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# How to make the digital change

Porsche Consulting explains what companies need to be doing now in each of the three main fields of action.



Industry 4.0 is a topic that is attracting a fair amount of hype these days, and a good deal of discussion in the media, among researchers, and within companies themselves. But no one can say for sure how it will develop in the future. Reliable prognostications are rare. And technological developments have often been incorrectly assessed in the past. As late as 1995, Microsoft founder Bill Gates is said to have called the success of the Internet a “passing fad.” And in fact many dot-com companies failed around the turn of the millennium. But subsequent developments speak for themselves.

Today, too, there is a great risk of misjudging current developments and succumbing to inertia. At the same time, many companies in the “old economy” are hardly aware of the sheer scope of these developments. In addition, they often lack a sense of urgency and the flexibility needed to develop in smart and courageous ways in order to safeguard their access to customers in the future. To provide clarity in this situation, Porsche Consulting poses the most important questions in each of the three main fields of action.

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## 1. Set a digital agenda

Under the influence of digitization, business models are already changing—and with them the companies themselves. Setting a digital agenda is the best way to determine the right course to take. It provides orientation for the overarching company strategy, as well as for individual segments such as production 4.0 or virtual development. Here are some important questions:

What changes are affecting our industry?

What digital business models do we need (e.g. leasing instead of sales)?

Will our current services continue to attract customers in the future?

What changes should our company make to enjoy digital growth?

Are we making full use of Big Data or wasting valuable information-related opportunities?

What processes can be made more efficient in digital form?

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## 2. Promote a pioneer spirit

As shown by the companies in Silicon Valley, a high rate of implementation promotes competitive advantage in the digital world. Investments there are not based on return as such but rather on degree of product maturity. New ideas are quickly tested in the form of "minimum viable products" and then rolled out if successful. German companies in particular will need to change their culture in order to achieve this type of agility. They will need to place less emphasis on perfectionism and more on risk and the courage to make mistakes. Here are the key questions needed to actively shape a digital learning curve:

- Where will digitization bring added benefits for our customers?
- How fully developed do prototypes really have to be?
- How can we involve our customers as early as possible in new developments?
- How do we create more space for creativity?
- How do we become more daring?

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### 3. Organize change

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The biggest obstacles in digital transformation are not a matter of technological limits but of willingness on the part of people and companies to embrace change. The digital world demands creativity and nimble structures. Here are some important questions for companies that wish to become more agile:

- Do our existing functions and structures still make sense?
- Do we need to redefine the way we work together and communicate?
- How can we accelerate the pace of digitization?
- How can we identify and train employees from within our own company?
- Do we launch our own start-up or should we hire outside expertise?
- What partners are a good fit for us, and bring value to both sides?

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### Info

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