

Digital Index

Study results

UNDER THE PATRONAGE OF



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A. Synthesis



Under patronage of Rzeczpospolita we have published a series of articles on the current state of digital readiness of polish industries

Overview of "Digital Readiness Index" publications



"Digital touches on each aspect of our company. Recently the most important is online banking especially mobile banking"

**Feliks Szyszkowiak,
Board Member of BZ WBK**



"We are investing time and money in development of new technologies. The most impressive achievement of our company is fully digitalized warehouse"

**Maciej Oleksowicz,
Strategy Director of Inter Cars**



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B. Methodology



The study encompasses over 500 Polish companies operating in various industries

Scope of the study

1 Sample scope



The largest Polish companies (sample of around 500 firms), operating in various industries:

- > Energy and Mining
- > Fuels and Chemicals
- > Retail and Wholesale
- > Consumer goods
- > Industrial goods
- > TMT
- > Finance and Insurance

2 Substantive scope



Analysis of digitization of each industry based on:

- > Face-to-face interviews with CEOs and board members
- > Online surveys conducted among directors responsible for digitization, strategy, marketing, IT etc.
- > Outside-in assessment based on publicly available data (companies' reports, press releases, desk research)

Evaluation of each index component in different industries and presentation of the industry leaders

3 Time scope



Study will be published annually

- > Series of articles with first conclusions and observations published in the first half of 2016

Roland Berger has studied the digital transformation within the Polish economy

Methodological approach

	Analysis	Output for the final report
1 Quantitative and qualitative survey of 20 multiple choice questions with 100 CxOs	<ul style="list-style-type: none"> > Analysis of companies' digital maturity, and of their perception on digital transformation > Analysis of the impact on performance > Analysis of everyday business digitization and IT equipment availability 	<ul style="list-style-type: none"> > Comparison of digital maturity > Correlation/impact analysis > Insights about everyday business digitization issues
2 Quantitative and qualitative survey of 50 multiple choice questions with 500 directors	<ul style="list-style-type: none"> > Analysis of companies' digital strategy > Analysis of companies' digital approach towards customers > Analysis of digital data applications > Analysis of digitization in business operations (e.g. automation of processes) 	<ul style="list-style-type: none"> > Comparison of digital strategies > Directors' opinions about potential digitization solutions
3 ~20 face-to-face interviews with CxO	<ul style="list-style-type: none"> > Help/insight for quantitative survey analysis and understanding > Testimonies 	<ul style="list-style-type: none"> > Quotes and examples strengthening the quantitative report
4 Interviews with Roland Berger global experts	<ul style="list-style-type: none"> > Support in the overall understanding > Survey preparation 	<ul style="list-style-type: none"> > Analysis of gathered survey answers
5 Outside-in assessment based on companies' reports, press releases and desk research	<ul style="list-style-type: none"> > Analysis of companies' reports > Review of press releases and relevant publications 	<ul style="list-style-type: none"> > Use of the most relevant results/research

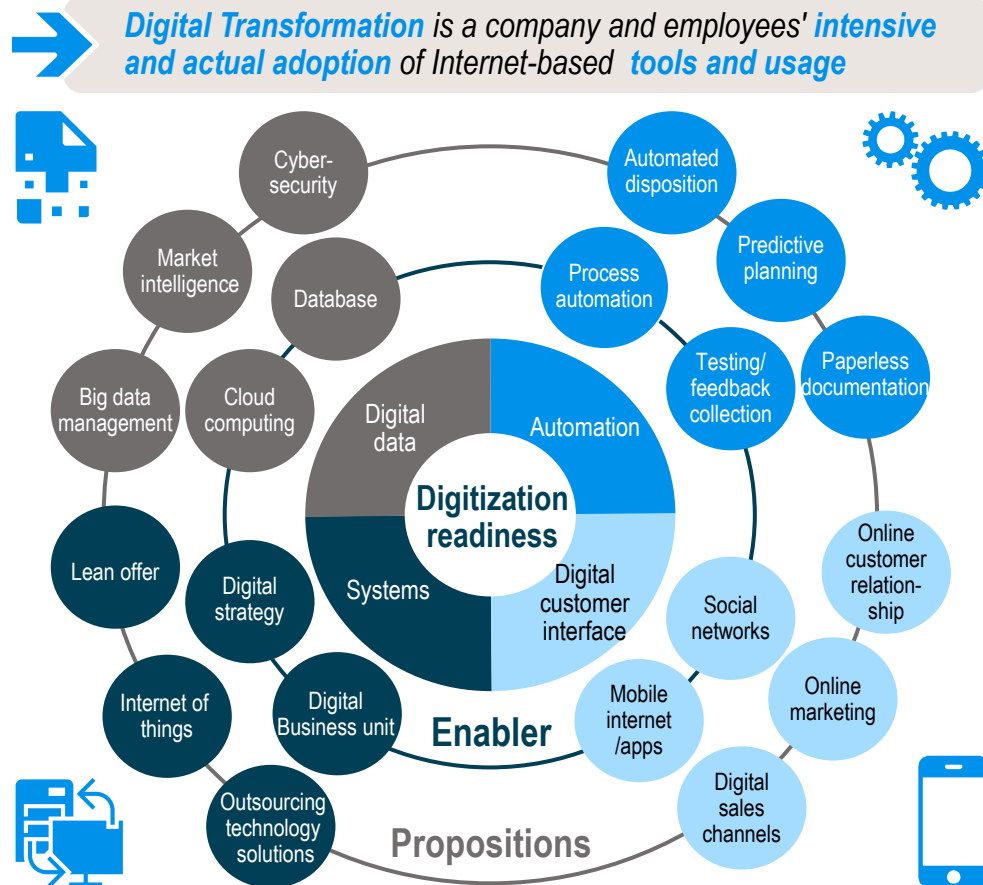
Multiple companies and digital stakeholders have been interviewed

Interviewed companies



We have assessed digitization readiness via four categories that are supported by enabler and propositions levers

Assessment categories and levers



Methodology

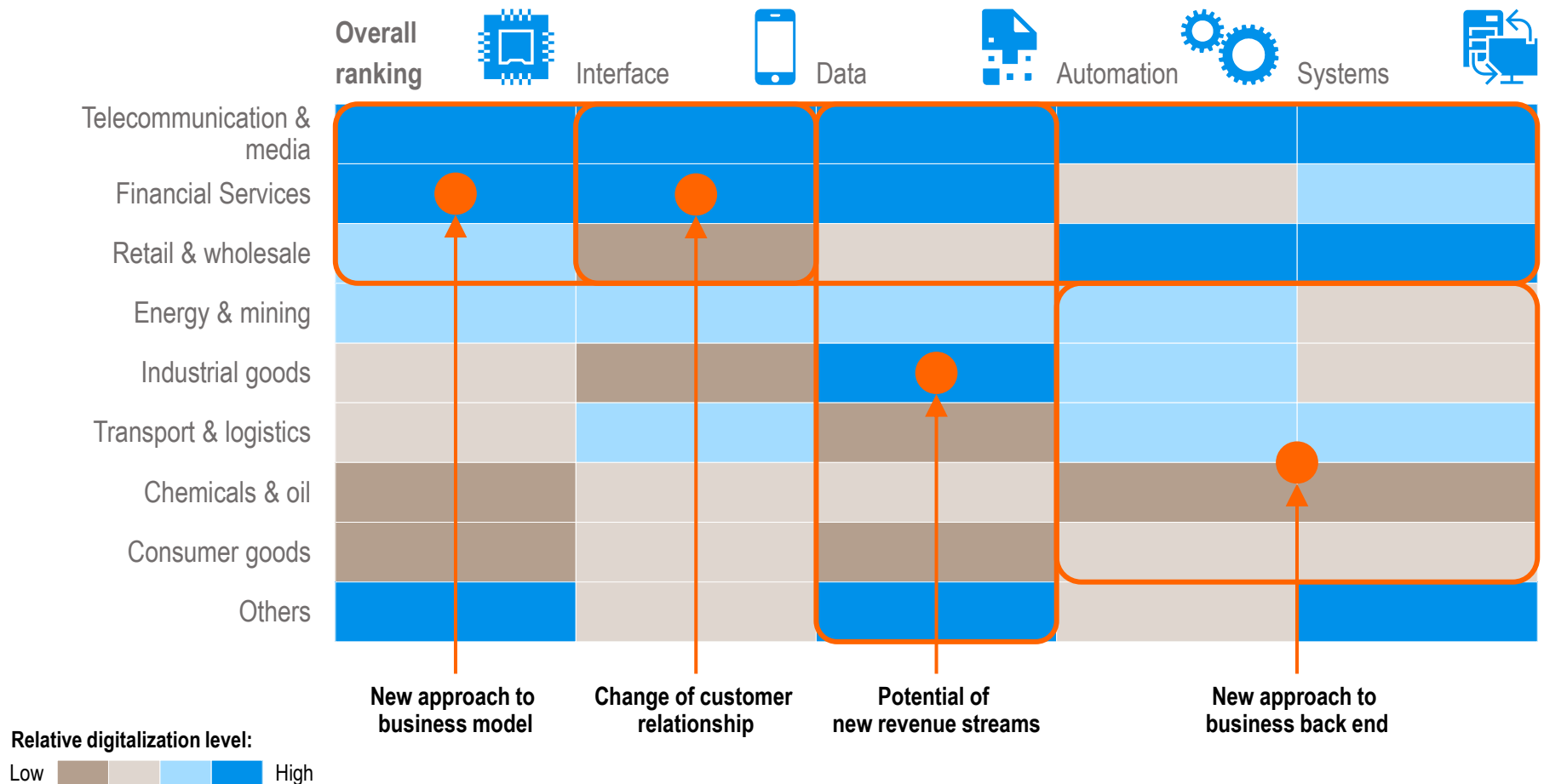
- 1 **Inside-out assessment through interviews with management**
- 2 **Inside-out assessment through empirical questionnaire**
- 3 **Outside-in assessment through desk research**

C. Study results



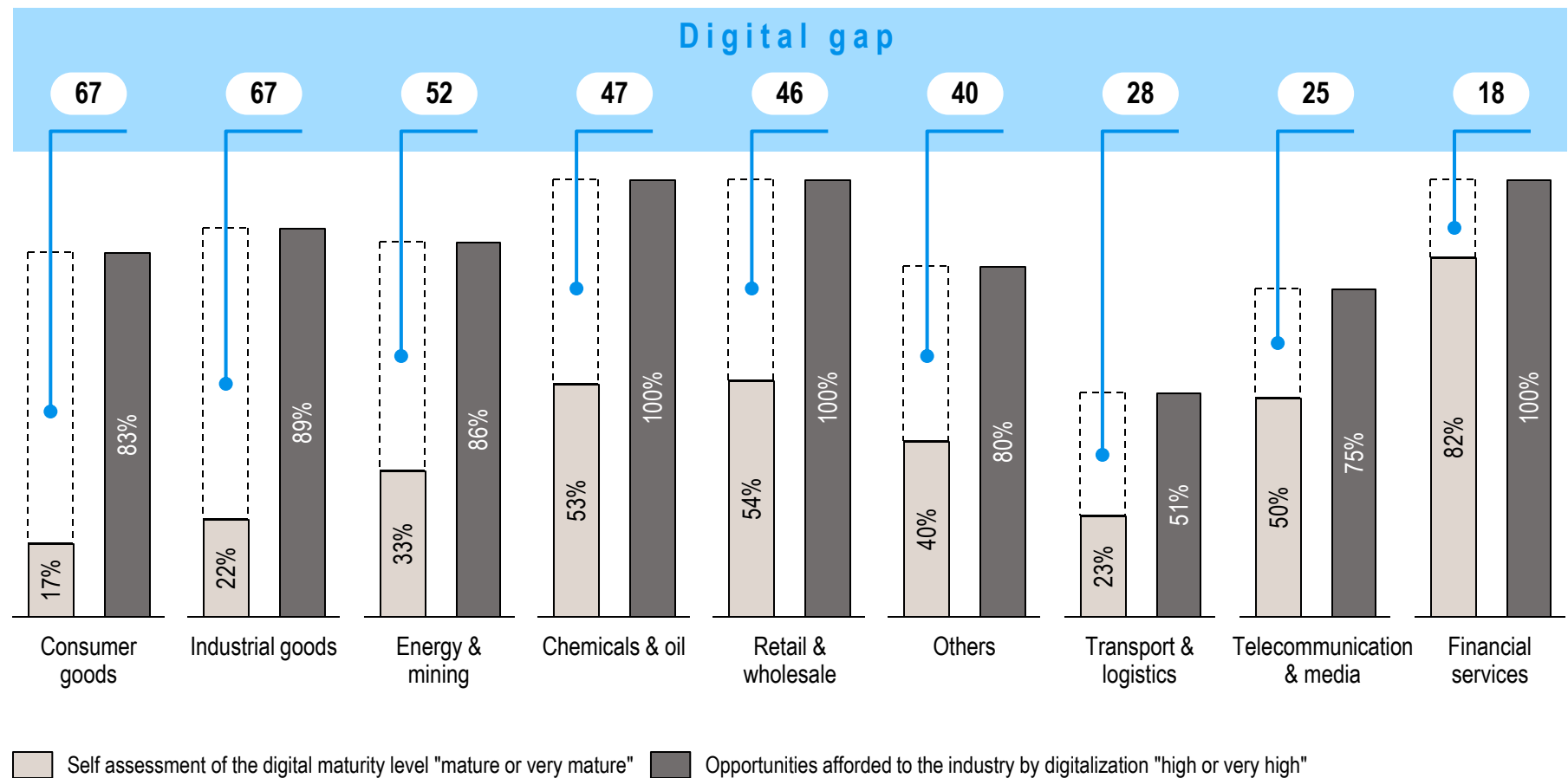
The leaders of Polish Digital Index are TMT and Financial Services – Chemicals & Oil and Consumer goods are ranked at the bottom

Digital Index of Polish Companies, 2016



Most industries are still failing to exploit the opportunities afforded by the digitalization – Average gap for the sample accounts for 53 pp

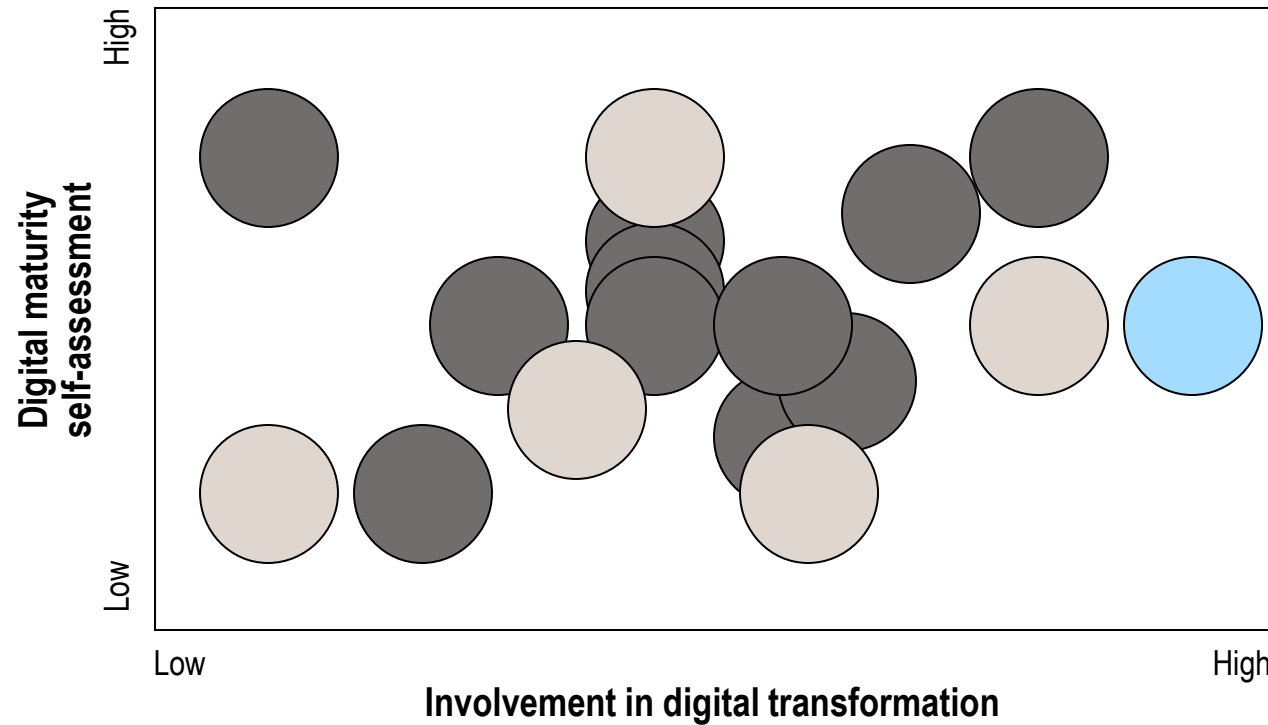
Digital gap in different industries [pp]





In most cases companies pursue the digitalization due to customer needs – The more mature company, the stronger the correlation

Digital motivation



Comments

- > We have distinguished three digitalization reasons:
 - External – resulting from customer needs
 - Internal – resulting from internal initiative
 - Other
- > Most of the companies pursue digitalization due to external motivation which indicates customer centric approach, proper way to conduct business in digital reality
- > Minority of companies motivates digitalization with internal initiative, on average those responses come from companies with lower digital maturity perception and indicates need of control over decision making process

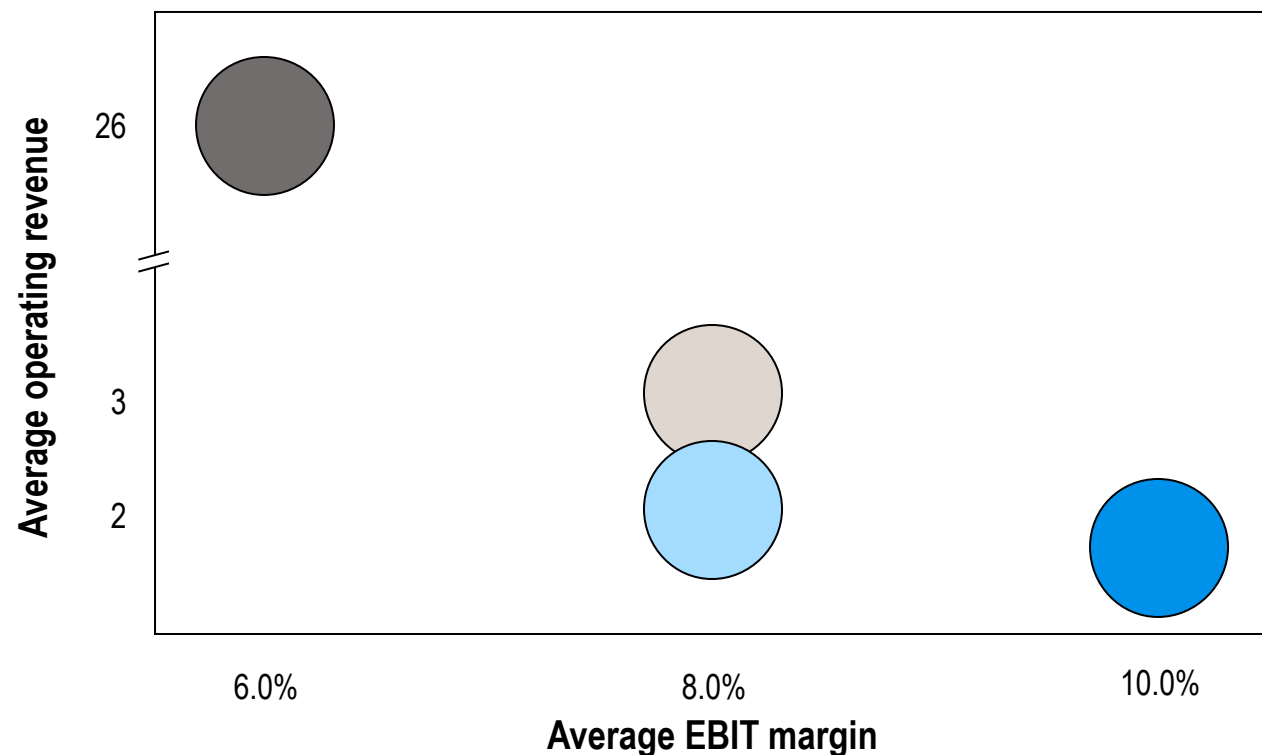
Digitalization motivation:

- Customer needs result
- Internal initiative result
- Other digitalization motivation



Companies with the highest digital maturity level self assessment are also leading in terms of financial results

Financial perspective, 2014 [PLN bn; %]



Comments

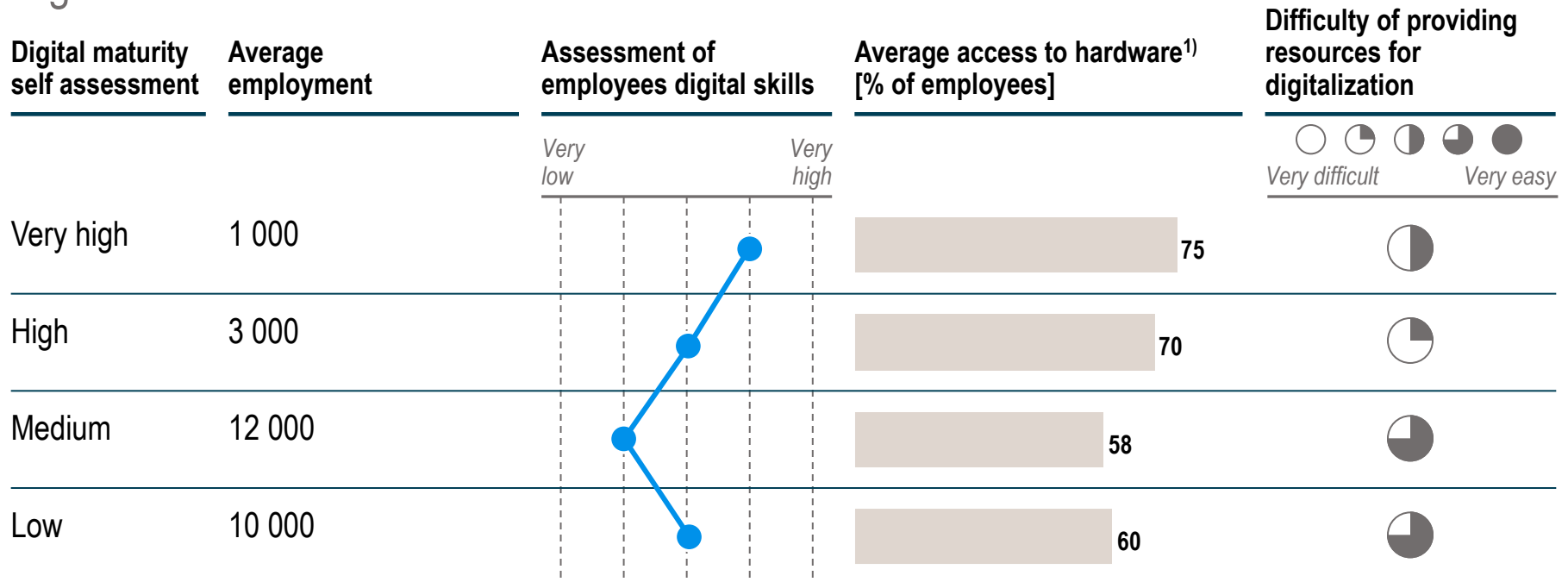
- > Companies with the highest digital maturity self assessment have the highest average EBIT margin with the lowest average operating revenue
- > Companies with high digital maturity self assessment have second highest EBIT margin and second lowest average operating revenue
- > Companies with medium digital maturity self assessment have 8% average operating margin with the second highest operating revenue
- > Companies with the lowest digital maturity self assessment have the lowest average EBIT margin and the highest average operating revenue

Digitalization maturity self assessment:

● Low ● Medium ● High ● Very high

Companies with the highest digital maturity perception are also valuing higher their employees skills and ensuring access to hardware

Digital resources



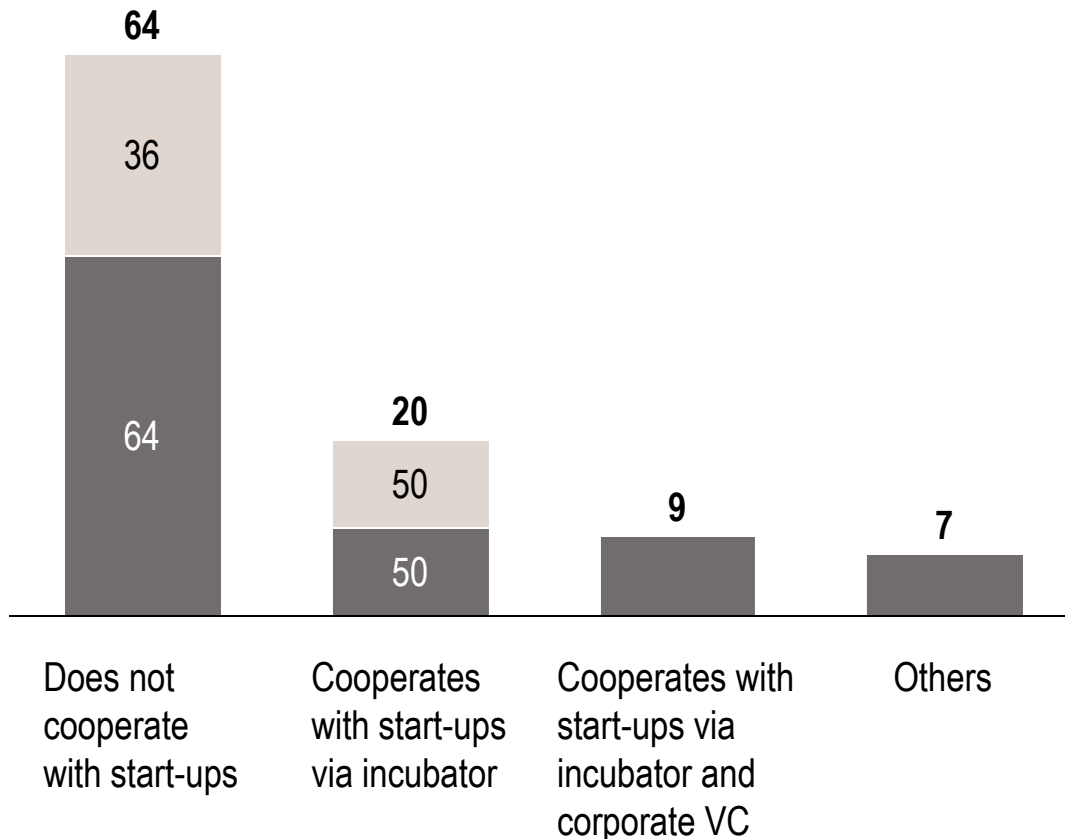
- Comments**
- > Companies with very high to high digital maturity self assessment have lower average employment than those with mid to low digital maturity, on average they also assess their employees digital skills higher than less digitally mature respondents
 - > Smaller and more digitally mature companies ensure higher average access to computer with internet across various departments than larger and less digitally mature respondents
 - > Larger organizations declared that it is easy to provide necessary resources to carry out digital transformation while it is more difficult for smaller organizations

1) Percentage of employees with access to computer with internet access across various departments

Most of the companies do not cooperate with start-ups – Those that do, decided for start-up incubator, corporate VC is not very popular



Cooperation with start-ups

Is your company cooperating with startups? [%]



Comments

- > 64% of the respondents declares that they do not cooperate with start-ups, most of the responses came from companies with mid to low digital maturity self assessment
- > Almost 30% of companies answered that they cooperate with startups majority of them decided for start-up incubators, only a third of the responses indicated on activity in the field of corporate VC
- > CEOs of the companies claimed during interviews that they see little results from start-up incubation or corporate VC and declared that their organization would rather invest in companies in growth stage than seed stage

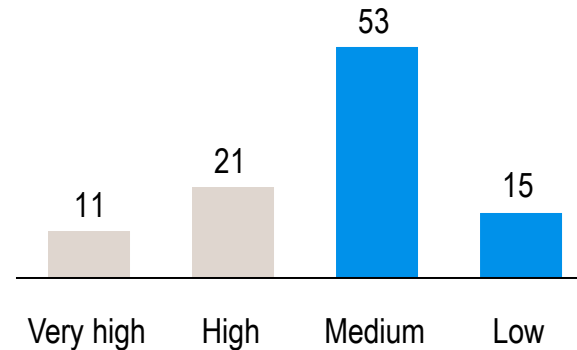
 Very mature or mature digital self assessment
 Mid to low digital self assessment

Majority of the companies have been victim of cyber attack in recent years – Almost two-thirds assessed the risk of attack at mid to low

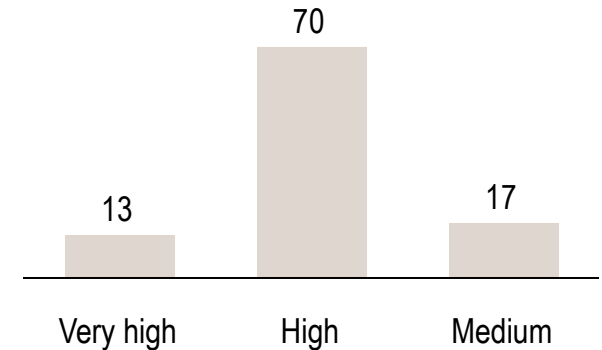
Digital Security



Self assessment of cyber attack risk [%]



Self assessment of safe guard effectiveness [%]

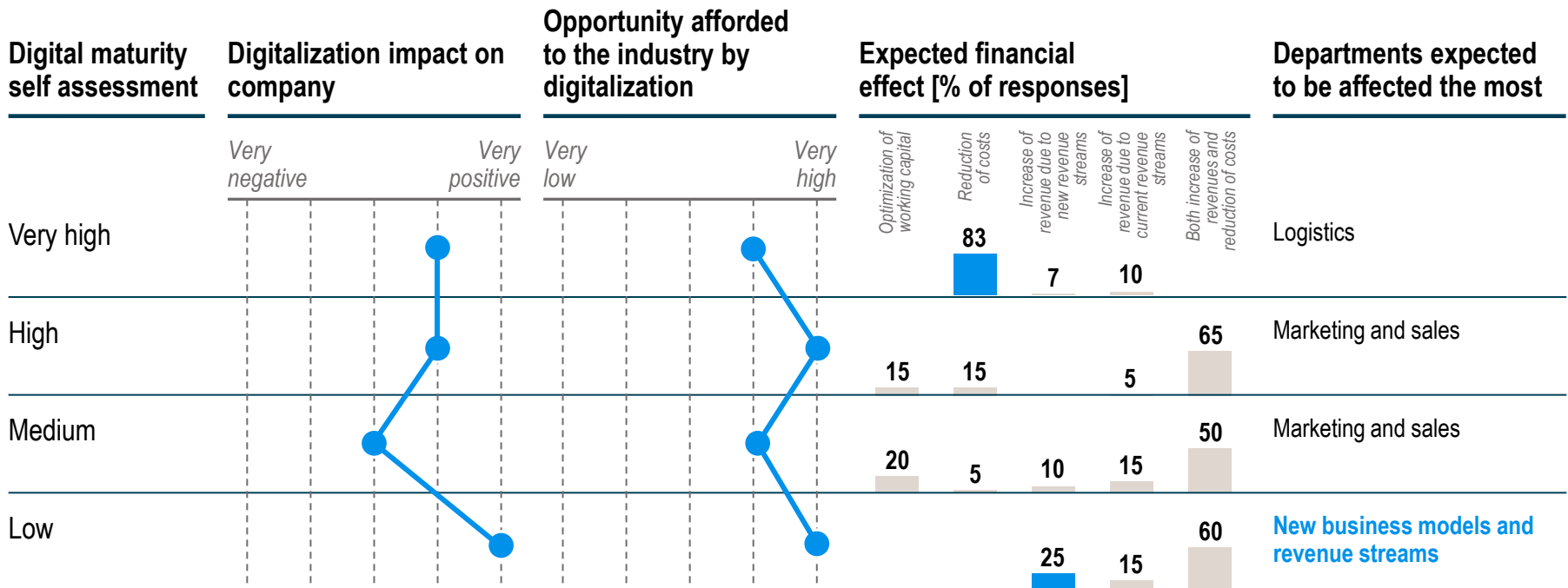


Comments

- > 55% of the companies surveyed by Roland Berger declared that they have been a victim of cyber attack in recent years
- > However only a third of the companies assessed the risk of cyber attack at very high or high, two third of the companies stated that risk is medium to low
- > Companies are confident of their safe guard effectiveness over 80% of the respondents claimed that the effectiveness is very high or high while about 20% assessed the effectiveness of safeguard at medium level
- > It appears that despite high risk of attack companies underestimate both the risk of attack and overestimate effectiveness of their safe guard systems

Respondents with the lowest digital maturity perception are the most positive about the impact of digitalization on their companies future

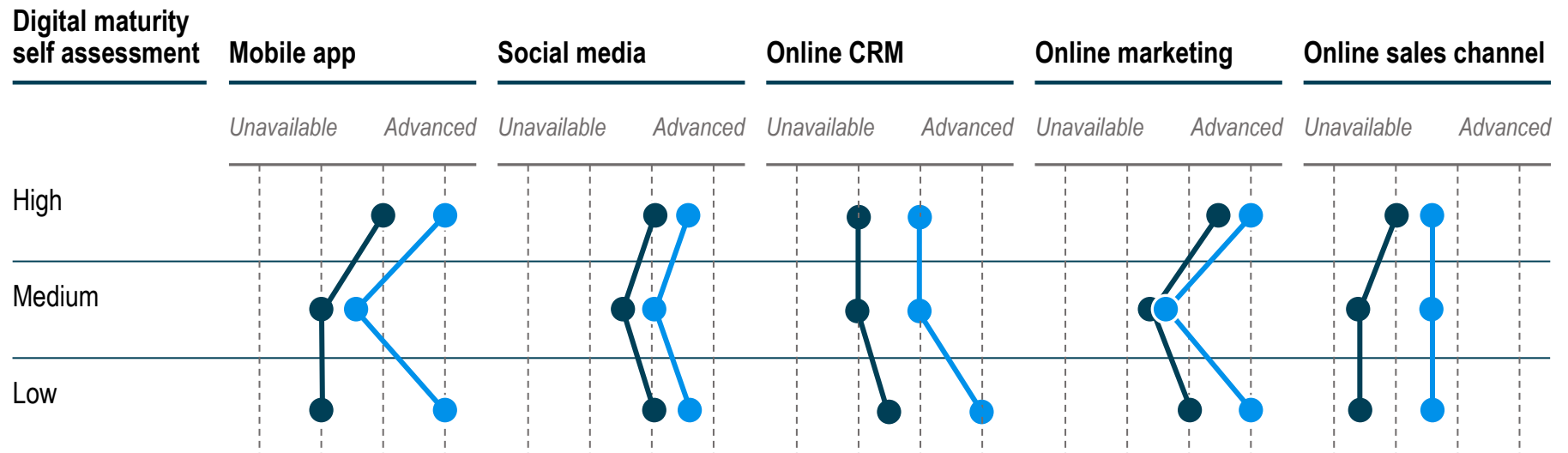
Digital future



- Comments**
- > Companies with the lowest digital maturity self assessment are also the most positive about the impact of digitalization on their companies, they also expect the highest opportunity afforded by digitalization to their industry
 - > Moreover 25% of the respondents in the lowest digital perception segment expect that digitalization will result with increase of revenue due to new revenue streams and new business models
 - > It may imply that companies with low digital maturity self assessment are also the readiest for digital transformation, expecting increase of revenue from new revenue stream and adoption of new business model

Companies with the highest digital maturity perception are also the most advanced in terms of digital customer interface

Digital interface

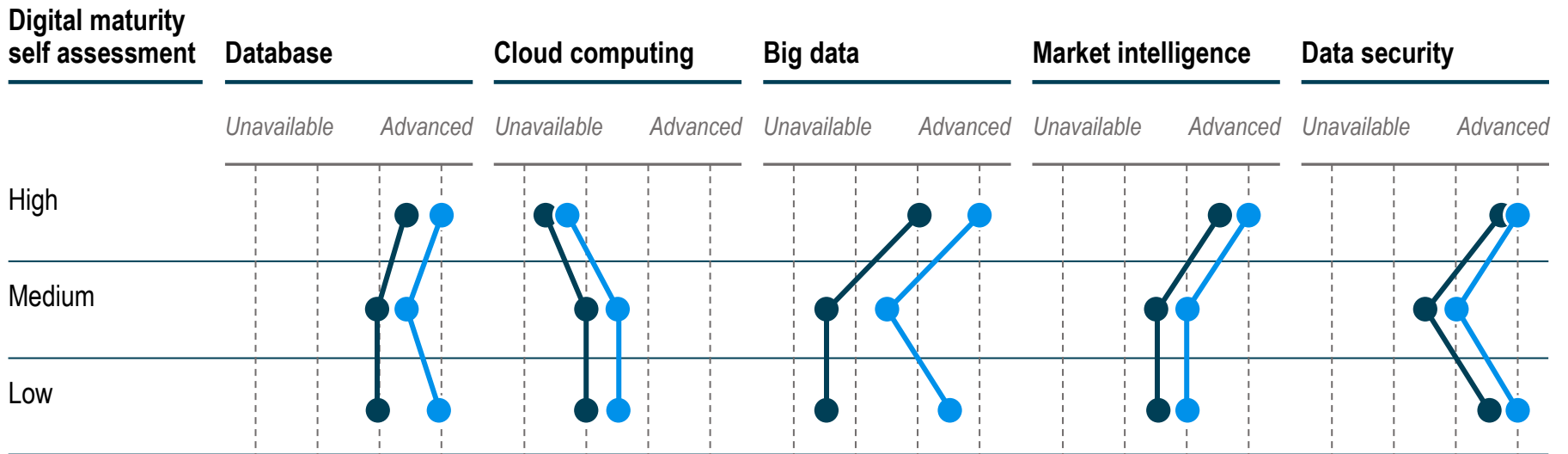


- Comments**
- > We have measured the digital interface advancement in five categories, two enablers: mobile apps and social media and three levers: online CRM, online marketing and online sales channel; Additionally we have asked the respondents on how is the current state of their company and how it should be today
 - > High digital maturity self assessment segment is leading in all of the digital interface self assessment but online CRM, respondents indicated that their company should improve current status of digital interface in all of the analyzed categories
 - > Medium digital maturity segment indicated that social media and online marketing usage in their companies is the least advanced additionally companies they have also the lowest ambition of improving current state of digital interface
 - > Low digital maturity segment is leading in online CRM category with the highest ambition on improving CRM, OM and App

● How it is today ● How it should be

Companies with the lowest digital maturity perception are as advanced as medium segment in digital data – They have higher aims

Digital data

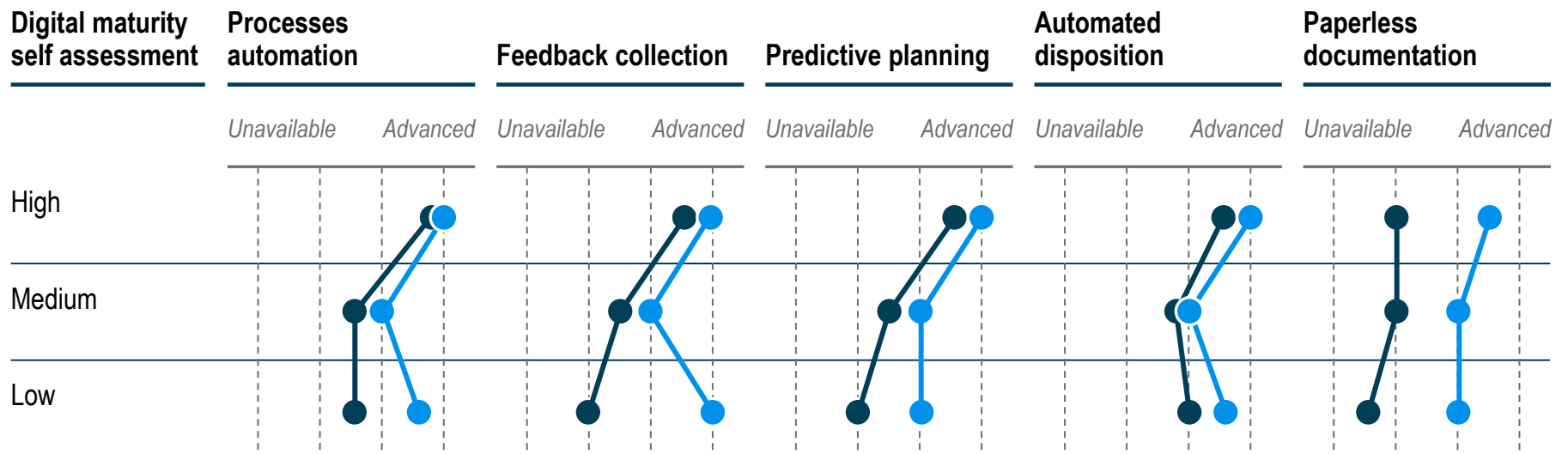


- Comments**
- > We have measured the digital interface advancement in five categories, two enablers: database and cloud computing and three levers: big data, market intelligence and data security; Additionally we have asked the respondents on how is the current state of their company and how it should be today
 - > High digital maturity self assessment segment is leading in all digital data categories but cloud computing, it also has the highest ambitions in digital data categories except cloud computing which they would not improve
 - > Medium digital maturity self assessment is leading in cloud computing but it perceives its data security the lowest, in terms of ambition medium segment sees the highest improvement potential in big data
 - > Low segment is leading in cloud computing and ranks high in data security it would improve big data category by the most

● How it is today ● How it should be

The most advanced companies in digital automation have also the highest ambition of current processes and digital maturity perception

Digital automation

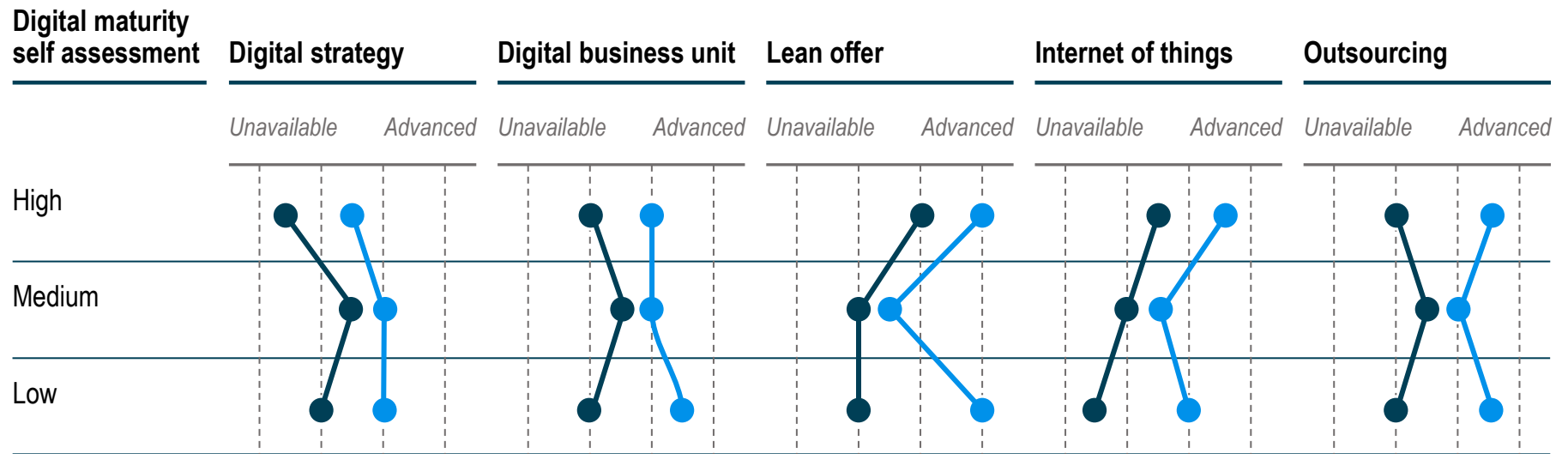


- Comments** > We have measured the digital interface advancement in five categories, two enablers: processes automation and feedback collection and three levers: predictive planning, automated disposition and paperless documentation; Additionally we have asked the respondents on how is the current state of their company and how it should be today
- > High digital maturity self assessment segment is the most advanced in all of the categories of digital automation, the least advanced is paperless documentation, which according to respondents brings the highest improvement potential
 - > Medium digital maturity self assessment segment is the most advanced in paperless documentation category and the least advanced in automated disposition out of all sample, respondent would change paperless documentation state the most
 - > Low digital maturity self assessment segment ranks the lowest in all categories but automated disposition, the highest improvement potential indicated by the respondents is in feedback collection

● How it is today ● How it should be

Companies with the highest digital maturity perception are not the most advanced in digital systems – Lack of digital strategy and CDO

Digital systems



- Comments**
- > We have measured the digital interface advancement in five categories, two enablers: digital strategy and digital business unit and three levers: lean offer, internet of things and outsourcing; Additionally we have asked the respondents on how is the current state of their company and how it should be today
 - > High digital maturity self assessment segment has the most advanced lean offering and internet of things usage out of all respondents however it ranks the lowest in digital strategy, business unit and outsourcing, respondents would change the most outsourcing and digital strategy
 - > Medium digital maturity segment has the most advanced business unit and outsourcing with the least advanced lean offer
 - > Low digital maturity segment ranks the lowest in all of the categories advancement but strategy, according to respondents lean offer has the most space for improvement





● How it is today ● How it should be

D. Competence in Digital Transformation



We support companies facing their most important strategic topics in regards to the digital transformation

Selected strategic topics for companies

	Smart data & Multi-channel 	Digital business models 	Cloud & enablement technologies 	Industry 4.0 & Automation 
Strategy	<ul style="list-style-type: none"> > Changing customer interfaces and journeys > Opportunities and strategies from data analytics 	<ul style="list-style-type: none"> > New business opportunities in and around core > Threat of vertical disruption 	<ul style="list-style-type: none"> > Importance of cybersecurity > Opportunities from cloud computing 	<ul style="list-style-type: none"> > Opportunities from Industry 4.0 methods and tools > Technical and organizational requirements
Implementation	<ul style="list-style-type: none"> > Implementing a successful e-commerce proposition > Establishing data analytics processes 	<ul style="list-style-type: none"> > Initiating new business models > Defending existing value buckets 	<ul style="list-style-type: none"> > Moving a business into the cloud > Building a protective cyber security scheme 	<ul style="list-style-type: none"> > Implementing Industry 4.0 tools and processes > Enabling process automation
Mindset & Culture	<ul style="list-style-type: none"> > Establishing a multi-channel understanding within the organization > Evolving towards a data-driven business 	<ul style="list-style-type: none"> > Establishing a digital mindset > Driving digital innovation 	<ul style="list-style-type: none"> > Increasing the awareness towards data security > Embracing new forms of digital collaboration 	<ul style="list-style-type: none"> > Building capabilities among employees > Establishing orientation towards quality and speed

We combine conceptual and operational expertise in a unique network of digital experts

Our answer – Terra Numerata



Roland Berger TERRA NUMERATA™

Roland Berger experts

More than 60 digitization experts across Europe



Operational support

Leading in-house data analytics expertise
Partnerships with Rocket Internet, Numa and Capgemini



Academic partners

Cooperation with leading academic institutions



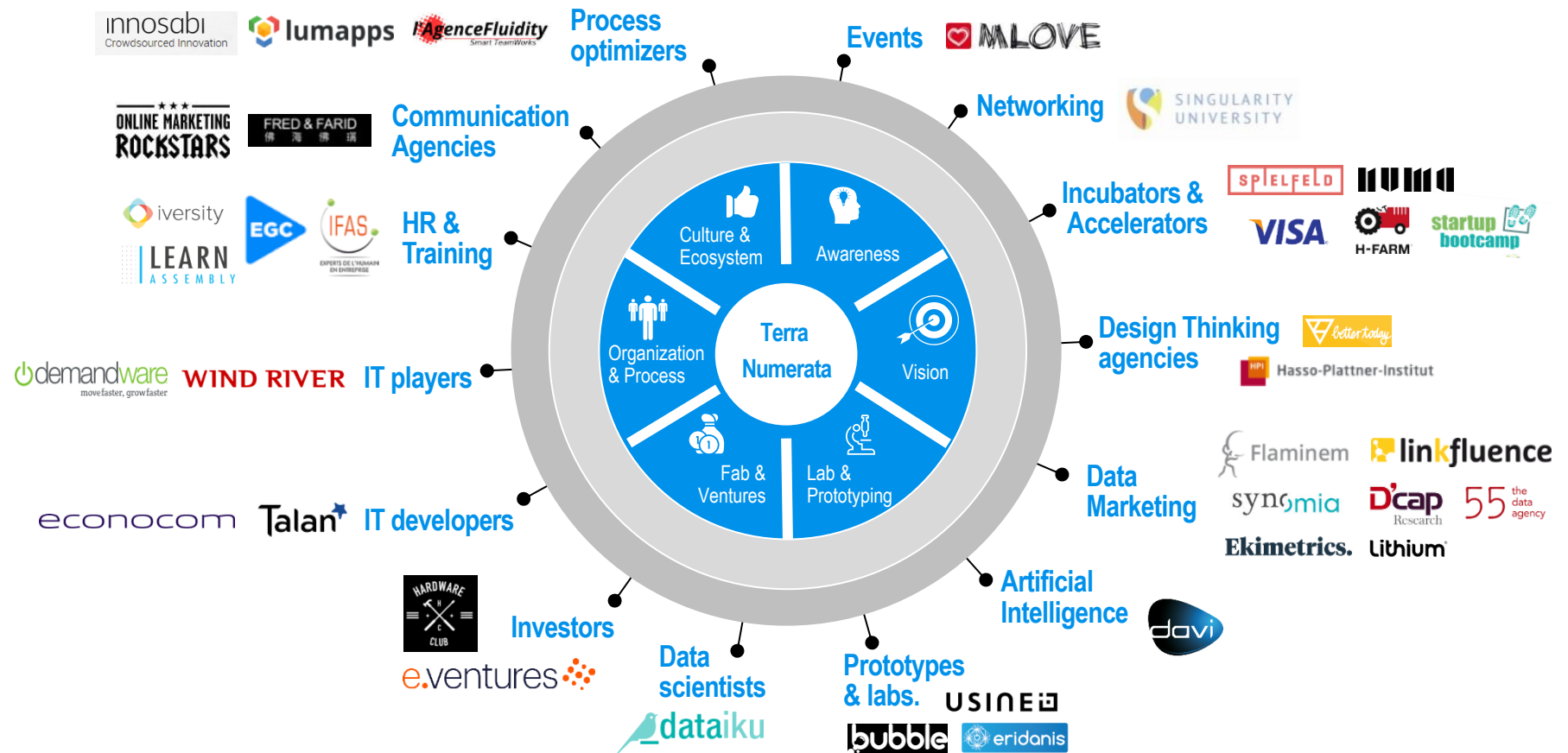
Roland Berger Digital Hub

A unique platform to support digital transformation in companies and to test digital ideas in the center of European startup ecosystem – Berlin



The Terra Numerata ecosystem is to accelerate digital transformation of our clients in cooperation with digital leaders

We propose digital transformation joint offer with more than 30 partners



D. Contact



For additional project information or our expertise in digital transformation, please contact us



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