AlixPartners
when it really matters

The race to become future-ready

In today's rapidly changing business environment, it is essential that companies digitally transform to stay competitive. The in-depth study of **413 companies** at various stages in the race to change found that future-ready companies have net margins 16% above the industry average.

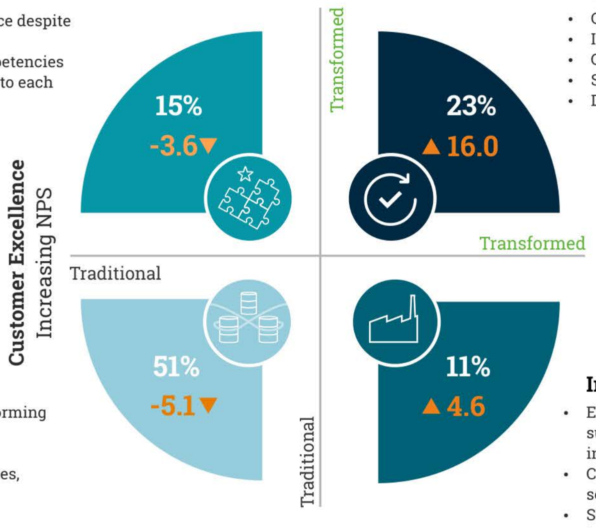
The difference between traditional companies vs. transformed (future ready) companies

Integrated Experience

- Integrated customer experience despite complex operations
- Seamless omni-channel competencies
- Customized offerings specific to each customer

Future Ready

- Customer and operating agility
- Innovative and lean
- Great customer experience
- Strong architecture and data platform
- Data is a strategic asset



Silos and Spaghetti

- Decentralized enterprise performing similar tasks different ways
- Insufficient data sharing
- Complex landscape of processes, systems and data

Industrialized

- Established an effective model and supporting architecture with IT investment mindset
- Comprehensive underlying data platform serving as the single source of truth
- Standardized applications and automated functions

Operational Excellence
Improving cost to income ratio

Key
% of firms
Percentage points above or below industry average net margin

Future-ready companies have higher net margins

Such companies are more profitable than their competitors that have neither transformed the customer experience they offer nor achieved operational excellence.

More than half of the companies surveyed (51%) remain in the silos and spaghetti category, which suggests that most companies still have a long way to go in the digital transformation journey.

B2B vs B2C

Business-to-business (B2B) companies are **more future ready** than business-to-consumer (B2C) companies

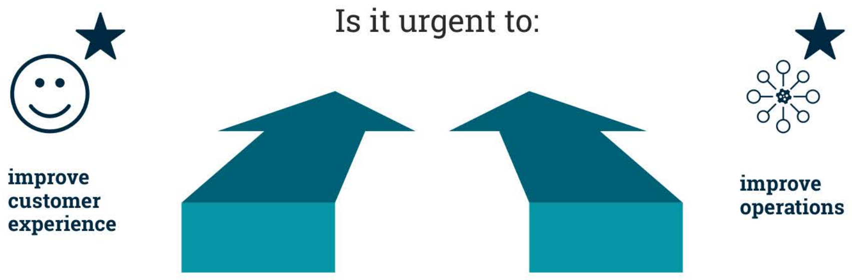
B2B companies such as manufacturing and heavy-industry sectors, traditionally have had better back-end operations—like integrated data, standardized processes, and automated work flow processes—and are a step ahead compared to B2C companies when it comes to having the foundational requirements and data platforms necessary to transform digitally.

	Silos and Spaghetti	Integrated Experience	Industrialized	Future Ready
Manufacturing	40%	12%	12%	36%
Heavy Industry	38%	23%	5%	35%
IT, Telecom & Media	41%	19%	16%	24%
Education and Healthcare	70%	6%	8%	16%
Retail	68%	18%	0%	14%
Financial services	65%	11%	13%	11%
Services	63%	20%	9%	8%

How can companies win the race?

Businesses across all industries must assess where they are in the race to become future ready. Assessments can be made using the following criteria:

Is it urgent to:



or both?

They should determine the right path and order of steps to take to reach a future-ready state. Once the organizations knows its current position, it can chart a path to stay in the race and win big down the road.

[1]Future-ready companies make up 23% of the companies in the AlixPartners–MIT CISR 2015 Chief Information Officer (CIO) Digital Disruption Survey (N=413) and are categorized based on top values for metrics associated with customer experience and operational excellence.