock has given a cumulative return of 360% in the last 5 years which is phenomenal in itself and unheard of in the apparel space. Retail is undergoing a major transformation around the globe and Lululemon is doing all it can to ride the wave.

Amazon's prime membership program was an innovative step in the history of e-commerce. In fact, the move was so successful that Amazon as of today has over 100 million people in the US alone subscribing to the service.

Taking a leaf out of Amazon's cap, Lululemon has launched its own loyalty program for a modest $128 per annum. The service gives you access to a pair of pants or shorts, a set of curated workout sessions to attend, and free expedited shipping.

In an effort to further boost online sales, the company will soon expand its 'buy online, pick up in-store' option from 35 stores today to its entire fleet of stores in North America.

The company generated $858 million in online sales in 2018. The target to double its online sales in the next 5 years is in line with its current sales growth through the online vertical. 2018 saw the firm deliver 48.6 percent annual growth in e-commerce sales, ending the year with a 5-year CAGR of 26.7 percent through the digital vertical. E-commerce accounted for a quarter of Lululemon's total sales and it will be phenomenal from a margin and growth perspective to continue to invest and grow the digital route.

Future

The company's growth strategy is predicated on three pillars:

- Double its revenue from the men's vertical.
- Double its revenue through 'digital' or e-commerce.
- Quadruple its revenue from 'International'.

Digital is one of the largest revenue drivers for the company as it aims to draw in at least half of its total revenue from the direct-to-consumer e-commerce route.

Independent market analysts predict the company's revenue to hit $6 billion by 2023, and half of it coming from digital would not only be gross margin accretive but also put Lululemon in a commanding position to unlock value across all of its product offerings.

Parting Note

In the future, every company will be a technology company. In this backdrop, we present these stories to inspire and motivate you. Legacy companies like Nike and Marriot are showing the way to digitally transform. And so are incumbents like Ping An. You too can tread the path of disruption and embrace change. There is ample scope for creativity and brilliance for companies to continually innovate business models and deliver strong customer value.

We would love to hear your transformations stories. The victories and challenges you experienced along the way. You can be a beacon for many others who are looking for an answer.

Please contact us to help us bring your success story to the world. The future of industries, companies, technology and work is defining our today.

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