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**New Research from [Capgemini Consulting](#) and MIT Sloan Management Review  
reveals why organizations are struggling to drive Digital Transformation**

***Global study shows need for C-level leadership***

Paris, October 8, 2013 – Capgemini Consulting, the global strategy and transformation consulting arm of the Capgemini Group, in partnership with [MIT Sloan Management Review](#), today announced the findings of a new global research survey into Digital Transformation – the opportunity for radical business change offered by the convergence of new digital technologies such as social media, mobile, analytics, and embedded devices. The study, “Embracing Digital Technology: A New Strategic Imperative,” reveals that while the potential opportunity of Digital Transformation is absolutely clear, the journey to get there is not.

The study – involving **over 1,500 executives in 106 countries** – shows that the opportunity offered by new digital technologies is clear. **78%** of respondents feel that Digital Transformation will be critical to their organization within the next two years. Where Digital Transformation is a permanent fixture on the executive agenda, **81%** of people believe it will give their company a competitive advantage. However, business leaders are struggling to translate this opportunity into a vision for change or a roadmap for execution. **63%** of people said the pace of technology change in their organizations is too slow.

- *Engaging the organization.* Competing priorities and lack of digital skills were the top two challenges in execution.
- *Getting leadership aligned and committed to Digital Transformation.* Lack of urgency or no “burning platform” was the number one most cited organizational barrier. In addition, only **36%** of leaders have shared a vision for Digital Transformation with their employees (but within the third that have shared a vision, **93%** of employees are behind it).
- *Making the case for Digital Transformation.* Only about half of organizations create business cases for digital investments.
- *Putting the right governance structures in place.* **40%** said they had no formal governance practices around Digital Transformation and only **26%** are using KPIs to track progress.

Didier Bonnet, Senior Vice-President and head of global practices for Capgemini Consulting, said: *“There is a clear call to action here for business leaders. The C-suite plays a critical role in making Digital Transformation happen as only it is in a position to overcome some of the major hurdles, such as developing and communicating a vision, and governing the change across functional silos. The opportunities to improve company performance through Digital Transformation are clear, the execution is difficult. But, the only wrong move when it comes to Digital Transformation is not to make any move at all.”*

The report highlights Starbucks as a company that has made a strong move. It created a vice president of digital ventures role, hiring Adam Brotman to fill it. His first move was to offer free Wi-Fi in Starbucks shops, along with a digital landing page with a variety of digital media choices, including free content from publications like the *Economist*. Brotman is now chief digital officer at Starbucks, where he and Curt Garner, Starbucks’ chief information officer, have formed a close working relationship, and have restructured their teams so that they collaborate from the very start of projects. Last year, they cut 10 seconds from every card or mobile phone transaction, reducing customers’ time-in-line by 900,000 hours. Starbucks is adding mobile payment processing to its stores, and is processing 3 million mobile payments a week. Soon customers will order directly from their mobile phone. Starbucks has shown how digital can transform the customer experience.

*“Digital transformation needs to come from the top,”* said David Kiron, executive editor of *MIT Sloan Management Review’s* Big Ideas initiatives. *Companies should designate a specific executive or executive committee to spearhead efforts and can take small steps, via pilot projects, so they can invest in the ones that work to advance their transformation goals.”*

## **Appendix**

Further information on organizations that have driven significant Digital Transformation are available in these Capgemini Consulting case examples: [Volvo](#), [Starbucks](#), [Nike](#) and [Caesars Entertainment](#) .

Follow this link to access the full study: <http://www.capgemini-consulting.com/SMR>

### **About the study**

As part of a joint research collaboration into digital transformation, *MIT Sloan Management Review* and Capgemini Consulting conducted a broad-based online survey of executives and managers across a wide range of industries at companies and organizations around the world. It was completed by more than 1500 people in 106 countries (this included: United States, 37%; India, 11%; Canada, 5%; United Kingdom, 4%; Australia, Brazil and Mexico, 3% each). They represent companies and organizations across the business spectrum — nearly half (47%) work at companies with less than \$250 million in revenues, 10% work at mid-sized companies with between \$250 million and \$500 million in revenues, 9% at companies with \$500 million to \$1 billion in sales, and 33% work at organizations with more than \$1 billion in revenues, including 11% at companies with more than \$20 billion in sales.

This study is the latest element in Capgemini Consulting’s ongoing research programme into Digital Transformation. Capgemini Consulting is also partnering with the [MIT Center for Digital Business](#) on a three-year joint research collaboration. The last report – “The Digital Advantage: How digital leaders outperform their peers in every industry” – involved 469 senior executive-level interviews in 391 companies in 30 countries. It follows on from the 2011 report, ‘Digital Transformation: a roadmap for billion-dollar organisations,’ which was ranked among the top 5 thought leadership publications of the last decade by Source – a leading market analyst firm for the consulting industry – following a thorough analysis of some 22,000 consulting reports globally.

### **About Capgemini Consulting:**

Capgemini Consulting is the global strategy and transformation consulting organization of the Capgemini Group, specializing in advising and supporting enterprises in significant transformation, from innovative strategy to execution and with an unstinting focus on results. With the new digital economy creating significant disruptions and opportunities, our global team of over 3,600 talented individuals work with leading companies and governments to master Digital Transformation, drawing on our understanding of the digital economy and our leadership in business transformation and organizational change.

Find out more at: <http://www.capgemini-consulting.com/>

### **About Capgemini**

With more than 125,000 people in 44 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2012 global revenues of EUR 10.3 billion. Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

Learn more about us at [www.capgemini.com](http://www.capgemini.com).

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### **About MIT Sloan Management Review**

[MIT Sloan Management Review](#) leads the discourse among academic researchers, business executives and other influential thought leaders about advances in management practice that are transforming how people lead and innovate. MIT SMR disseminates new management research and innovative ideas so that thoughtful executives can capitalize on the opportunities generated by rapid organizational, technological and societal change.

Visit [MIT SMR's Digital Transformation](#) home for more interviews, posts and videos on digital transformation.