



Velimir Srića

MAG
2017 **ROS**

DIGITALIZACIJA I TRANSFORMACIJE U TRGOVINI
29. tradicionalna najveća konferencija
za trgovce i proizvođače

Zagreb, 10. 10. 2017.

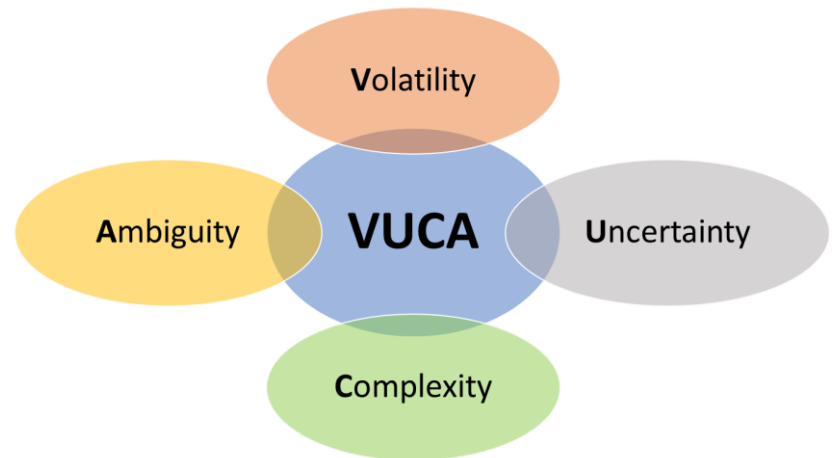
Izazovi digitalne transformacije u trgovini





Living in VUCA Times

- We live in what military leaders describe as “VUCA times” of change:
- **V**olatility
- **U**ncertainty
- **C**omplexity
- **A**mbiguity
- In Zulu language, ***vuca*** means “to wake up”



1. Information and Money

Rule the World

New Tab x MyWay x Largest Companies by M x

dogsofthedow.com/largest-companies-by-market-cap.htm

Aplikacije Predložena web-mjes Uvezeno iz IE

For an average year chart, stock chart, stock quote, data, and links, click on a company symbol.

Symbol	Company	Cap Rank	Market Cap	1d Chg	1m Chg	12m Chg
-	-	on 10/5/17	on 10/5/17	on 10/5/17	on 10/5/17	on 10/5/17
AAPL	Apple	1	802.6	1.2%	-4.1%	37.5%
GOOGL	Alphabet	2	682.6	1.9%	4.6%	23.0%
MSFT	Microsoft	3	585.1	1.7%	3.2%	31.8%
FB	Facebook	4	497.3	1.7%	0.3%	33.3%
AMZN	Amazon.com	5	471.2	1.6%	1.6%	16.2%
BRK-A	Berkshire Hathaway	6	461.7	0.6%	5.5%	29.6%
BABA	Alibaba Group	7	454.9	0.1%	5.3%	67.2%
JNJ	Johnson & Johnson	8	357.5	0.2%	2.5%	11.8%
XOM	Exxon Mobil	9	347.5	0.3%	6.3%	-5.7%
JPM	JPMorgan Chase	10	341.6	0.8%	8.5%	43.4%
WFC	Wells Fargo	11	275.0	0.8%	10.6%	23.1%
BAC	Bank of America	12	274.8	1.6%	12.1%	62.2%
RDSA	Royal Dutch Shell	13	250.6	0.2%	9.6%	18.5%
V	Visa	14	242.9	0.9%	3.1%	27.5%
T	AT&T	15	242.6	0.0%	6.5%	0.9%
WMT	Wal-Mart Stores	16	237.2	0.4%	-0.5%	10.8%
BUD	Anheuser-Busch InBev SA/NV	17	237.0	1.3%	3.1%	-5.2%
PG	Procter & Gamble	18	234.7	-0.4%	-0.7%	3.6%
CVX	Chevron	19	224.7	0.9%	8.4%	16.0%
PFE	Pfizer	20	214.1	0.1%	6.5%	6.2%
GE	General Electric	21	212.5	0.2%	-0.9%	-16.8%
CHL	China Mobile	22	207.0	0.4%	-3.1%	-19.9%
C	Citigroup	23	206.3	2.2%	12.7%	55.6%
ORCL	Oracle	24	204.1	0.0%	-4.0%	24.9%
VZ	Verizon	25	203.0	-0.3%	5.1%	-1.0%
HSBC	HSBC Holdings	26	201.4	0.2%	4.2%	29.7%
TSM	Taiwan Semiconductor Manufacturing	27	199.5	0.5%	4.4%	26.0%
HD	Home Depot	28	195.8	0.5%	8.6%	30.2%
KO	Coca-Cola	29	194.2	0.0%	-0.9%	8.9%
UNH	UnitedHealth Group	30	191.3	-1.3%	-0.7%	43.8%
INTC	Intel	31	185.8	0.5%	12.9%	4.1%
CMCSA	Comcast	32	180.8	-0.6%	-5.7%	16.6%

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Windows Taskbar: 0:35 7.10.2017.



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2. World is Disrupted

- the biggest media company owns no media content
- the largest transportation company owns no vehicles
- the largest lodging company owns no properties
- the largest marketplace owns no inventory
- the biggest bank is not really a bank?



3. Artificial Intelligence Replaces Humans in 2017.

1. Cubbies, truck drivers
2. Customer service representatives
3. Cashiers
4. Cooks
5. Couriers...





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Era of Digital Disruption

- Banking is necessary, but banks are not! (Tom Peters)
- Disruptive business models: How to become „Uber” and „Airbnb” in your industry?
- Disruptive politics (Trump, ISIS, BrExit)
- Amazon Go, Amazon Air, SAP Ariba, ebay...
- Disruptive values

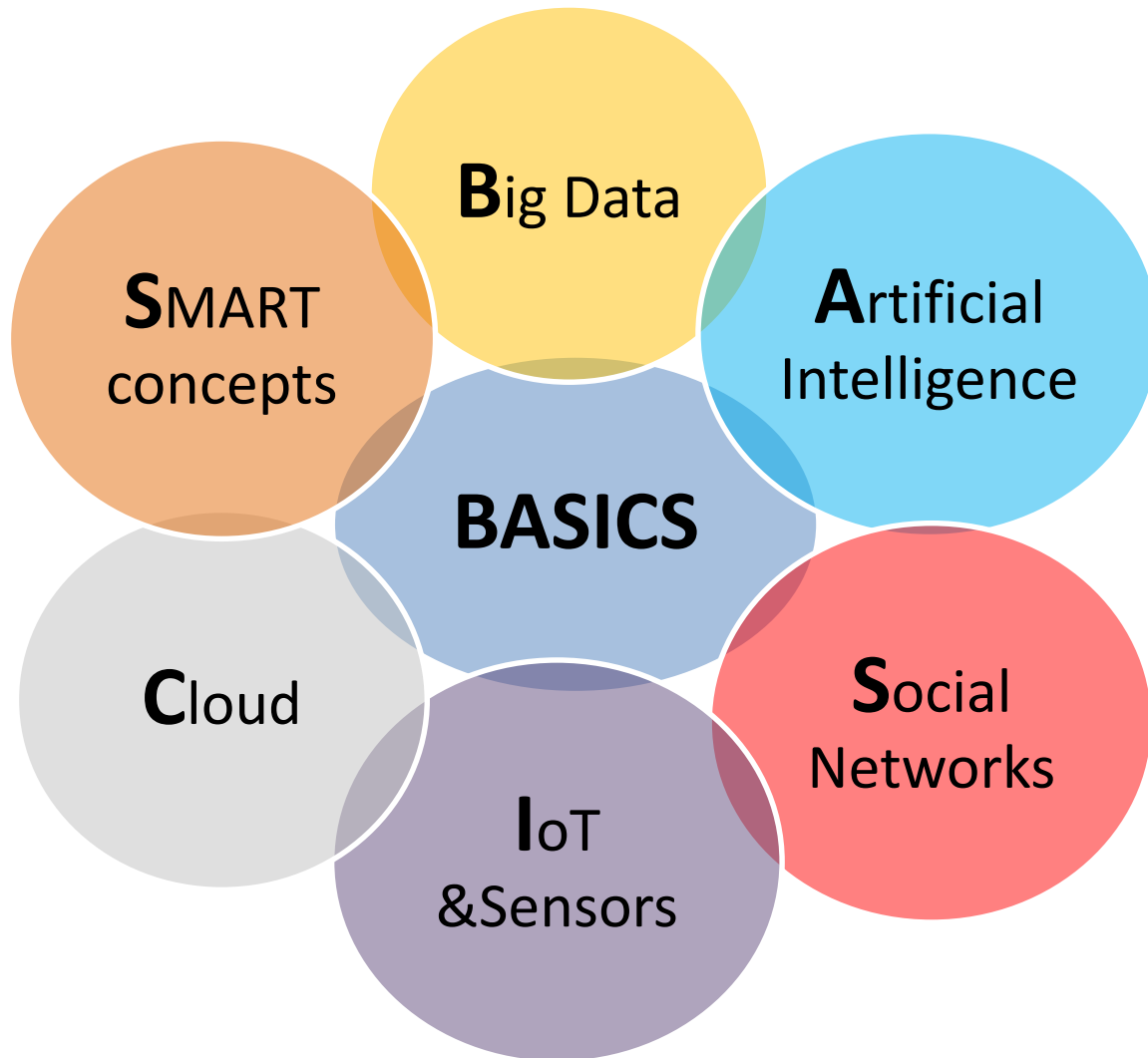


Digital Transformation = Deep Change

- It takes:
- New Infrastructure (DIGITAL)
- New Culture (TRANSFORMATION)



Infrastructure



Infrastructure - BASICS

- **Big data** – we know everything as it happens, [Acxiom](#)
- **Artificial intelligence** – humans are replaced by machines, overall automation, [robot bank tellers](#)
- **Social networks & cheap apps**– everybody is connected, empowered and informed, [Facebook Bank](#)
- **IoT&sensors** – everything is measured and under constant control, [Amazon Go](#), [Amazon air](#)
- **Cloud** – no space and time limits exist anymore
- **Smart concepts** – smart home, smart enterprise, smart city, smart government, smart shop, smart commerce...



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Culture

- The story of five monkeys



- New problems need new thinking (A. *Einstein*)



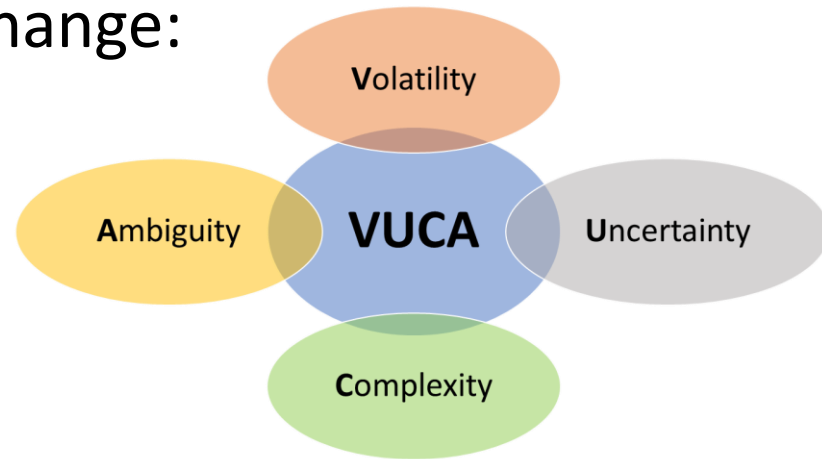
TEST organization

CHARACTERISTIC	BUREAUCRATIC	DIGITIZED	CATALYTIC
Mindset	Traditional	Transformative	Catalytic
Goal	Status quo	Incremental increase (10%)	Exponential increase (10X)
Business Objective	Growth, profit	Transformed organization	Social impact, social change
Executive	Leader	Transformer	Catalyzer , social entrepreneur
Change	Slow, resisting	Evolutionary, intermittent	Revolutionary, continuous
Decision-Making	Outvoting	Business model	Consensus
Problem Solving	Empirical	Innovative	Iterative, visionary
Key Resource	Money	Creative ideas	Values, agile team
Organization	Rigid and stable	Digitally integrated, open to step-by-step change	EXO organization, flexible and dynamic
Innovation	R&D	Open innovation	Rapid Innovation Unit
Authority	Formal hierarchy, autocratic	Open-channel communication, democratic	Flattened hierarchy, open participation, integrity
Control	Imposed	Transparent	Self-control
Media	Traditional media	Digital media	Network
Customer Relationship	Customer satisfaction	Customer experience	Unified, holistic, people-oriented experience
Customer Journey	Sales funnel	Interactive sales team	Digital Involvement cycle
Performance Measure	ROI (investor driven)	Triple Bottom Line (customer driven)	Quadruple Bottom Line (stakeholders driven)
Approach	Follow rules	Change rules	Re-invent procedures, fit culture



Living in VUCA Times

- We live in “VUCA times” of change:
- **V**olatility
- **U**ncertainty
- **C**omplexity
- **A**mbiguity
- In Zulu language, ***vuca*** means “to wake up”
- Needed: VUCA TEST –
- **V**ision, **U**nderstanding, **C**larity, and **A**daptability;
- **T**rust, **E**mpathy, **S**ustainability and **T**ransparency





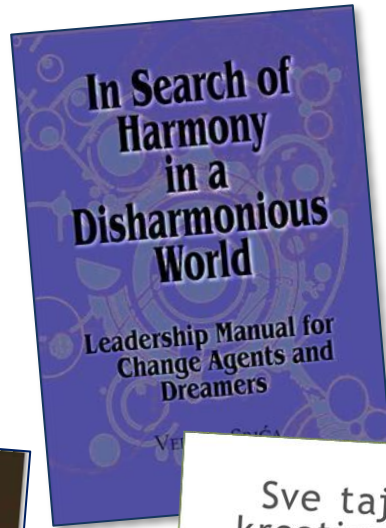
Jack Ma's LOVE QUOTIENT

- Love by being a teacher to the student. A good teacher always expects his students to do better than him.
- Love by always endeavoring to know who is better than you and choose to learn from and work alongside that person.
- Love by sharing knowledge and expect others to be better.
- Love by hiring people who show potential to be better than you. Then love some more by training, disciplining, and supporting them.
- Love your teams and coworkers despite differences of opinion, and respect them with dignity in the journey toward a common goal.
- Measure success not by worth but how many problems you solved and how many people you helped in the world.



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THANKS FOR ATTENTION!



- ELITE (Excellence in Leadership, Innovation and Technology)
- Europska akademija znanosti i umjetnosti
- Transformative leadership Institute, Lynchburg College, USA
- Reading University, Henley Business School

www.velimirsrica.com