Capgemini Consulting

Press contact:
Sam Connatty
Tel.: +44 (0) 870 904 3601
Email: sam.connatty@capgemini.com

Capgemini Consulting report reveals that few companies have evolved into truly digital organization

Only 7 per cent of organizations have successfully allied digital technology capabilities with the ability to quickly self-organize and forge partnerships to drive digital initiatives

Paris, 10 December 2015 – A report titled "Organizing for Digital: Why Digital Dexterity Matters" by Capgemini Consulting, the global strategy and transformation consulting organization of the Capgemini Group, conducted in collaboration with MIT Center for Digital Business, reveals that few companies have successfully used digital technologies to evolve their organization into truly digital businesses. The report found those that did were twice as likely to be reporting industry leading growth, profitability and customer satisfaction than their competitors. "Digital dexterity" is the ability to rapidly adapt organizational design to realize more value from successive digital transformations – for example, becoming more intelligent organizations through systematic data-driven decision making, devolving more decision power to frontline employees, or enabling seamless cross-boundary collaboration.

Didier Bonnet, Senior Vice President for Digital Transformation at Capgemini Consulting, said: *"During electrification, productivity surged only after firms had radically redesigned how they organized – from the physical factory layout to the introduction of the assembly line and greater job specialization. This was a radical shift that did not happen overnight. It took some 20-30 years to evolve. Our conviction is that something very similar will happen with digital transformation. It will require major surgery to evolve our traditional industrial organizational models into digital ones. But we have no choice if we want to fully benefit from this digital revolution."*

The report, the latest in a series analyzing the opportunities and challenges presented by digital transformation, is based a survey of 274 industry executives, representing 150 different enterprises across 28 countries.
It uncovers several key attributes that set the most digitally dexterous organizations apart from others:

- A digital-first mindset that prioritizes digital solutions first and foremost
- Systematic experimentation to drive innovation across the organization
- Ability to self-organize quickly around new digital opportunities
- Empowering the organization's workforce through access to data
- Engaging employees by encouraging collaborative problem-solving.

It also reveals that advanced levels of digital dexterity allows organizations to seize opportunities and respond to disruptions much more quickly than their traditional competitors (see Figure below).

Advanced Level of Digital Dexterity is a Key Advantage over Competition

■ Firms with the Highest Level of Digital Dexterity ■ All Firms
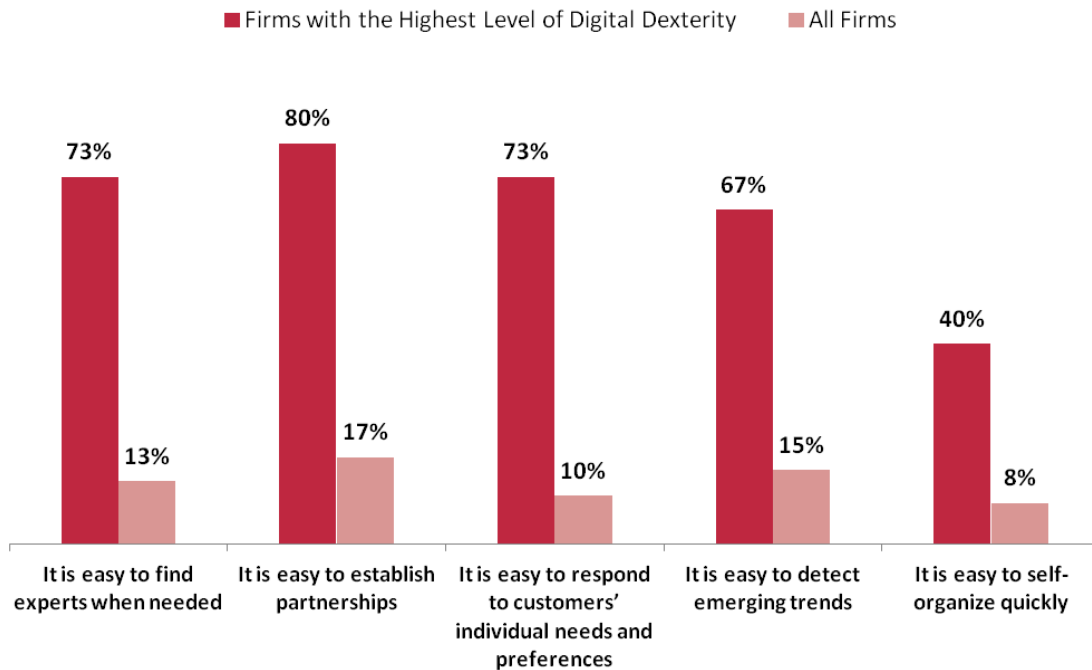

N=135; Percentages indicate share of organizations/firms agreeing with each statement
Source: MIT Center for Digital Business and Capgemini Consulting Analysis

It is more imperative than ever for an organization to build Digital Dexterity – the hallmark of a Digital Organization – but organizations are showing varying degrees of building this dexterity in to their design:

- **A small cadre (7%) of leading organizations exhibit a digital-first and dexterous mindset**; they have fully digitized operations, are able to quickly self-organize, detect emerging trends and hold significant experience and skills in digital technologies.

- **The majority of companies are still in a transition phase trying to cope with the instability between the new and the old organizational models.** Many (56%) are in the 'initiating' phase, just starting the shift and slowly building their digital competencies, while a significant number (21%) are in the 'engaging' pase and well underway with transition, with various digital capabilities in personalizing customer experience, simplifying routine tasks and enabling collaboration within and beyond an organization's boundaries.

- **16% of organizations are 'stalling'**, without any significant digital capability and grappling with its possibilities, inflexible and unable to respond to emerging trends and customer needs.

How Firms are Progressing to Become Digital Organizations
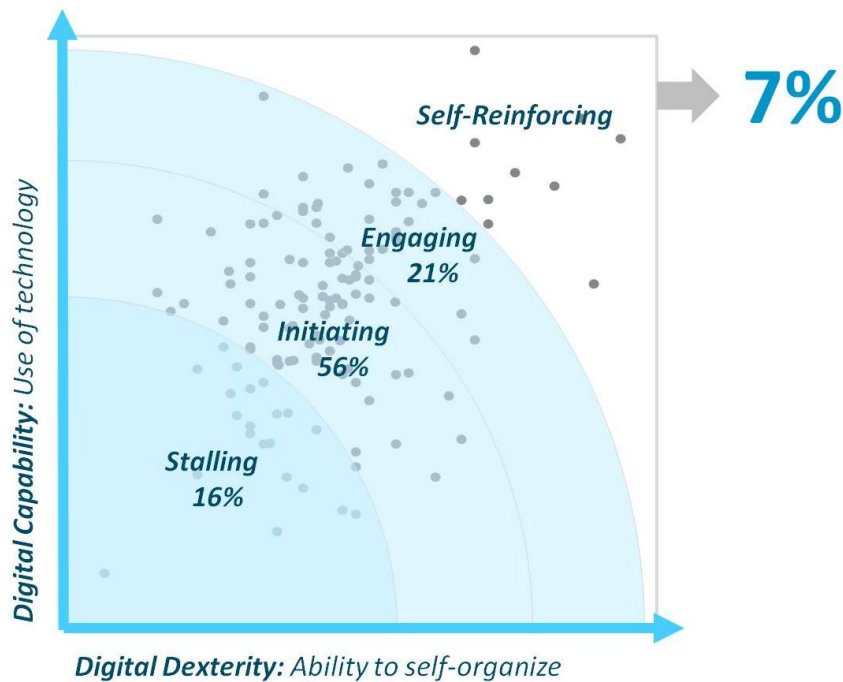
Source: MIT Center for Digital Business and Capgemini Consulting Analysis

How digitally dexterous is your organization?

Based on the research results, the report provides a high-level self assessment guide allowing executives to gauge where their organizations are on the digital dexterity continuum.

For more information and a link to the complete paper please visit: https://www.capgemini-consulting.com/digital-organizations

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 @CapgeminiConsul

About Capgemini
With 180,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2014 global revenues of EUR 10.573 billion. Together with its clients, Capgemini creates and delivers business, technology and digital solutions that fit their needs, enabling them to achieve innovation and competitiveness. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

More information at www.capgemini.com

Rightshore® is a trademark belonging to Capgemini