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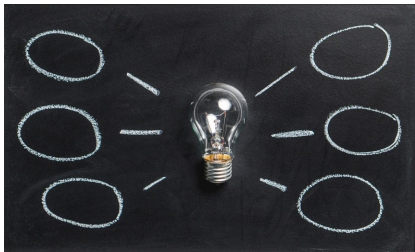
New Priorities for the New Decade

The start of this new decade has brought extraordinary challenges - the coronavirus is a disruptive force unlike any other we've encountered in this century.

While the megatrends we said to watch in 2019were indeed big and continue to grow bigger, COVID-19 and its impact on the global economy and healthcare system is one megatrend nobody saw coming. The actions required are immediate; whether it's working remotely, relying more on digital offerings, finding new suppliers/sources, collaborating intensely with partners, or adopting new behaviors, it's still important to take a long-term view. An innovation mindset is essential. This too shall pass; the more resourceful and flexible you are, the more likely you are to come out ahead.

For some companies (such as those that make hand sanitizers and toilet paper) the challenge is meeting demand. For others, such as those in the travel industry, the challenge is survival -- though the opportunity is creation of new business models.

Just a few weeks ago at CES 2020 (Consumer Electronics Show), the travel and healthcare industries had an enormous presence. Smart cities, too. The focus of the companies at CES has undoubtedly shifted to more development of AI, VR, and AR offerings. Digital is key. My review of the show (in this issue) includes the need to pivot quickly. And this was before the virus outbreak!

Your company's capabilities and strengths are your most important assets in these challenging times. Stay strong, stay healthy.

--- *Cheryl*

CES 2020 Highlights

Every year I come away from CES (Consumer Electronics Show) amazed at how influential technology has become in our lives. It's not just about clever gadgets, large screen TVs, concept cars, and shiny objects - it's about the many ways our world is changing. The displays and talks reflected how everything from healthcare, the

environment, and urbanization to retail, transportation, and travel are powered by technologies such as Artificial Intelligence, 5G, Augmented Reality (as well as "Parallel" and other "Realities"), and more.

Consumer buying behavior and pattern tracking are key drivers. The lines are blurring between the wow factors of entertainment, product intelligence, and ultra-convenience. (Witness Amazon's Alexa-enabled FireTV becoming available in BMW and Fiat infotainment systems). Personalization is huge, but you must get it right or risk alienating customers. The biggest challenge is achieving one-to-one personalization at scale.

Competing in this environment is complex; partnerships are necessary and non-traditional. Brands are less important than functionality and mission. Overall, success depends on using the power of technologies for "good" (as opposed to evil, as superheroes might say.) And nobody wants their privacy invaded; companies must respect, protect, and manage data precisely like never before.

Key Takeaways

1. Technologies are rapidly advancing, but don't get caught up with the latest and greatest. Stay focused on your customers and their underlying needs.
2. Do pay attention to IT advancements, however - meticulous data management is critical to the overall customer experience.
3. Technology strategy and knowledge management are necessary to win in the connected space.
4. Focus on the big picture, make sure your organization is aligned and knows where it's going. Develop and/or acquire the skills you need to compete at the top of your game.
5. Move fast. Form small nimble teams of dedicated resources that can quickly pivot.

The Digital Imperative - How to Build Competitive Advantage

We recently met up with Gerald Kane whose latest book,The Technology Fallacy: How People Are the Real Key to Digital Transformation, offers managers and business leaders a guide for surviving digital disruption. Based on extensive research with more than 16,000 people across industries, it turns out success depends more on organizational capabilities and culture than technology.
So we asked Jerry what leaders can do to amp up the capabilities and talent side of digital transformation.Here's what he suggests:

1. Survey your employees to gauge how digitally mature your organization is. There are **23 traits** we refer to as digital DNA. Digital maturity is usually unevenly distributed throughout an organization and assessing these traits will help identify the areas of improvement that are most likely to yield organizational benefits. These traits are listed in Figure 1 below.
2. Determine where your gaps are. The key organizational characteristics essential for digital maturity are: **accepting risk of failure** as a natural part of

experimenting with new initiatives, **actively implementing initiatives to increase agility**, valuing and **encouraging experimentation and testing** as a means of continuous organizational learning, **recognizing and rewarding collaboration** across teams and divisions, increasingly **organizing around cross-functional project teams**, and **empowering those teams to act autonomously**.

3. Know that **digital culture is intentional** - your company must actively implement initiatives to encourage risk-taking, experimentation, agility, and collaboration. Investments must be made, and organizational structure should center on teams that are given decision-making authority. Develop short sprints (as in Agile methodology) to make minimum practical steps toward digital maturity. Failures are to expected, don't give up! The important thing is to build skills and confidence.

For further insight: We highly recommend Jerry's book and would be glad to talk with you about your specific challenges and goals. Email (cperkins@innovationedge.com) or call (920-205-3297) any time.

Continuously Innovating

Real Time & On-Demand

Ongoing Shifts in Decision Rights and Power

Modulating Risk & Security Boundaries

Fluidity

Geography Agnostic

Morphing Team Structures

Purpose Focused

Dynamic Skill Requirements

Changing Nature and Typology of Work

Constant Disruption

Increased Customer Involvement

Democratizing Information

Multi-Modal Operations

Uneven Velocity between Digital & Legacy

Productive Mobility (non-traditional workspace options)

Changing Mix of Traditional & Non-traditional Stakeholders

Flattening and Changing Hierarchy

Agility

Continuous Ecosystem Disruption

Constantly Changing Decision Criteria
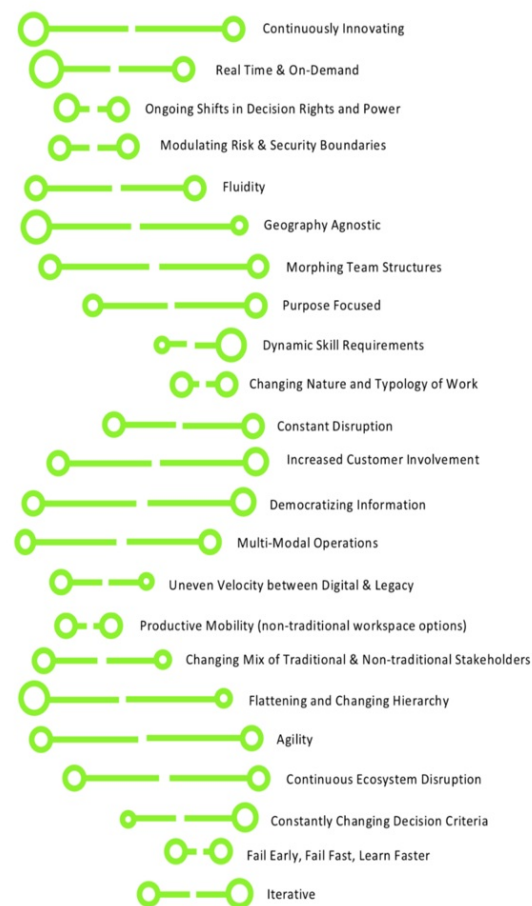
Fail Early, Fail Fast, Learn Faster

Iterative

Figure 1. Digital DNA

5 Customer-Driven Business Models for the Digital Economy

On-Demand Webinar

The lifespan of business models is shrinking. As a result of digital technologies and socioeconomic shifts, old hierarchical models no longer work. Most agree that

business model innovation is key to competitive advantage and growth - the challenge is choosing and implementing the right one for your company.

Innovationedge has identified five major archetypes for today's fast-moving digital world:

1. **Subscription/Rental** --*"retain the customer"*
2. **Premium, Personalized, Service-focused** --*"cater to the customer"*
3. **Digital/Physical and Omnichannel** --*"own the customer"*
4. **Platforms and Ecosystems** --*"connect the customer & marketplace"*
5. **Incubators and Accelerators** --*"test and launch with customers"*

Each has its own value proposition and situational applicability - all are focused in one way or another on the customer. In this 50-minute webinar, I share what these models are, the capabilities required to execute, the value each provides, and how to decide which is right for you. View here.

Innovationedge is a global strategic innovation consultancy with offices in Florida and Wisconsin. Our team's fearless champions of innovation break barriers to help executives define their strategy, develop capabilities, design a winning organizational structure, and deliver breakthrough innovations through a robust growth pipeline of sustainable solutions and new-to-the-world innovations.

Innovationedge also gives inventors an edge by crafting winning business propositions and creating strategic corporate partnerships that deliver commercial success.

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