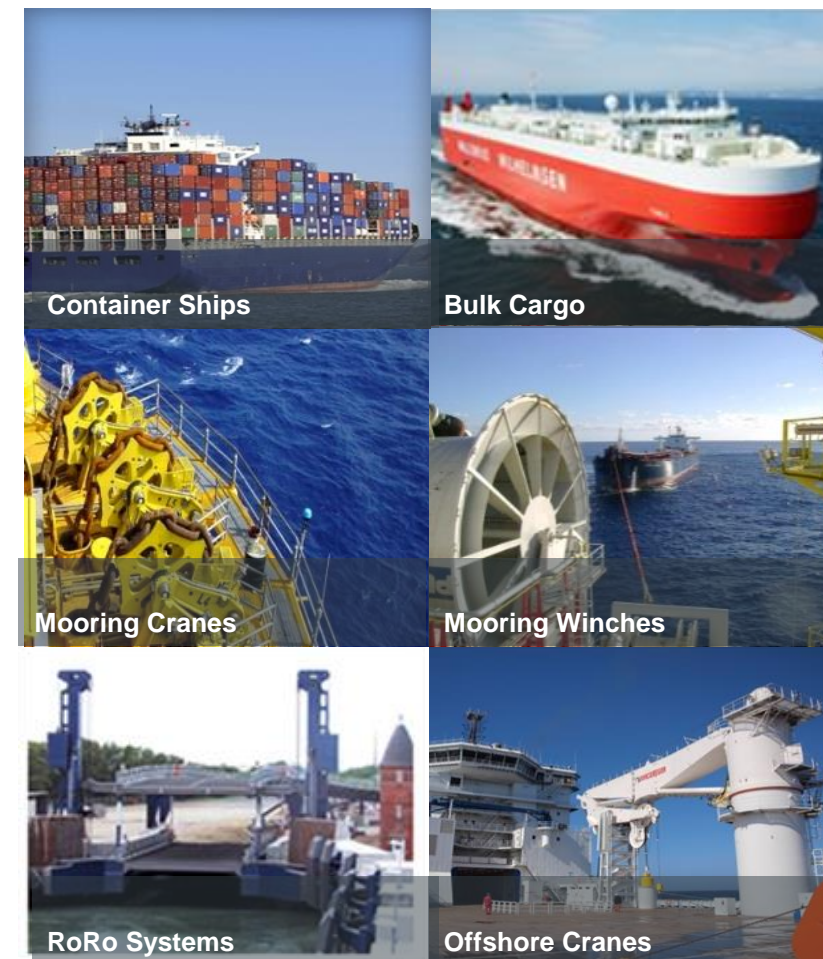
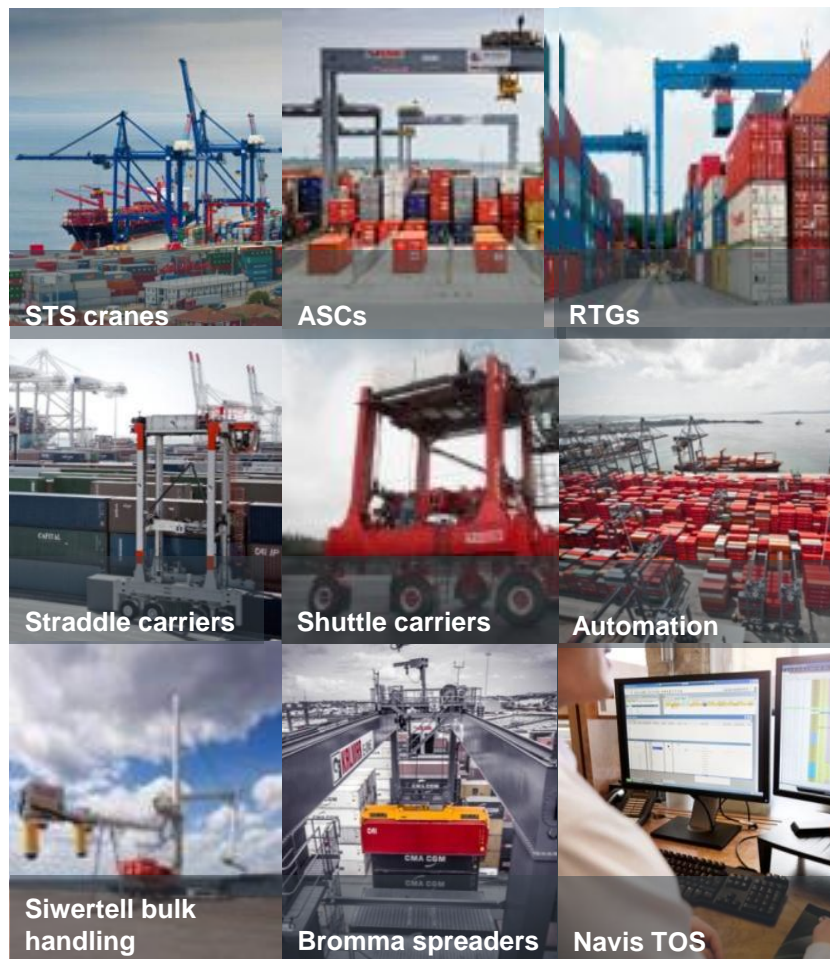


Algeciras Port IT Symposium, 12th of December 2017

# Accelerating Digital Business at an Industrial Company

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## Megatrends

Consuming population  
Urbanisation  
Growing energy demand  
Digitalised world

Customers need  
solutions for  
Better efficiency  
Sustainability  
Safety

### Global industry leader

Service and software offering,  
equalling 40% of revenue.

2020 Leader in intelligent  
cargo handling

2018 Services  
leadership

Engaging and  
developing world-class  
leadership

Leading in  
cargo flow  
digitalisation

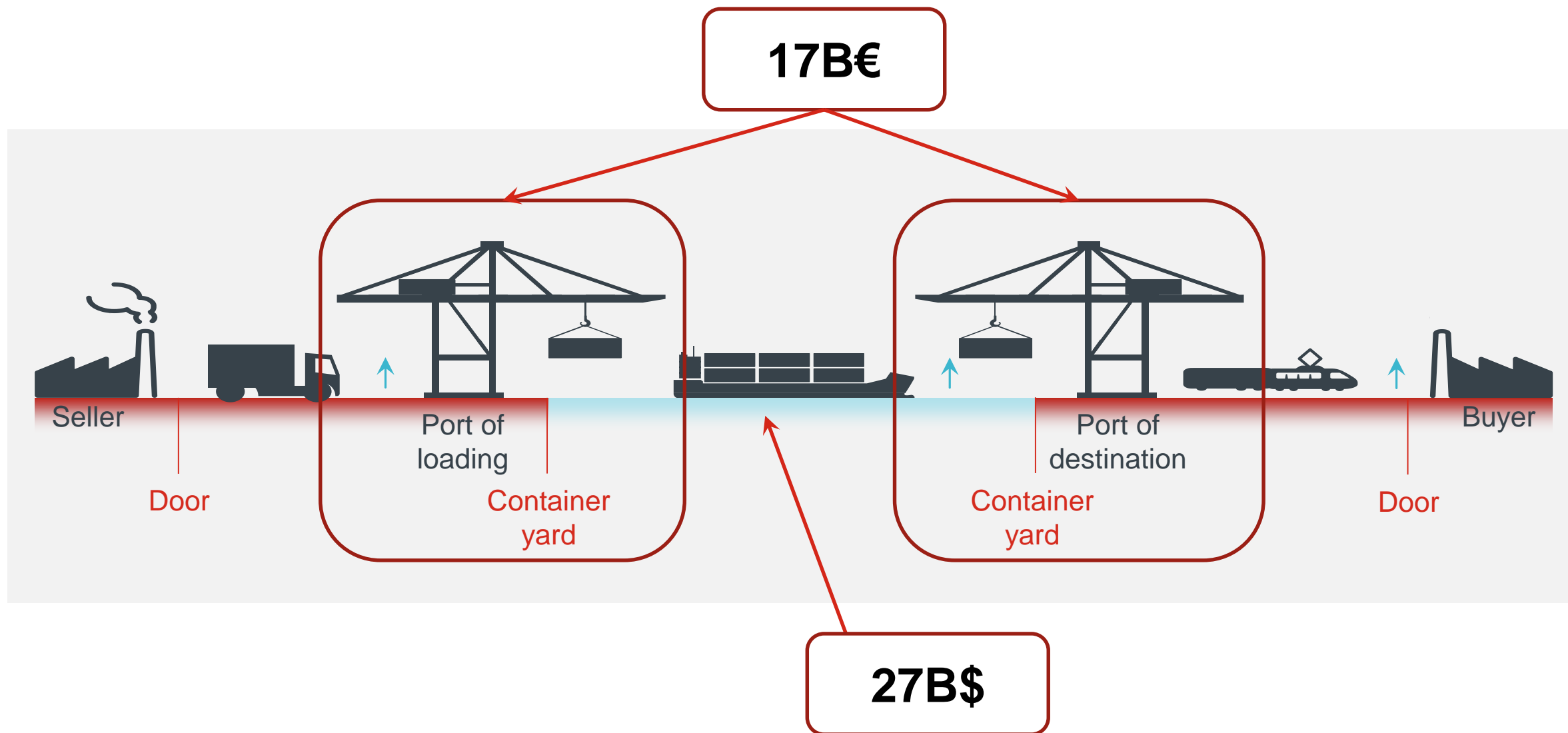
Building  
a world-class  
service offering

We will  
win by

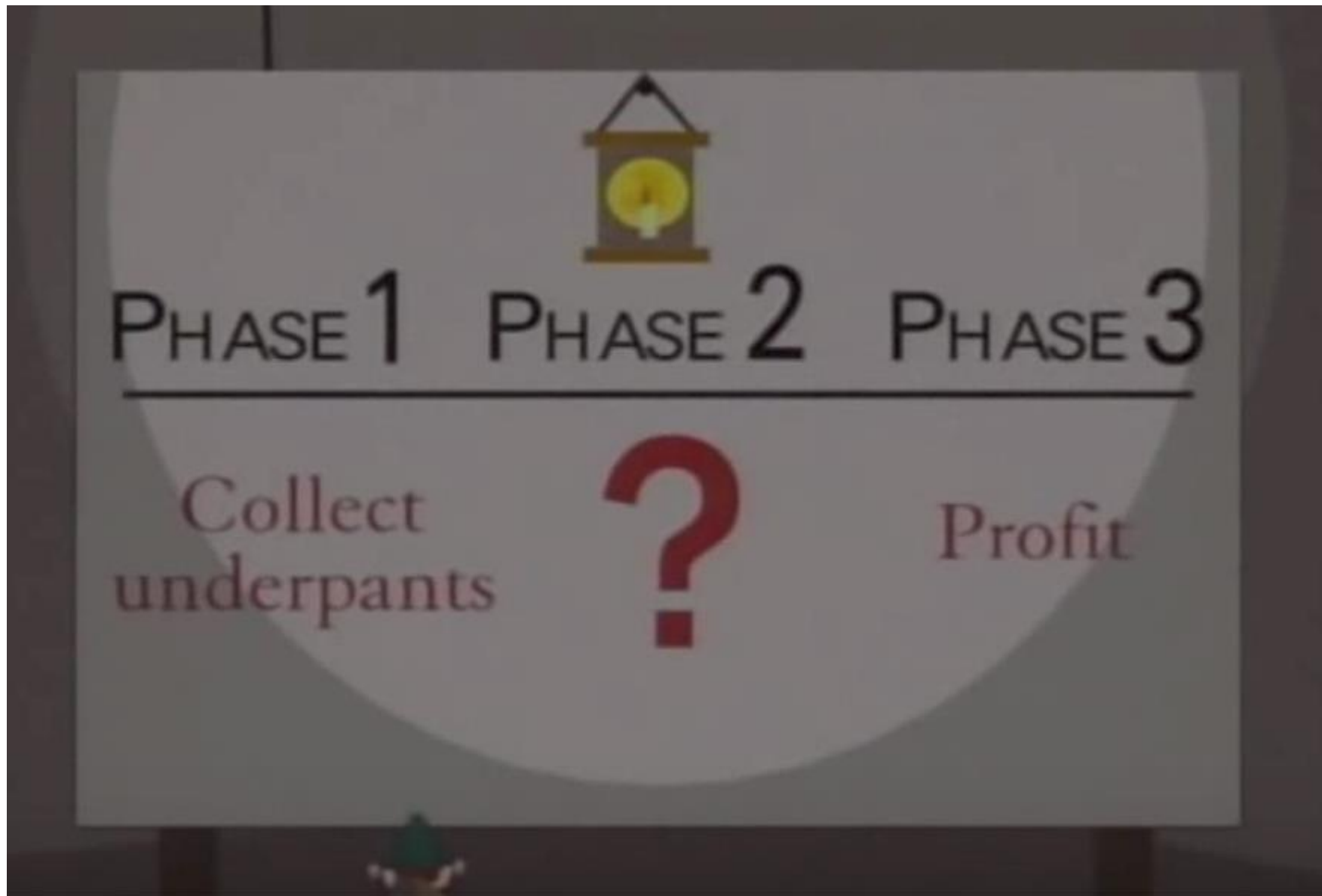
2016 Leader in cargo  
handling equipment

# We shape the future of cargo handling

# The Potential







## The Problem

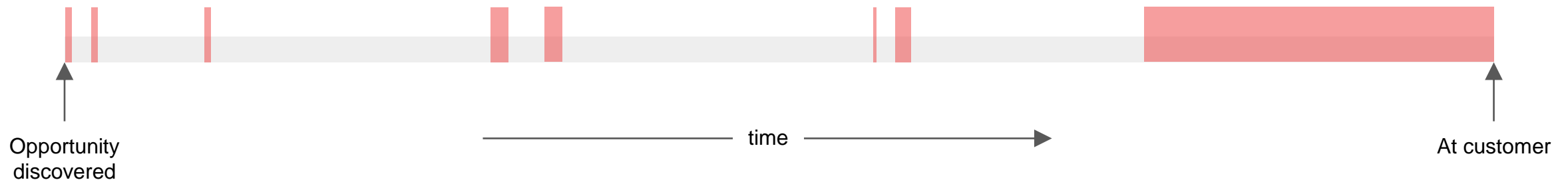
*New Business opportunities exists for all of the BAs, but we are slow in validating, seizing and executing on the opportunities.*

Business opportunities tend to “starve”  
in the organisation most of the time  
**waiting**

## The Problem

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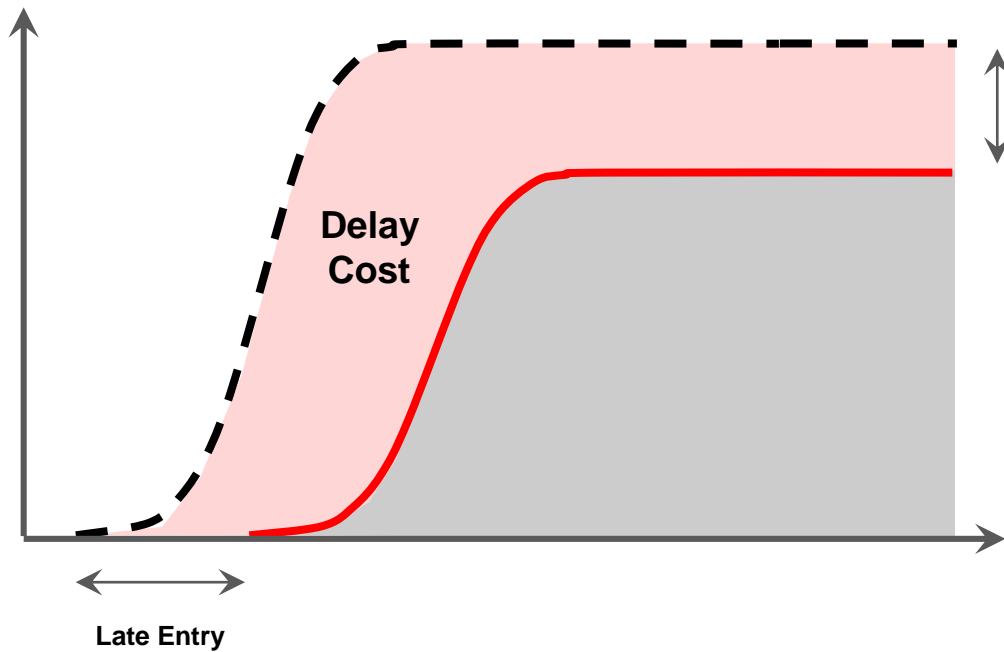
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**waiting**





## The Problem

# Cost of Delay



$$X N =$$



# What did we want to change?

- Inside-out and incremental development
  - Focus in technical feasibility and design
  - Large projects and plans that are decided once a year
  - Only “Close to core” ideas have a clear path to development
- 
- Customer Value oriented development
  - Fast validation of desirability, business viability and feasibility
  - Continuous systematic exploration of new opportunities, placing small bets and further bets based on evidence/results

# Emerging Business Accelerator

*“Accelerating people and business at Cargotec”*

**Emerging Business Accelerator** is a program for exploration and validation of new business opportunities, with high focus on customer value and validating business assumptions.

The accelerator radically **reduces the time from concept-to-cash** using a disciplined approach for **searching and validating new repeatable, scalable businesses**.

The outcomes of the program are a validated business concept, it's value proposition, a defined business model and a clear go-to-market plan with next steps. As an additional outcome, we gain significant learnings from our customers and our business.



# Timeline

Jan  
01

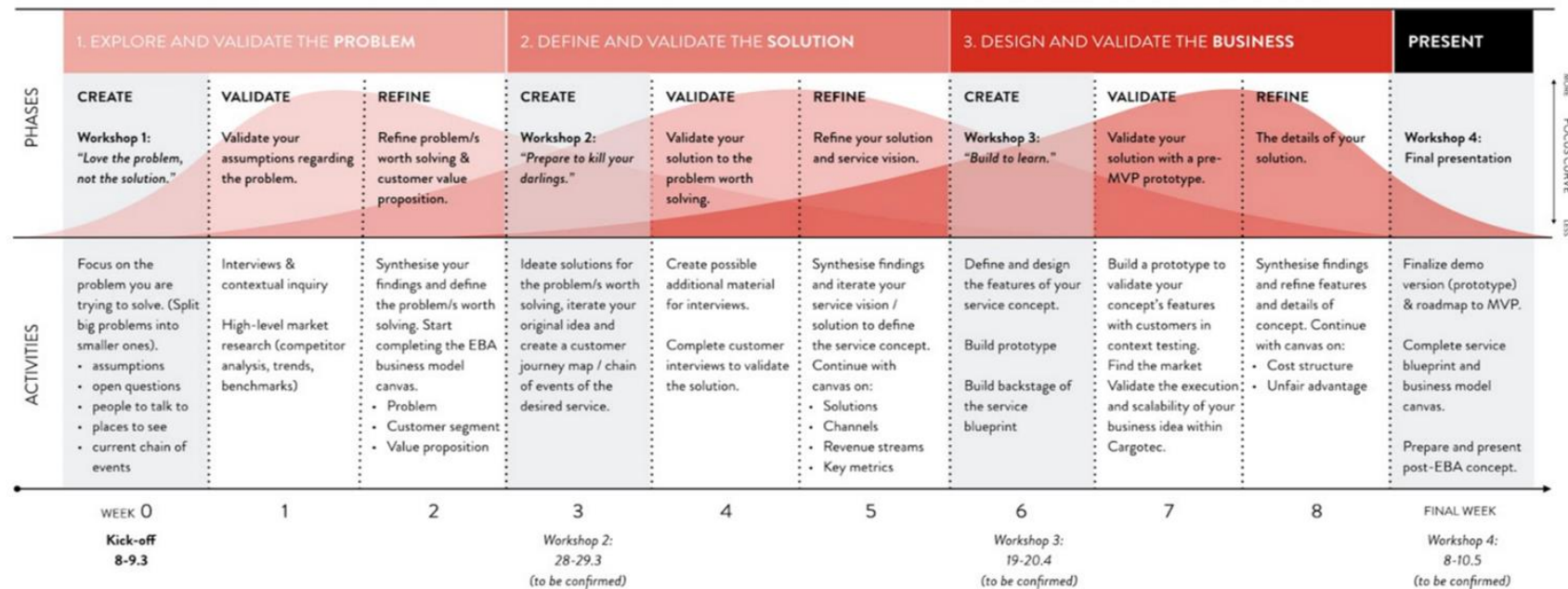
## 17 potential candidates were identified with the BA representatives

1 day workshops were held with promising candidates to clarify the concepts and to check for suitability for the program.

Feb  
15

## 5 teams were selected to the program

Mar  
8

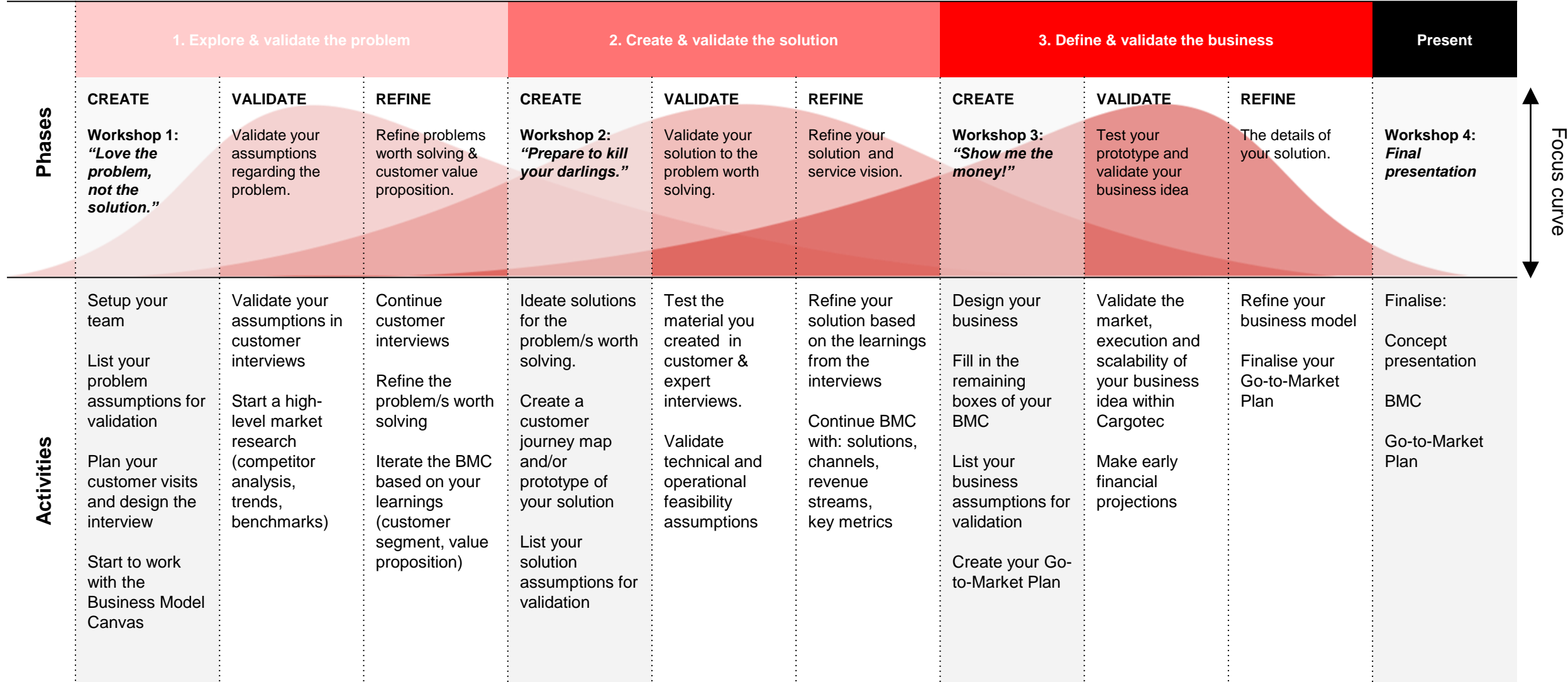


May  
June

## BA go/no-go decisions on the concepts



## Programme content overview



# Team support

Throughout the programme, every team will be supported by a **coach** from Idean and a **mentor** from Cargotec. In addition, there is a pool of **experts** that can be approached to support the teams in specific topics.

## Coaches

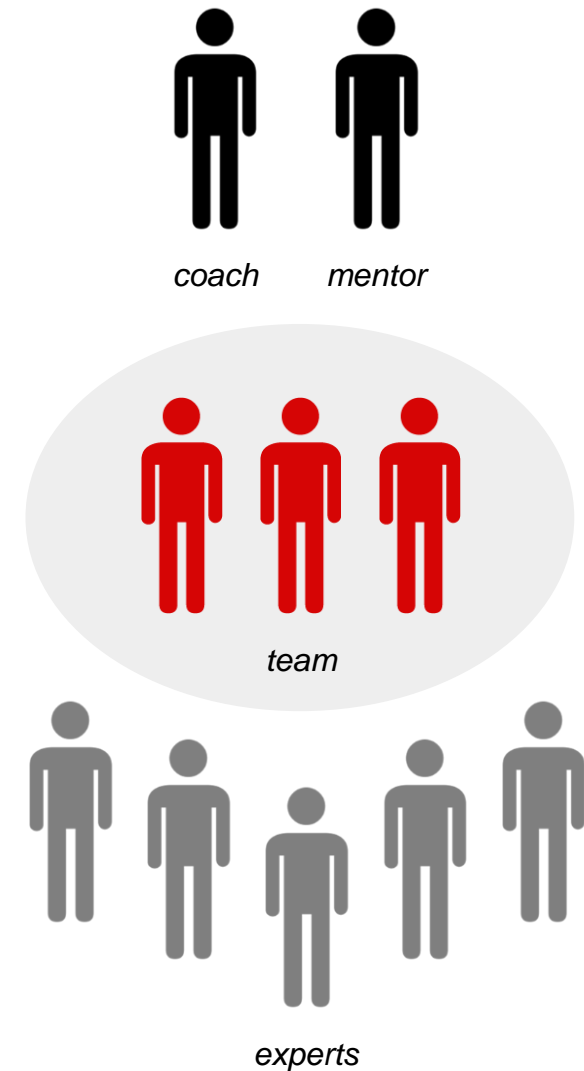
Coaches will be working very closely with the teams each week by introducing and supporting activities and goals, providing guidance and expertise, answering open questions and following/checking on the teams' progress.

## Mentors

Mentors are Cargotec and BA people who play an active role by supporting teams to test the business model hypotheses. They do this by asking tough questions and being a sounding board for the team. Mentors support teams roughly 1-2 hours per week.

## Experts

External and internal experts provide information and knowledge about specific domains and topics (for example Market Intelligence, Technology) for the teams.









## EBA Assumptions

### What we wanted to test with EBA ?

1. New Revenue in <1 year window from the concepts
2. Significantly reduce the time-to-market
3. Outside-in and customer development approach will prove very valuable
4. Lean Startup / Systematic validation process leads to quick learning and major adjustments for the concepts
5. Business Areas can make go/no-go decisions and start development quickly (< 2 months) based on the program outcomes

### What was the result?

1. Two concepts expect revenues & profits already within a year of the program\*
2. 32 months total reduction from time-to-market estimated by the teams
3. Excellent feedback both from customers and team members
4. Few key assumptions invalidated/validated already by week in the program and lead to major readjustments in some of the concepts
5. Three of the concepts under development and going to markets, 1 in prototype pilot

\* the results will be followed after the EBA program to see the real impact



## EBA Feedback

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**“The learnings and structure could be used continuously even for smaller projects. The EBA could be productized and run independently inside the BAs”**

---

**“The impact of the program was significant, development would have been much slower without it”**

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**“Consolidate EBA as a part of our 'Systematic Innovation' way-of-doing & mindset”**

---

**“Customer involved, Real Executive Support, Clear connection to Roadmaps”**

---

**“I will not leave the EBA behind, I will take the thinking, tools and structure with me”**

---

**“This should be used for normal product development as well!”**

---

**“Develop the EBA as an inside tool”**

---

**“We should be taking the EBA into everyday business, it should be a common method for trying out new solutions”**

# The results

A group of people are gathered in a meeting room. Some are seated at tables with laptops, while others are standing and talking. The room has a whiteboard and a wall covered in sticky notes. A large white number '47' is overlaid in the center of the image.

# 47

Customers interviewed



# 32

Calendar months saved  
go-to-market



191 / 128

Assumptions tested

validated

Assumptions



33

Customer problems identified



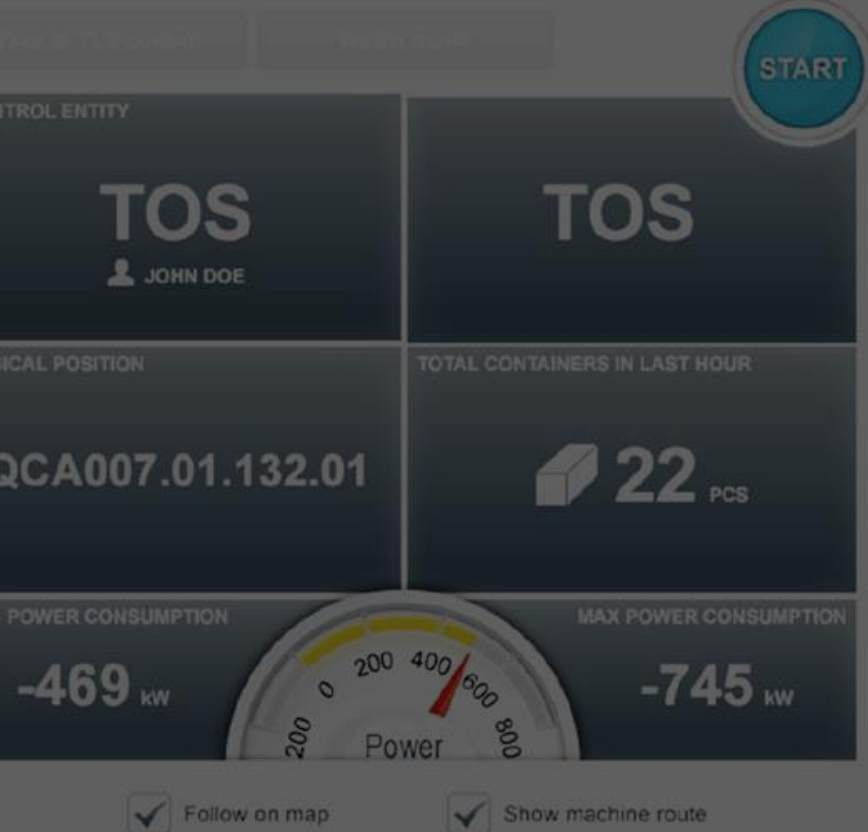


# 6 / 5 / 1

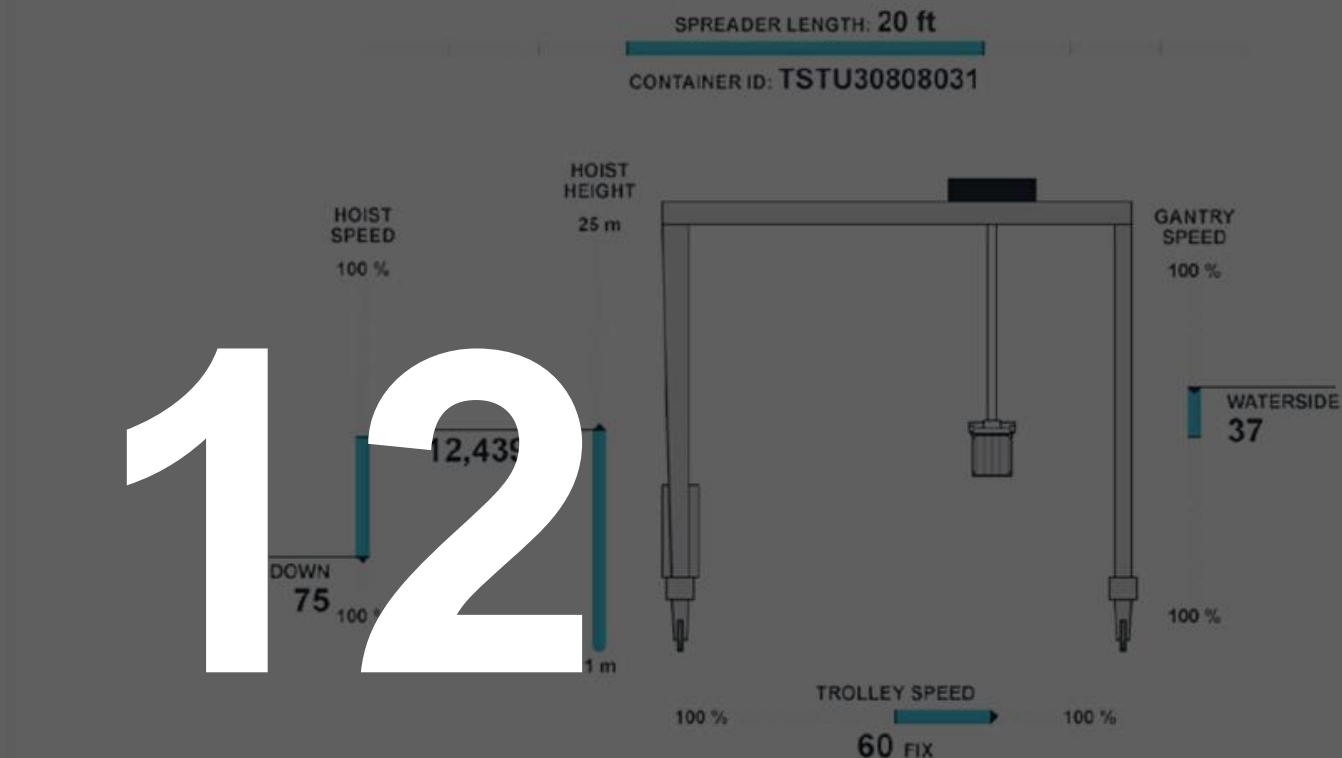
Concepts explored

Pivots  
frozen

Concept



## Prototype iterations



B LIST 4 container moves, 1 maintenance task

Cancel move job

Cancel job(s)

Jobs view

MOVE CONTAINER

WAITING

JOB ID: 1134.567890

Estimated: 5.11.2011 11:41

Target location: B07.05.03.9

ACTIVE ALARMS 1 fault, 3 warnings

Alarms view

FAULT

EBA

5.11.11:41

Spreader not landed properly

WARNING

5.11.11:43

Short description lorem ipsum dolor sit amet consectetur adipiscing elit

WARNING

5.11.11:28

Short description lorem ipsum dolor sit amet consectetur adipiscing elit



# 11

## Business Model iterations

## MacGregor OnWatch Scout

1



**Foreseeing  
a disaster**

2020 Revenue: XXM€  
Profitable already in 2017

## Kalmar OnWatch

2



2020 Revenue: XXM€  
Profitable already in 2017

## Berth Optimization

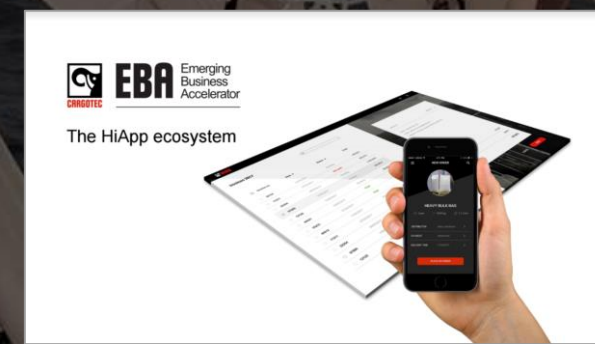
3



2020 Revenue: XXM€  
revenue impact on XVELA

## HiApp

4



2020 Revenue: XXM€



# Where are we now?

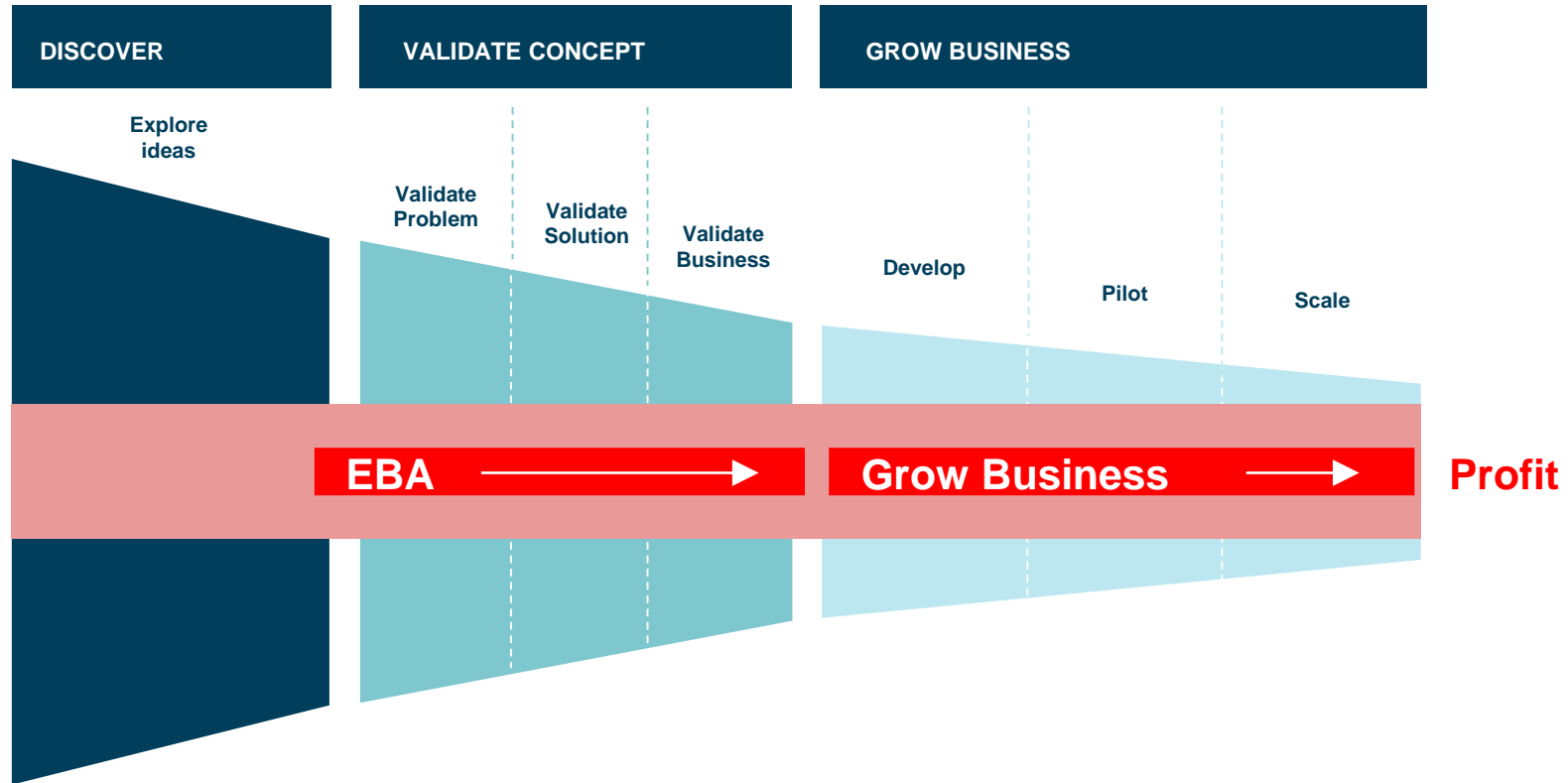
EBA programme proved that time from idea-to-concept with customer validation and building a business case can be **significantly reduced with a systematic approach**.

The approach used in EBA was extremely well received by both the participants and the customers that were part of the program.

## What next?

Systematise the end-to-end funnel of emerging business opportunities.

- Decision making
- Budgeting and funding
- Staffing and resourcing
- Prioritization and de-prioritization
- Concept initiation and termination
- Methods and tools
- Coaching and team sparring



**“How to make a smooth transition from validation to execution?”**

**“How to ensure that the flow is fast end-to-end, from idea to running a business?”**

# Summary

- New Digital Business doesn't magically come with connected equipment nor doing things the "old way"
- "The new way" has challenges flourish in the current money making machine
- The ideas and opportunities is not the problem - it's the ability to act
- **Create a pathway** for new opportunities and **passionate people** - integrate it closely to the existing businesses
- Grow your people!