Algeciras Port IT Symposium, 12th of December 2017

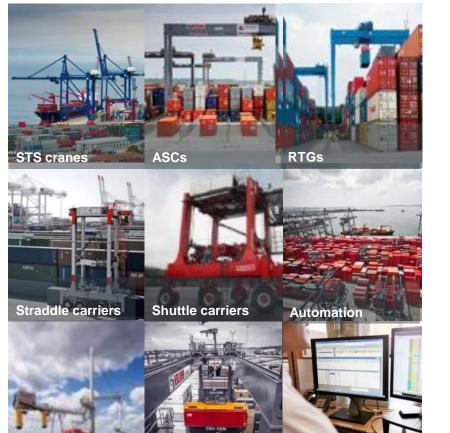
# Accelerating Digital Business at an Industrial Company

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## **CY KALMAR**



Bromma spreaders

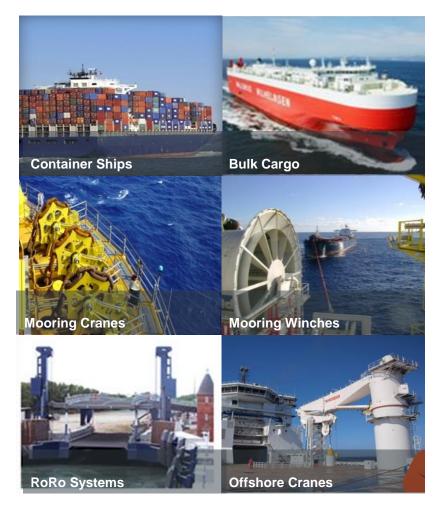
Navis TOS





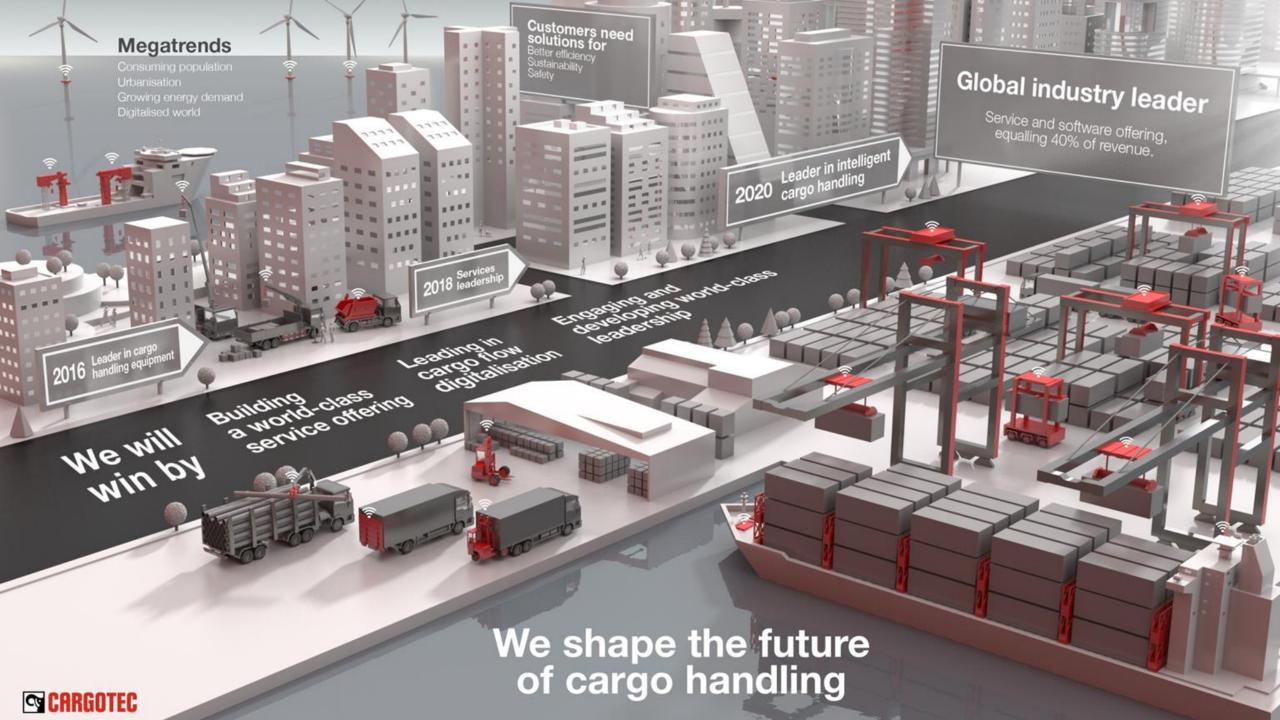


## **MACGREGOR**

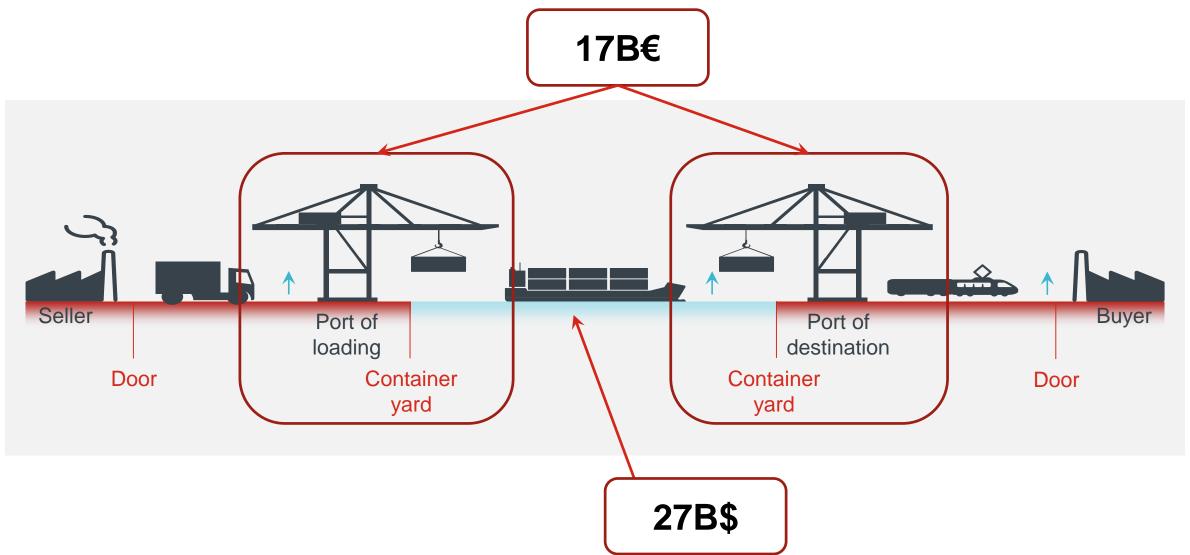




Siwertell bulk handling

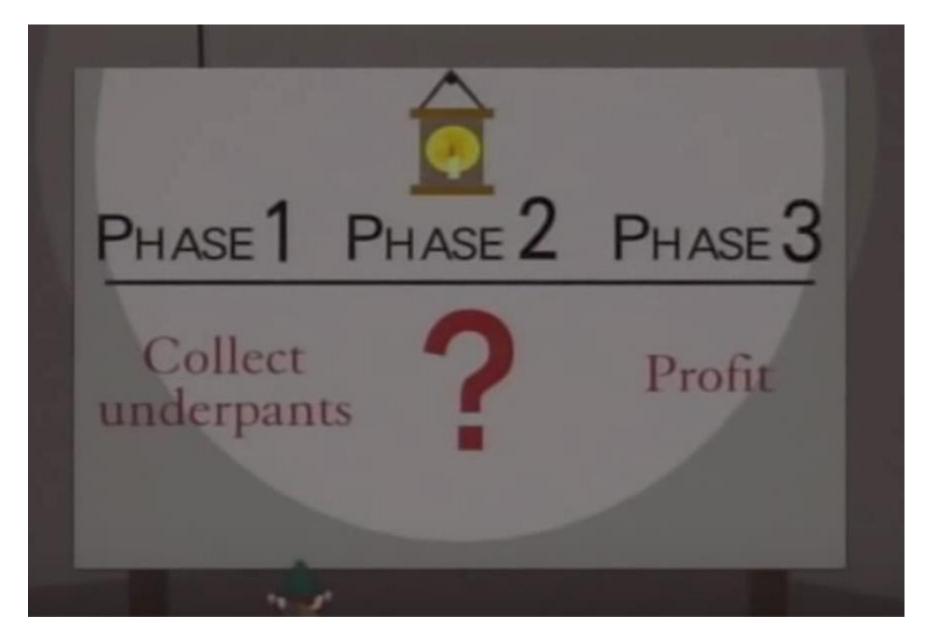


#### **The Potential**











#### The Problem

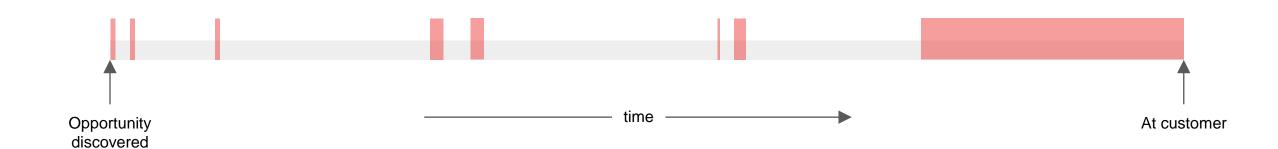
New Business opportunities exists for all of the BAs, but we are slow in validating, seizing and executing on the opportunities.

## Business opportunities tend to "starve" in the organisation most of the time waiting

#### The Problem

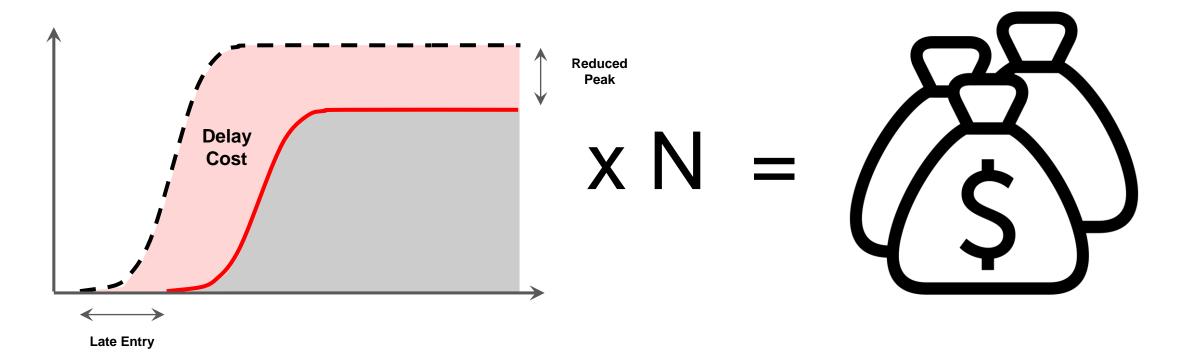
New Business opportunities exists for all of the BAs, but we are slow in validating, seizing and executing on the opportunities.

## Business opportunities tend to "starve" in the organisation most of the time waiting



#### **The Problem**

## **Cost of Delay**



### 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
- exploration of new opportunities, placing small bets and further bets based on evidence/results

#### **The Solution**

### **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

	1. EXPLORE AND VALIDATE THE <b>PROBLEM</b>			2. DEFINE AND VALIDATE THE <b>SOLUTION</b>			3. DESIGN AND VALIDATE THE BUSINESS			PRESENT
CICACIO	CREATE  Workshop 1:  "Love the problem, not the solution."	VALIDATE  Validate your assumptions regarding the problem.	REFINE  Refine problem/s worth solving & customer value proposition.	CREATE  Workshop 2: "Prepare to kill your darlings."	VALIDATE  Validate your solution to the problem worth solving.	REFINE  Refine your solution and service vision.	CREATE  Workshop 3:  "Build to learn."	VALIDATE  Validate your solution with a pre- MVP prototype.	REFINE The details of your solution.	Workshop 4: Final presentation
	Focus on the problem you are trying to solve. (Split big problems into smaller ones).  assumptions open questions people to talk to places to see current chain of events	Interviews & contextual inquiry High-level market research (competitor analysis, trends, benchmarks)	Synthesise your findings and define the problem/s worth solving. Start completing the EBA business model canvas.  Problem  Customer segment Value proposition	Ideate solutions for the problem/s worth solving, iterate your original idea and create a customer journey map / chain of events of the desired service.	Create possible additional material for interviews.  Complete customer interviews to validate the solution.	Synthesise findings and iterate your service vision / solution to define the service concept. Continue with canvas on: - Solutions - Channels - Revenue streams - Key metrics	Define and design the features of your service concept. Build prototype Build backstage of the service blueprint	Build a prototype to validate your concept's features with customers in context testing. Find the market Validate the execution and scalability of your business idea within Cargotec.	0	Finalize demo version (prototype) & roadmap to MVP. Complete service blueprint and business model canvas. Prepare and present post-EBA concept.
	WEEK O Kick-off 8-9.3	1	2	3 Workshop 2: 28-29.3 (to be confirmed)	4	5	6 Workshop 3: 19-20.4 (to be confirmed)	7	8	FINAL WEEK  Workshop 4: 8-10.5 (to be confirmed)

May June

BA go/no-go decisions on the concepts

	1. Explore & validate the problem			2. Create & validate the solution			3. Define & validate the business			Present
Phases	CREATE  Workshop 1:  "Love the problem, not the solution."	VALIDATE  Validate your assumptions regarding the problem.	REFINE  Refine problems worth solving & customer value proposition.	CREATE  Workshop 2:  "Prepare to kill your darlings."	VALIDATE  Validate your solution to the problem worth solving.	REFINE  Refine your solution and service vision.	CREATE  Workshop 3:  "Show me the money!"	VALIDATE  Test your prototype and validate your business idea	REFINE The details of your solution.	Workshop 4: Final presentation
Activities	Setup your team  List your problem assumptions for validation  Plan your customer visits and design the interview  Start to work with the Business Model Canvas	Validate your assumptions in customer interviews  Start a high-level market research (competitor analysis, trends, benchmarks)	Continue customer interviews  Refine the problem/s worth solving  Iterate the BMC based on your learnings (customer segment, value proposition)	Ideate solutions for the problem/s worth solving.  Create a customer journey map and/or prototype of your solution  List your solution assumptions for validation	Test the material you created in customer & expert interviews.  Validate technical and operational feasibility assumptions	Refine your solution based on the learnings from the interviews  Continue BMC with: solutions, channels, revenue streams, key metrics	Design your business  Fill in the remaining boxes of your BMC  List your business assumptions for validation  Create your Goto-Market Plan	Validate the market, execution and scalability of your business idea within Cargotec  Make early financial projections	Refine your business model Finalise your Go-to-Market Plan	Finalise:  Concept presentation  BMC  Go-to-Market Plan

## 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

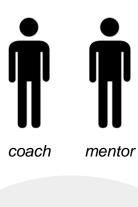
Coaches will be working very closely with the teams each week by introducing and supporting activities and goals, providing guidance and expertise, answering open questions and following/checking on the teams' progress.

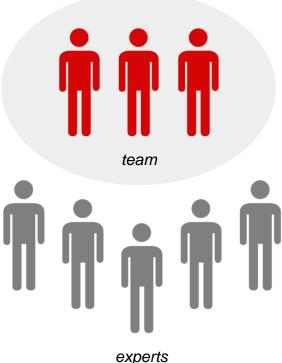
#### **Mentors**

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?

- New Revenue in <1 year window from the concepts</li>
- 2. Significantly reduce the time-to-market
- Outside-in and customer development approach will prove very valuable
- 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?

- Two concepts expect revenues & profits already within a year of the program\*
- 32 months total reduction from time-tomarket estimated by the teams
- 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

<sup>\*</sup> the results will be followed after the EBA program to see the real impact

#### **EBA Feedback**

"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"

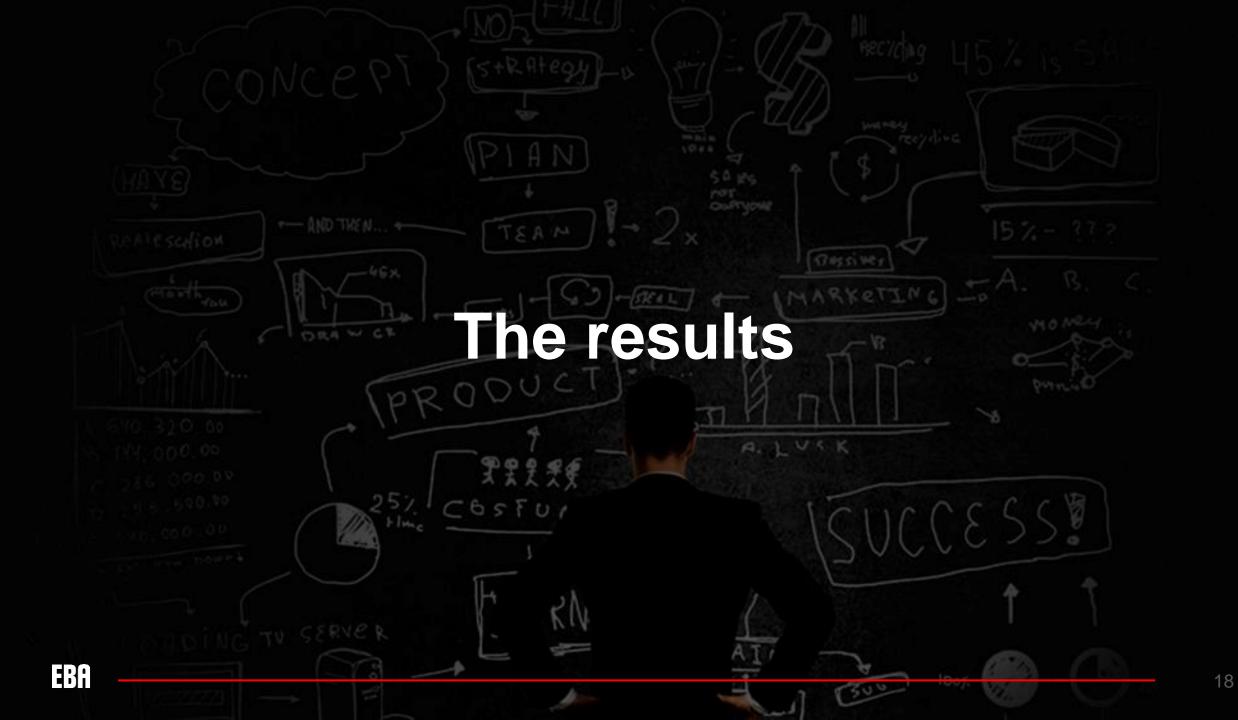
"Consolidate EBA as a part of our 'Systematic Innovation' wayof-doing & mindset'"

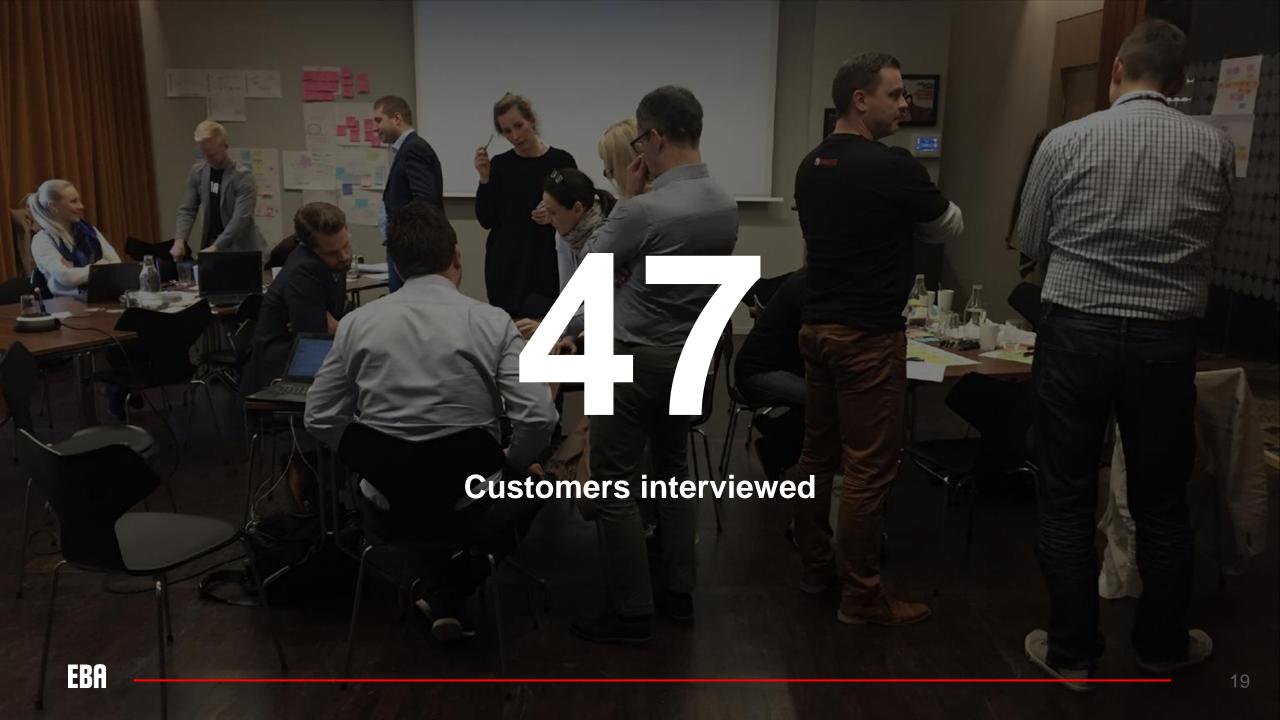
"Customer involved, Real Executive Support, Clear connection to Roadmaps"

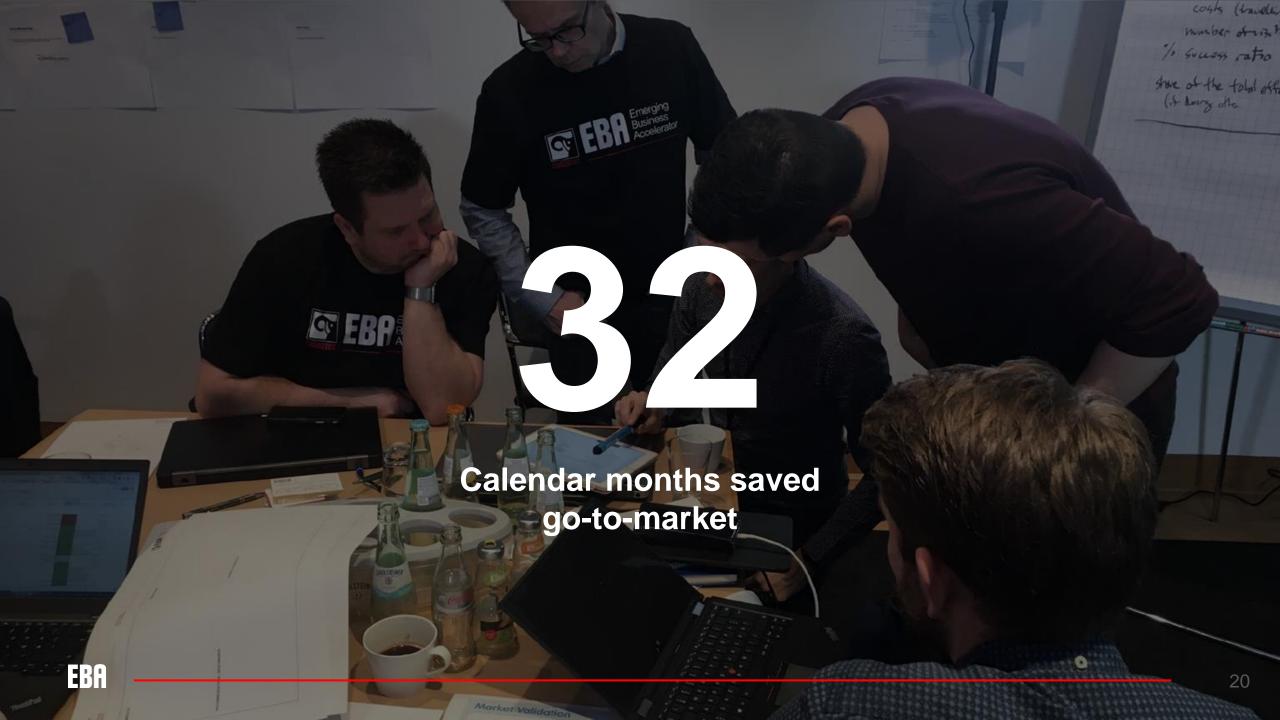
"I will not leave the EBA behind, I will take the thinking, tools and structure with me" "This should be used for normal product development as well!"

"Develop the EBA as an inside tool"

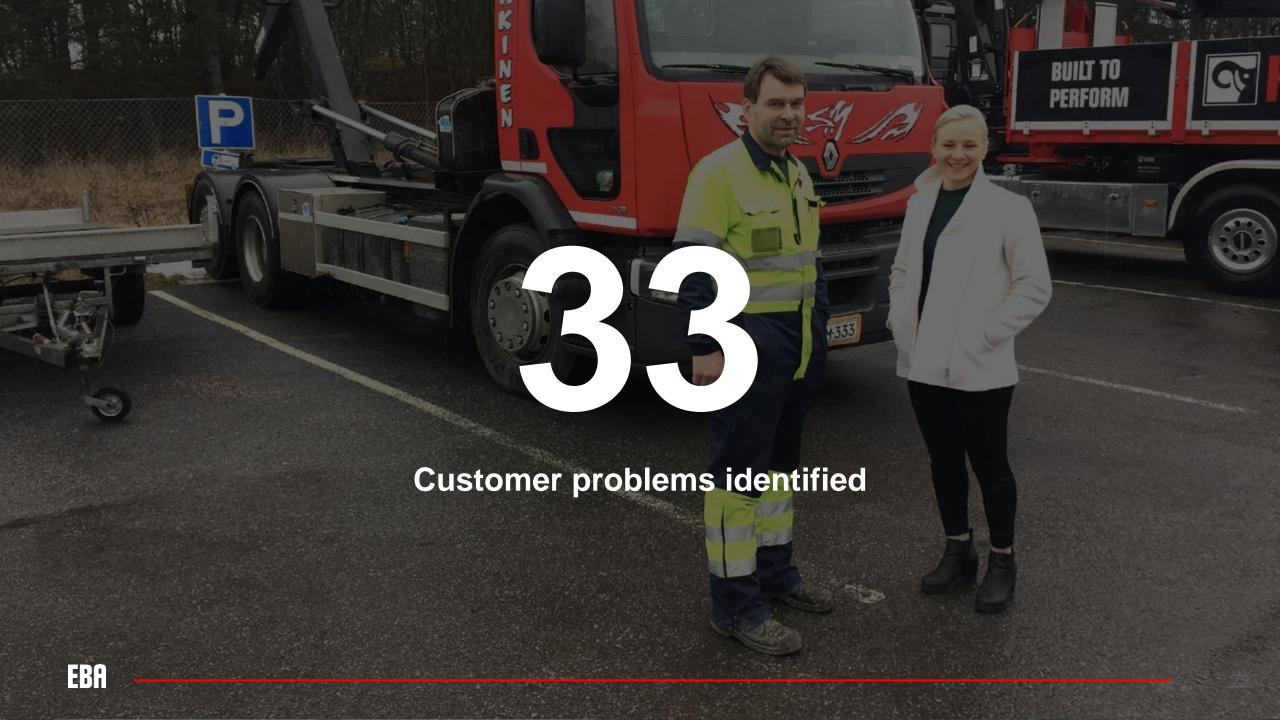
"We should be taking the EBA into everyday business, it should be a common method for trying out new solutions"

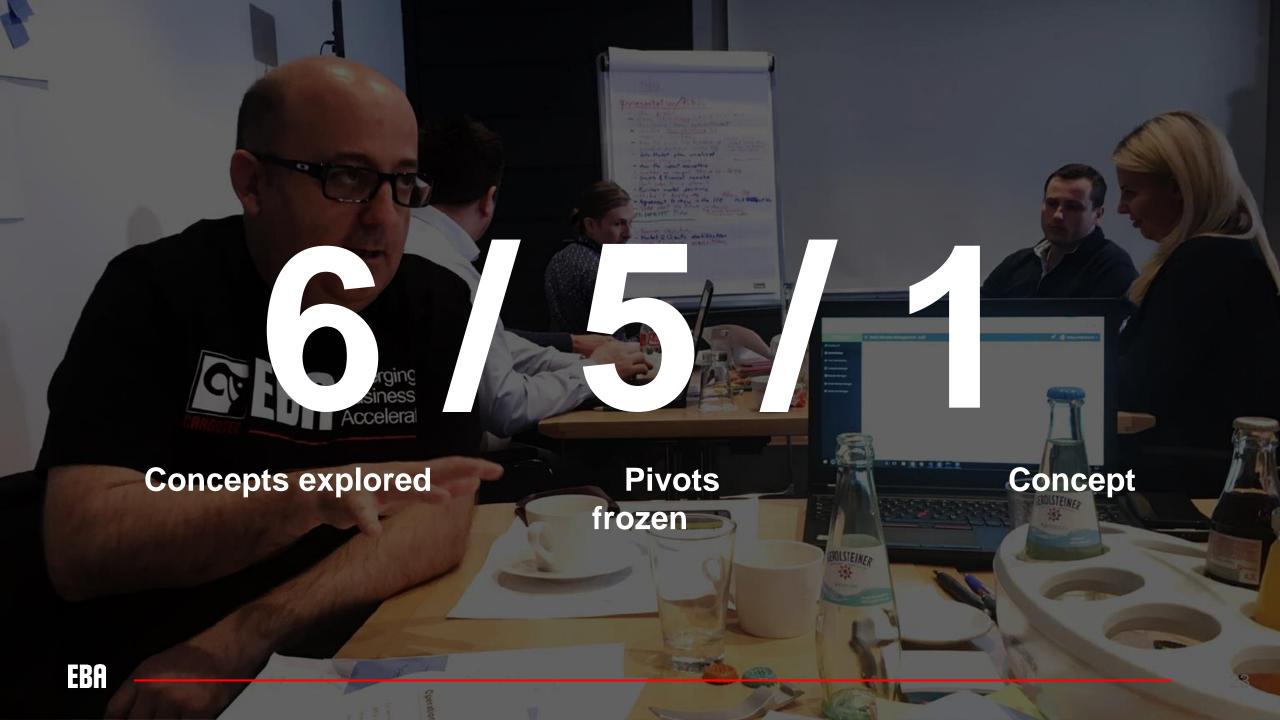






	A	В	С	D	E	F	G
1	Hypothesis =	Priority =	Assumption type 🙃	Segment =	Role / end user / p =	Validated?	Validatio -
20							
21	Information about job is sometimes wrong or incomplete			SME	Driver	Confirmed	Interviews has shown
22	A picture of jobdescription would add value			SME	Driver	Confirmed	
23	Driver want to talk to job planner about upcoming job			SME	Driver	Partly	
24	Driver want to talk to buyer about upcoming job			SME	Driver	Partly	
25	Driver has limited visibility ' upcoming jobs	7	Problem	SME	Driver	Confirmed	
26	Driver wants better to upcor obs		Prob			Pa	
	Job calls are intreu, ption ongoing		Pro	SM	Drive	med	
10000	Making updates to ongoir ork is time		Pr n	SM			
29	Driver makes updates to ling work		P pm	SM		Bu	
30	Driver does not know whe		lem	SM		med	Interviews has shown
31	Driver does time sheets manually to report jobs			SME	Driver	Confirmed	Interviews has shown
32	Assumptions tested			SME	Assu	mptions	
	Making time sheets is time consuming and boring	va	lidated			Confirmed	
33	Time sheets are lost or missunderstood	7	Problem	SME	Driver	Confirmed	Interviews has shown
34	Driver provides information on delivery time and accuracy			SME	Driver	Busted	
35	Dirver is sales rep (key source of repeat business)			SME	Driver	Confirmed	
36							
37	Bassar invoice is manual			SME	Admin	Confirmed	Interviews has shown
38	Creating invoices take time			SME		Confirmed	Interviews has shown

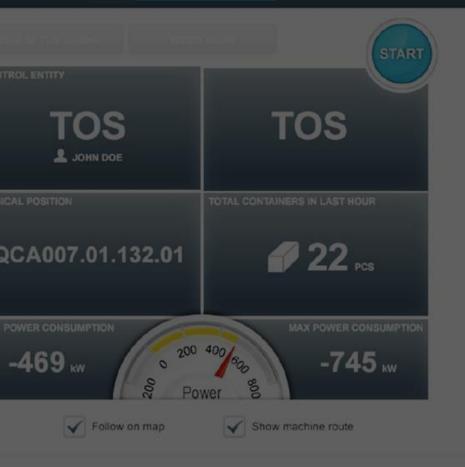


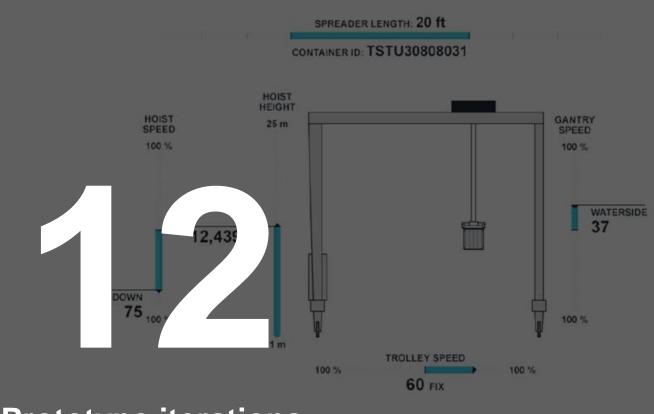












**Prototype iterations** 

B LIST 4 container moves, 1 maintenance task

MOVE CONTAINER

OR ID 1124 567890

Estimated: 5 11 2011 11 41 Target location: 807 05 03 9 WAITING

TIVE ALARMS 1 fault, 3 warnings

WARNING

5.44. 14:43

WARNING

11. 12:28

Short description lorem ipsum dolor sit amet consectetur adipiscing elit

Cancel job(s)

Alermis view



#### **MacGregor OnWatch Scout**



2020 Revenue: XXM€ Profitable already in 2017

#### **Berth Optimization**

3



2020 Revenue: XXM€ revenue impact on XVELA

#### Kalmar OnWatch



2020 Revenue: XXM€ Profitable already in 2017

#### HiApp



2020 Revenue: XXM€

#### Where are we now?

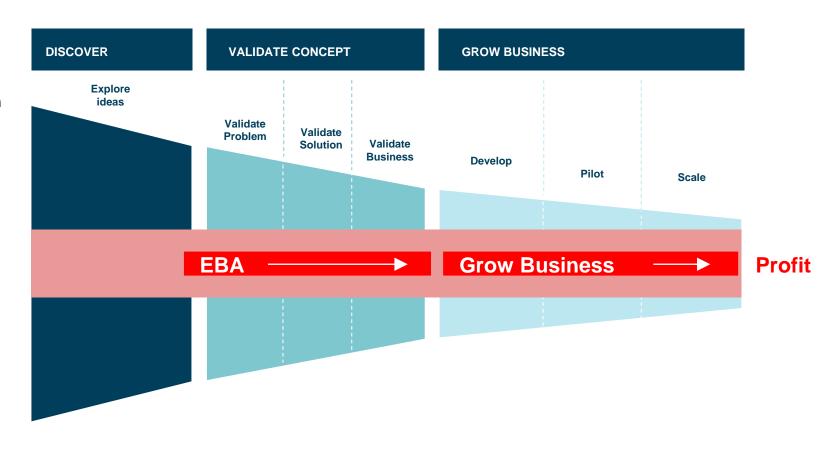
EBA programme proved that time from idea-toconcept with customer validation and building a business case can be **significantly reduced with a systematic approach**.

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!