

# Boardroom Questions



## Continuous Transformation

### Organizations must continuously transform and adapt in order to compete



- 96% of organizations are in some phase of transformation
- 65% of CEOs see technology disruption as an opportunity, not a threat
- 40% CEOs expect their business to be significantly transformed in the next three years

*Source: 2017 Global CEO Outlook, KPMG International*

 Transformation never ends. It is like working out every day: you've got to constantly improve

*CEO, global technology company*



### What are the triggers?



Changes in customer behaviors and expectations



Disruptive technologies – IoT, digital, artificial intelligence



Evolving regulatory landscape



Shifts in market economies and industry convergence



Effects of globalization on markets, competition, supply and production

### Transformation programs may impact these Board issues



#### Strategy

How does the business transformation program address the triggers, align initiatives, and enable the organization's strategy?

#### Risk

What is the risk of transforming the business and operating models? What is the risk of not transforming them?

#### Talent

Does the organization have the right capabilities in place to successfully identify, design, and implement transformations?

#### Performance

How is success measured and rewarded?

### What are the potential benefits of transformation?



#### Sustainable, profitable growth

Develop and execute business and operating models that tie back to measurable financial and strategic goals

#### Return on investment while innovating

Embed innovation into the culture and structure of the organization to stay ahead of the competition

#### Leading customer experiences

Continually capture data-driven customer insights and create value propositions that deliver against ever-evolving customer expectations

#### Agile and innovative operating models

Enable your organization to respond to the continually shifting business environments and implement the innovations being generated



## Boardroom Questions

- 1 Which **transformation triggers** are creating opportunities for us? How are we capitalizing on these?
- 2 Are we meeting **customer expectations**? How are we innovating across our organization to stay ahead of shifting customer behaviors?
- 3 How well do our transformation initiatives meet our **strategic and financial objectives**?
- 4 Are we able to capture and measure the **value** we create from our transformation initiatives?
- 5 Does our culture and business and operating models support **continuous innovation**?
- 6 Are our transformation initiatives optimized for **tax, risk, and compliance requirements**? How can these become differentiators for us?
- 7 Do we have the **data and analytics** capability to develop timely customer, competitor, and operational insights?
- 8 Do our **technology initiatives** focus on business value creation?

## Questions for senior management



Do we focus on the customer?



Do we embed continual innovation into the business?



Do we thrive on change?

## Best practices for transformation



- 1 **Alignment** across all initiatives, business units, and functions to meet the organization's strategic and financial goals
- 2 Continuous evaluation of the **customer experience** to deliver against ever-evolving customer expectations
- 3 **Innovation** embedded into the culture and structure of the organization to turn disruption into opportunity
- 4 A **data and analytics** strategy and capability that generates timely customer, competitor, and operational insights
- 5 A **technology** agenda that advances the business transformation and takes a 'business value first' approach
- 6 An **agile** organization that is able to profitably respond and adapt to market disruptions
- 7 A **culture** that thrives on change and makes innovation part of its DNA
- 8 A **strategic approach** to assessing each function in the value chain, making build, buy, and partner decisions as warranted
- 9 A value-based approach to strategy development and **metric-driven initiatives tied to the bottom line**

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