



Hewlett Packard
Enterprise

Hitting Back Against Disruption

How focusing on a digital transformation sweet spot pays off.



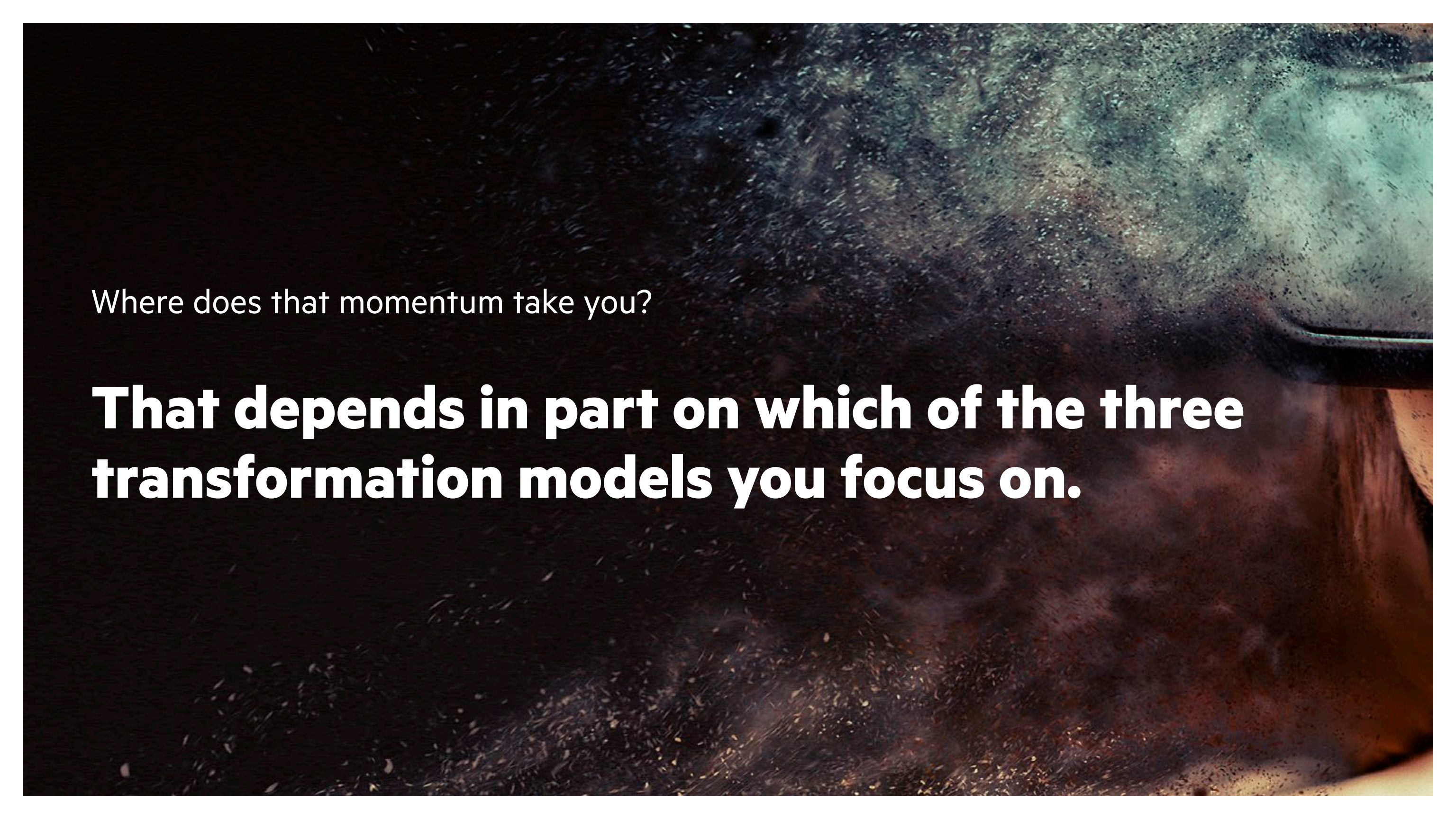
Find the sweet spot on a club or bat and you'll know it instantly — not just by the sound and the feel — but by how easy and how far the ball flies.

As enterprises, identifying and coming back to a sweet spot delivers similar results.

Maximizes our forward momentum and investment potential.

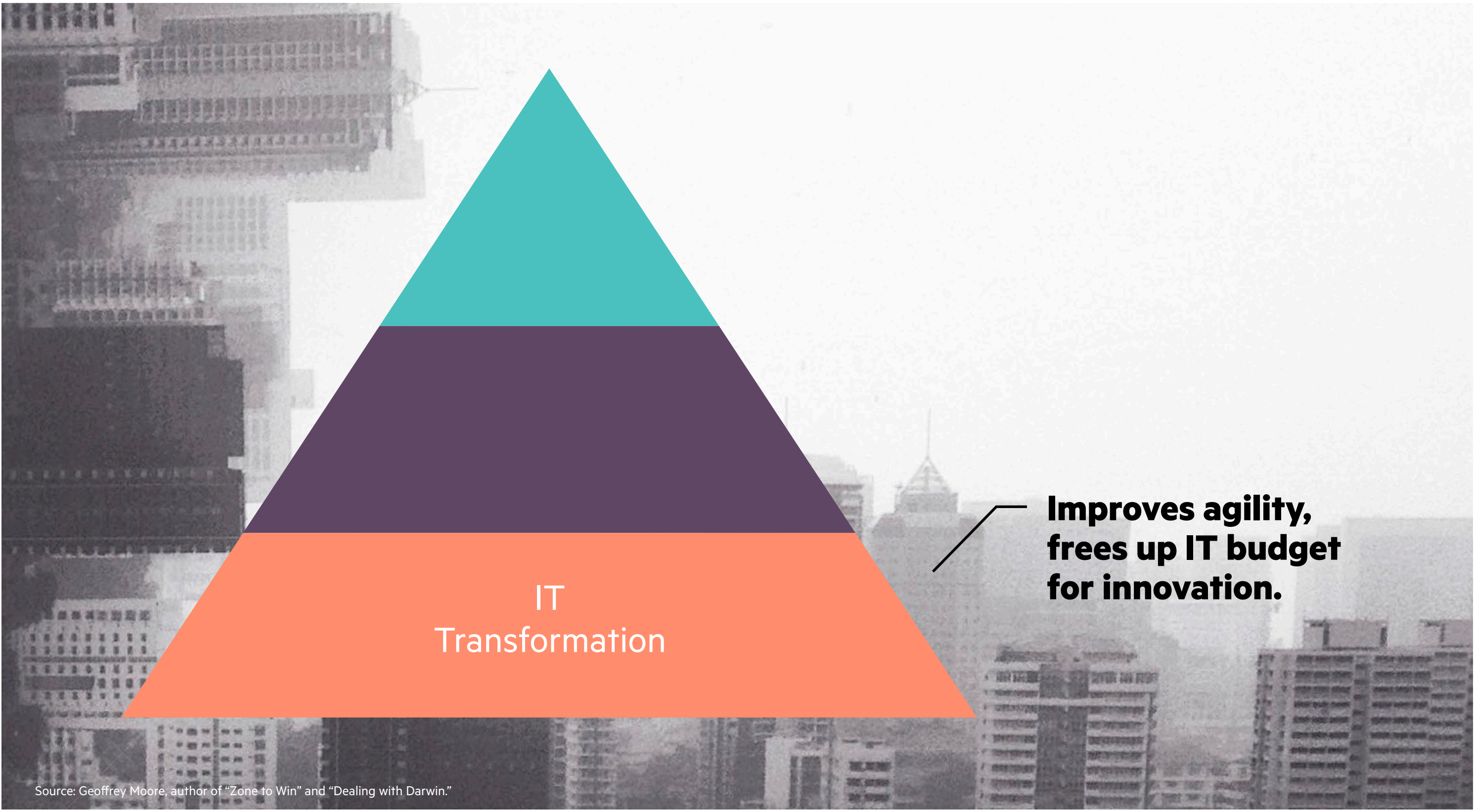
Makes our success repeatable across the enterprise.





Where does that momentum take you?

That depends in part on which of the three transformation models you focus on.



IT
Transformation

**Improves agility,
frees up IT budget
for innovation.**

Source: Geoffrey Moore, author of "Zone to Win" and "Dealing with Darwin."



Business
Model
Transformation

**Capable of disrupting
industries but is rare, like
a grand slam or hole in one.**

IT
Transformation

Business
Model
Transformation

Business Operations
Transformation

IT
Transformation

**Improves customer
experience, products/
services and core
operations.**

A person in a red jacket is running on a dark, silhouetted hill against a dramatic, cloudy sky at dusk or dawn. The scene is dark, with the runner's red jacket providing a strong contrast.

Getting the most momentum from your efforts?

**It comes from using digital to transform
the three areas of business operations.**

01

Digital leaders are improving customer experience.

**CUSTOMER
EXPERIENCE**

**PRODUCTS/
SERVICES**

**CORE
OPERATIONS**

For starters? They're removing friction from the experience.

Home mortgages are a great example.



**Typically, a homebuyer
gathers personal
papers.**

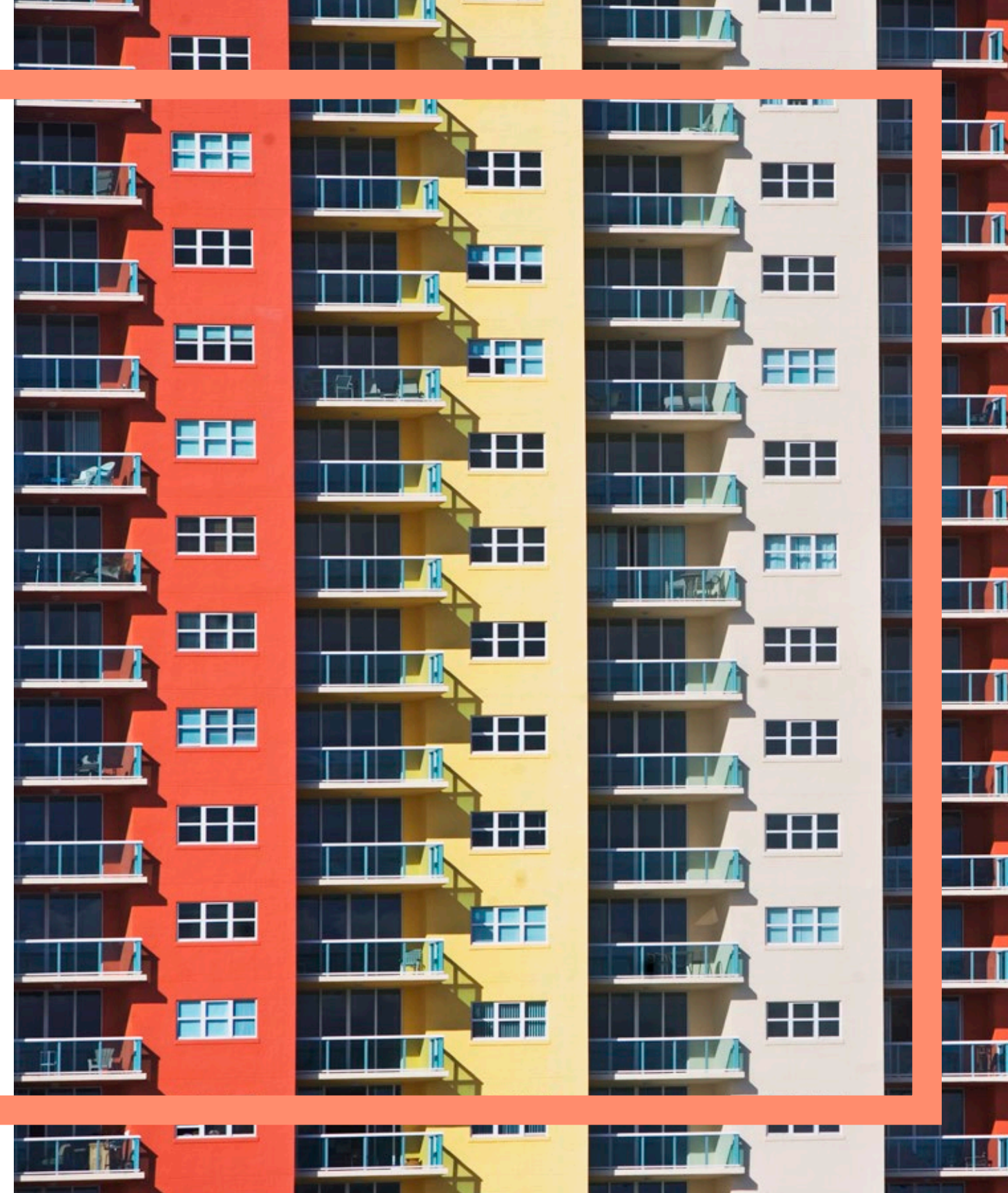
Goes to the bank.

Fills in multiple forms.

Sits back and waits.

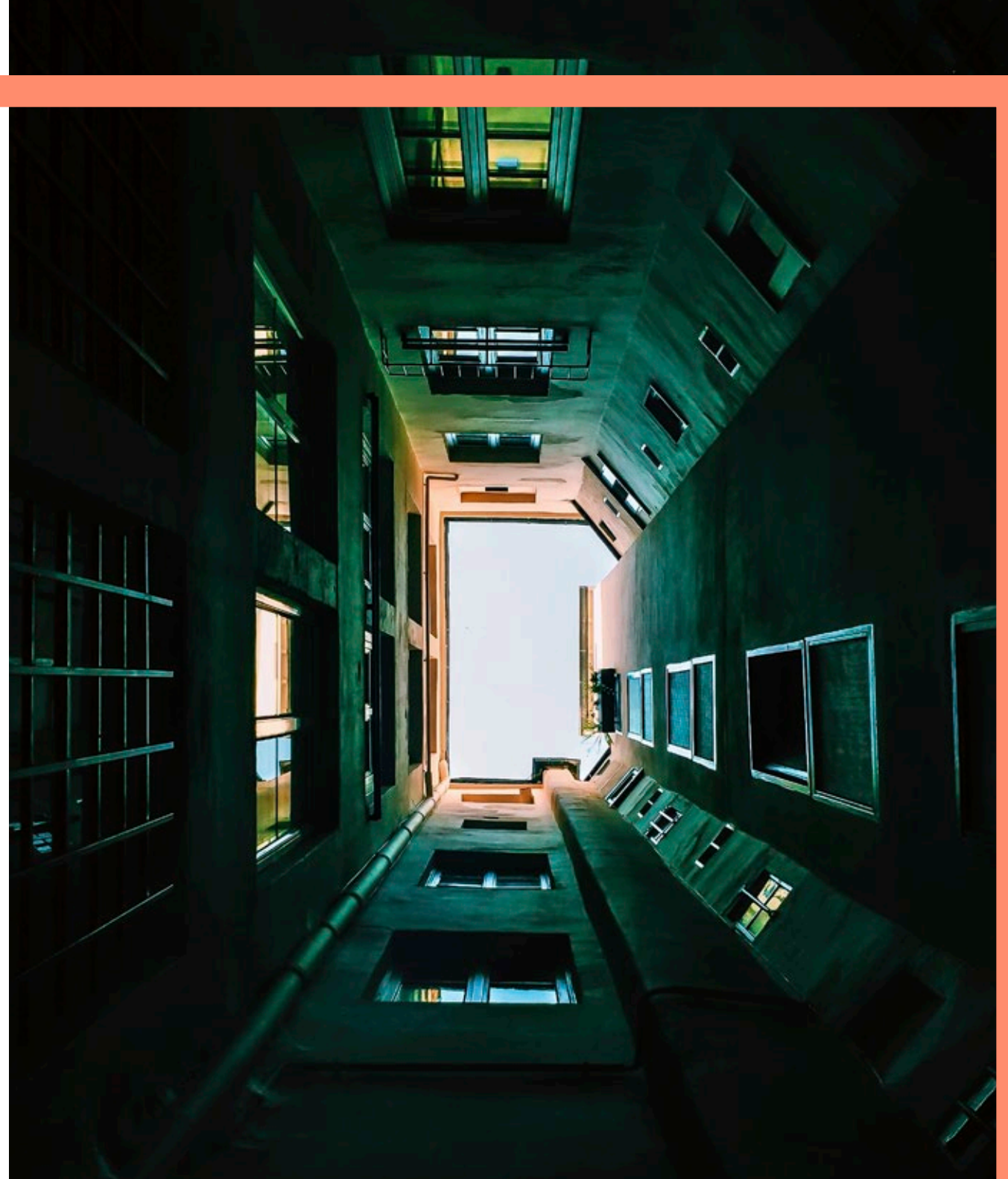


For weeks.



**But what if digital
reduced both the
number of steps
and the time each
step takes?**

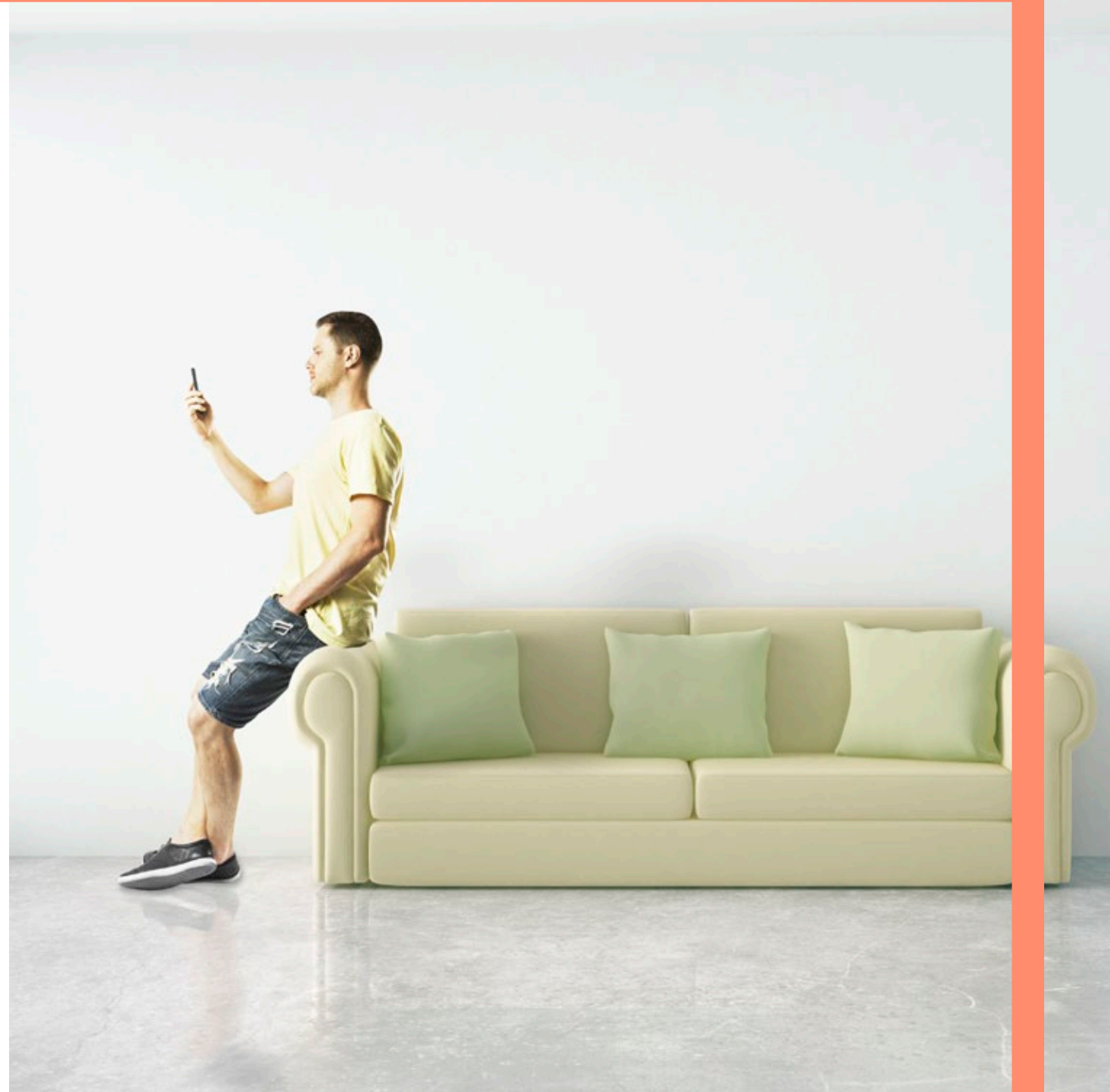
What would that look like?



Go online.

**Answer a few
questions.**

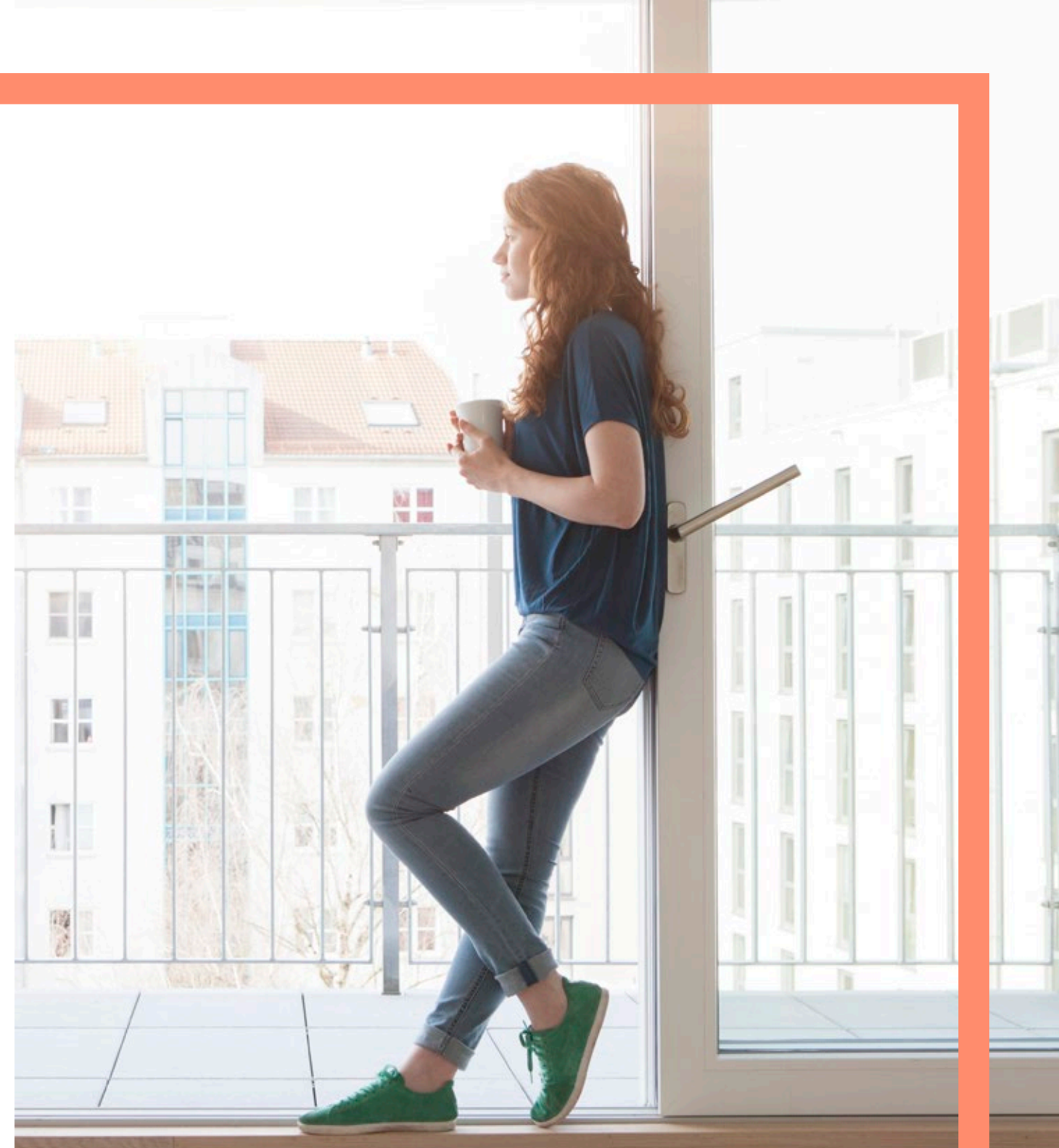
**Give lender electronic
permission to access
paystub and bank
records.**



**Papers gathered?
Zero.**

**Forms completed?
Zero.**

**Wait time?
Minutes.**



This is the new frictionless customer experience that lenders like Rocket Mortgage are pioneering.





**But what if customers don't
initiate the experience?**

Spotify, Netflix and Amazon's recommendation engines all use data analytics to help consumers.

What can we take from their successes?



**You have valuable assets
that start-ups don't —
your customers.**

The key to keeping them?



A woman is shown from the chest up, wearing a headset with a microphone. Her face is partially obscured by various digital overlays, including a world map, a bar chart, and a grid. The background is a plain, light color.

**Using digital to improve
customer experience.**

02

Next, let's think about how digital can help us gain momentum in another area.

**CUSTOMER
EXPERIENCE**

**PRODUCTS/
SERVICES**

**CORE
OPERATIONS**

**Thermostats,
doorbells, fitness
trackers, watches,
garage doors.**

**Jet engines, tractors,
industrial pumps.**



An aerial photograph of a shipping yard filled with numerous colorful shipping containers stacked in neat rows. The containers are in various colors including blue, red, orange, white, and green. The perspective is from above, looking down at the containers.

The one thing these once traditional products have in common besides growing market share?

**They've all been
transformed by the
infusion of digital.**



Let's look at how a digitally enabled product is upping happiness at Walt Disney Parks and Resorts.



In past years, park-goers arrived at the gates loaded down with tickets, ride passes, resort key cards, their wallet and a camera.



And that's not counting the strollers and other items many families had to bring.



Magical? Hardly.

But what if a wristband streamlined the entire park-going experience?



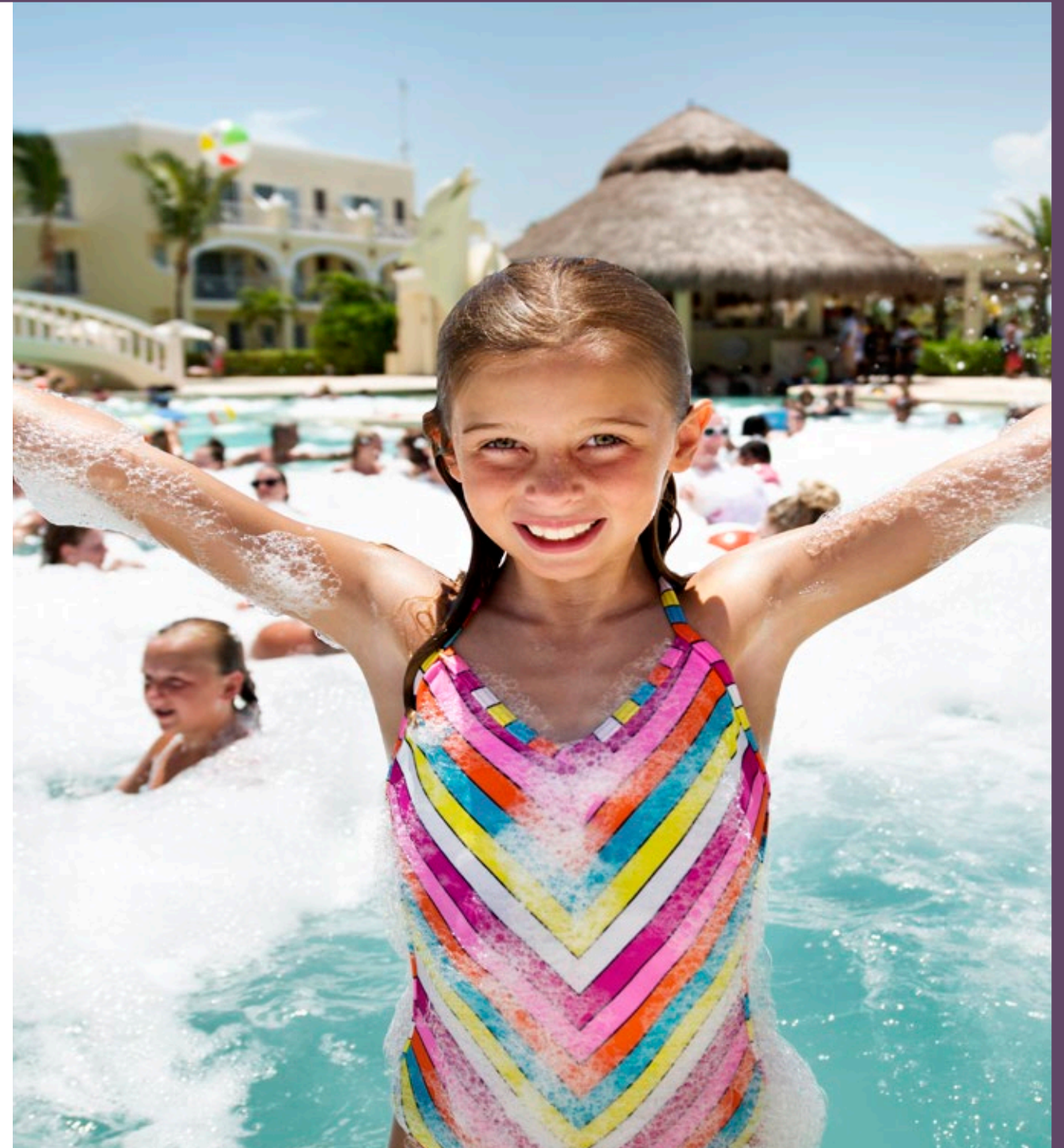
**Now, park-goers
can link their tickets,
ride passes, credit
cards and Disney
Resort hotel cards
to the MagicBand.**



Going through the main gate? Paying for a meal? Buying a T-shirt from a gift store? Entering your on-resort room?



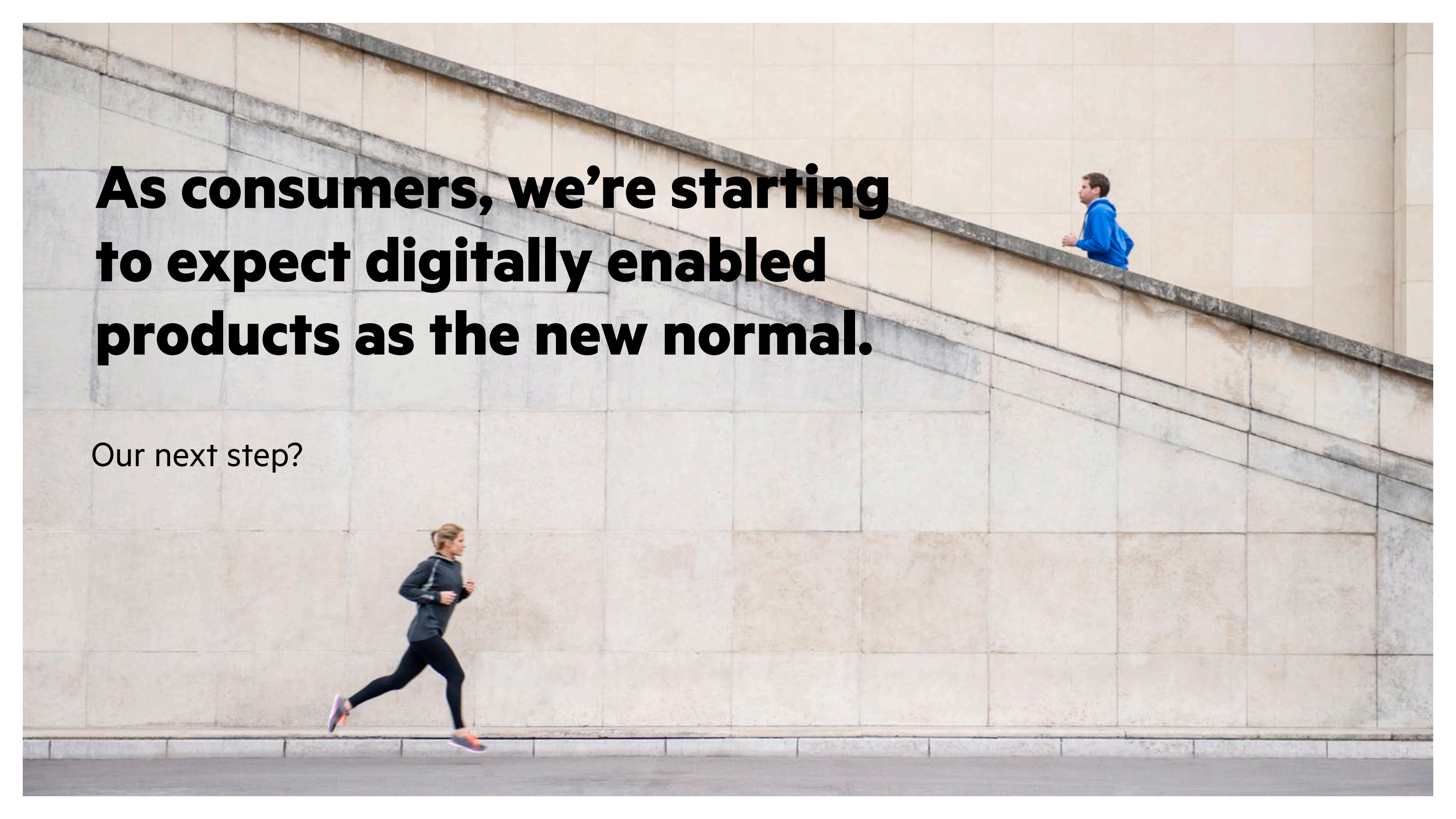
**Simply hold the
MagicBand near
a sensor.**



Future iterations will make the experience increasingly personalized.

All thanks to the seamless collecting and communicating of data.

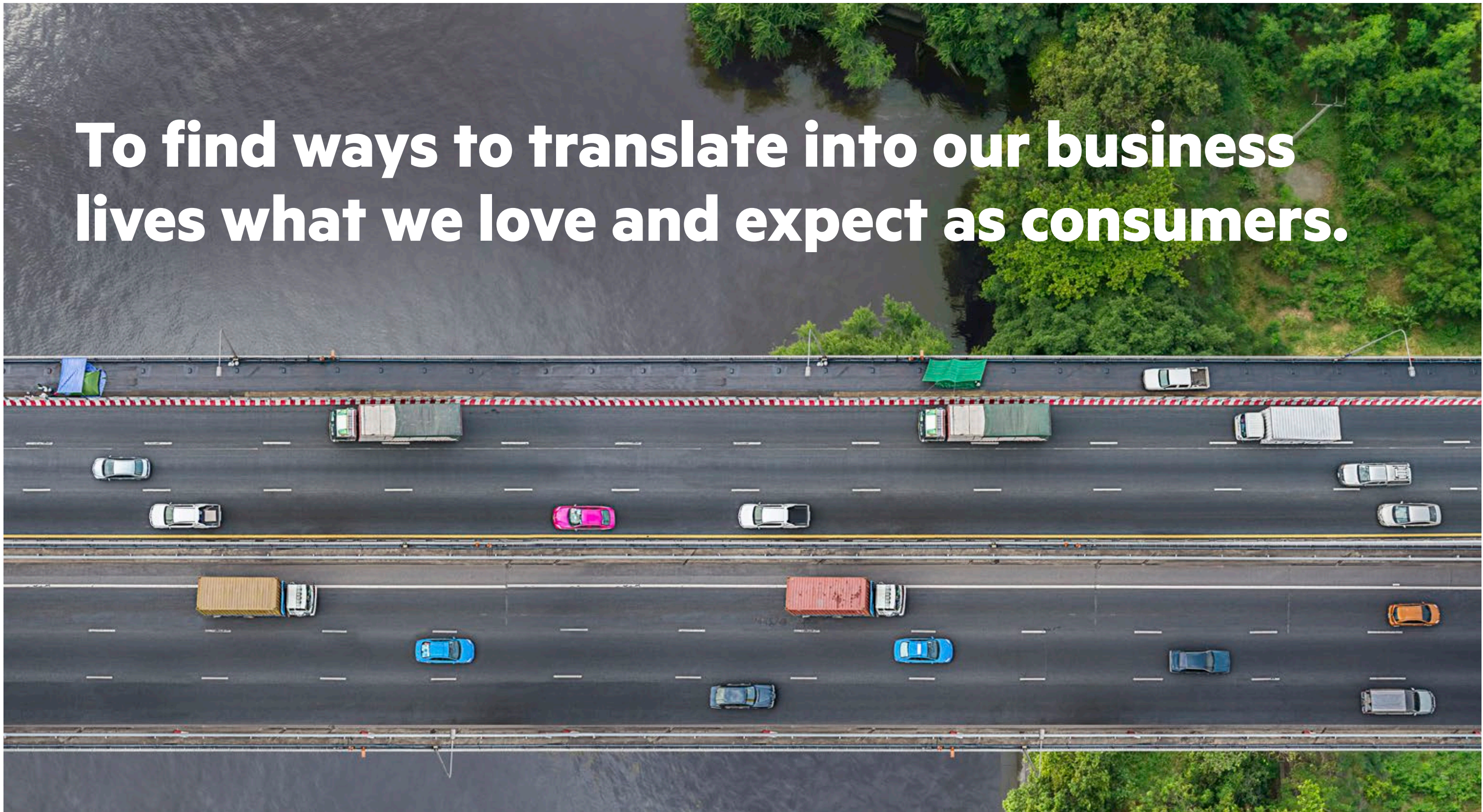


A woman in a dark grey athletic top and black leggings is running on a sidewalk in the foreground. In the background, a man in a blue hoodie is walking on a ledge or walkway that runs along the top of a large, light-colored stone wall. The wall is composed of large rectangular blocks and has a dark grey decorative ledge. The scene is captured in a wide shot, emphasizing the scale of the wall and the relative positions of the two people.

As consumers, we're starting to expect digitally enabled products as the new normal.

Our next step?

To find ways to translate into our business lives what we love and expect as consumers.



**Next, let's look at how enterprises
are conquering new ground.**

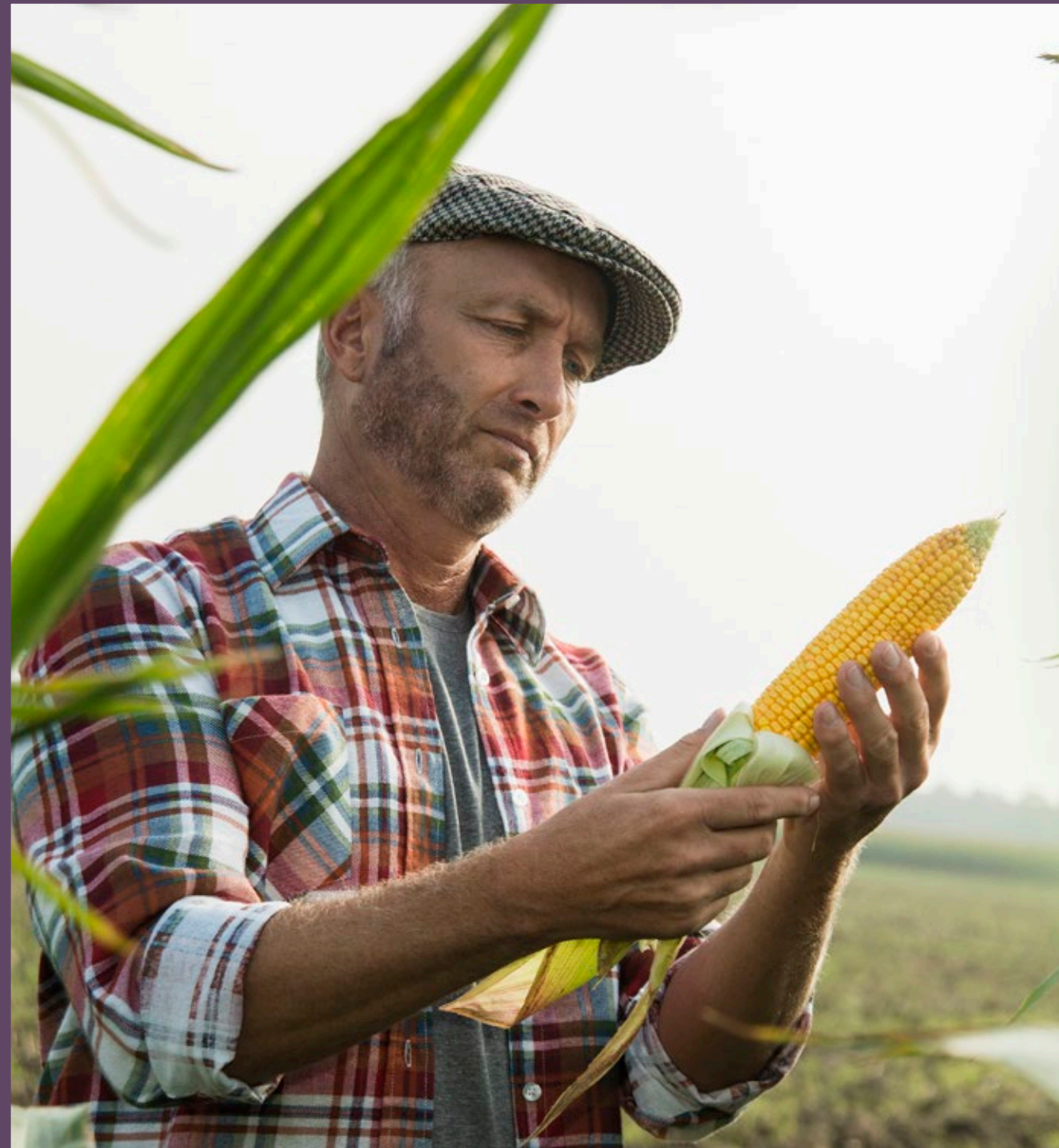


**Rolls-Royce. Coca-Cola. T-Medical.
Enterprises are transforming products
into services in virtually every industry,
including an unexpected one:**



Agriculture.





**For farmers, tracking
changing soil and
weather conditions
is part science, part
experience.**



John Deere is making the science part easier.



Sensors on the farmer's equipment gather real-time data on soil temperature, nutrients and moisture levels.



The sensors even suggest more efficient paths for plowing.

The result?



**All the real-time data
helps the farmer
increase crop yields
and profits.**


And John Deere?



It's transformed a product into a service, creating an entirely new source of revenue.



What can we learn from the digital leaders?

A person's silhouette is shown from the chest up, looking out a window at a city skyline at night. The city lights are visible through the window, and the person's reflection is visible on the glass. The text is overlaid on the left side of the image.

Look for ways that apps and data can be added to our products to create new value over time.

Just as important?

Look for ways that sensors and data science can be added to existing products to create an entirely new service.



We've seen what makes products and services an operational sweet spot.

Next?



03

Let's look at the final area you can transform to drive your enterprise forward.

**CUSTOMER
EXPERIENCE**

**PRODUCTS/
SERVICES**

**CORE
OPERATIONS**

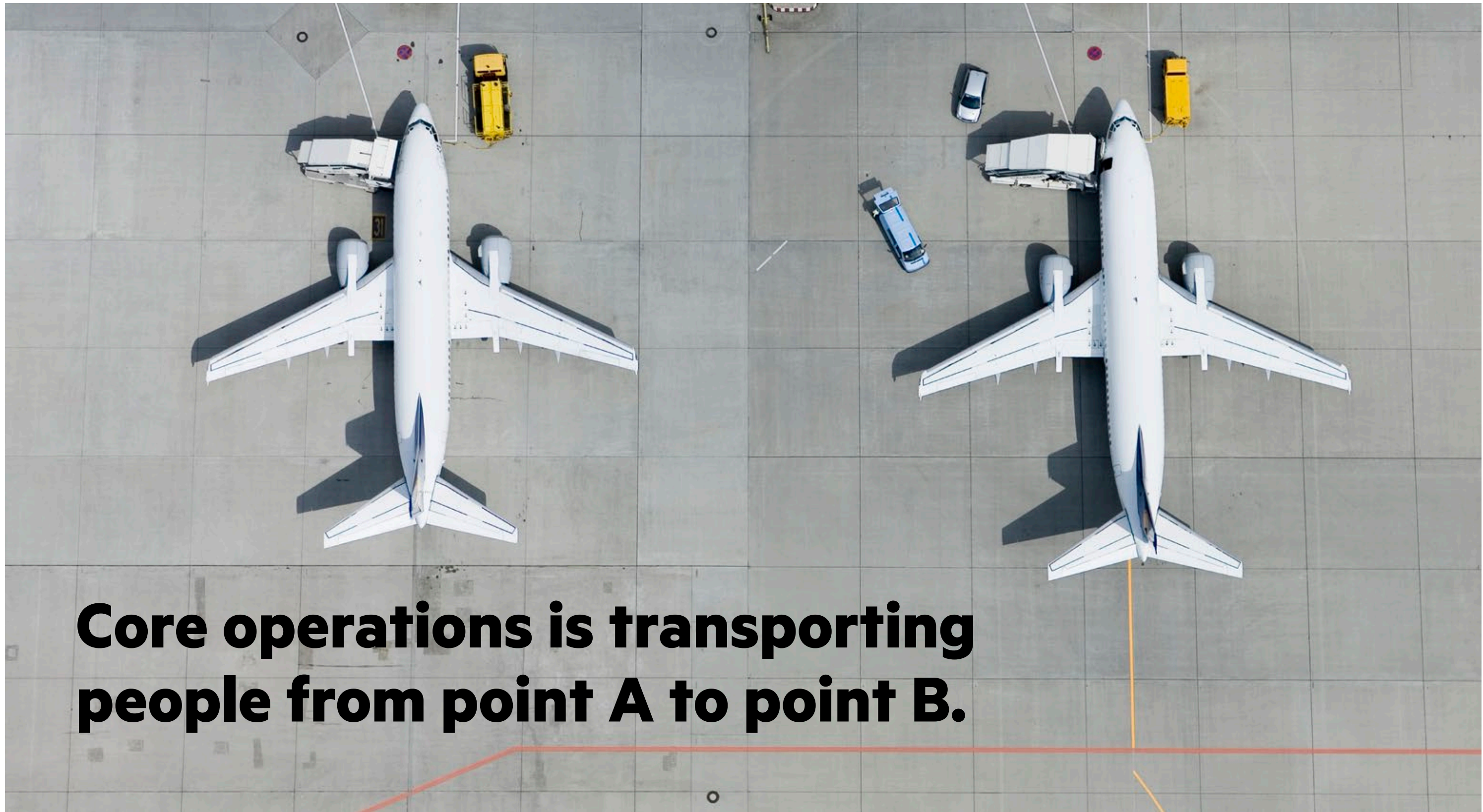
First, what do we define as core operations?

That depends in part on your industry.





Core operations is making things.



Core operations is transporting people from point A to point B.

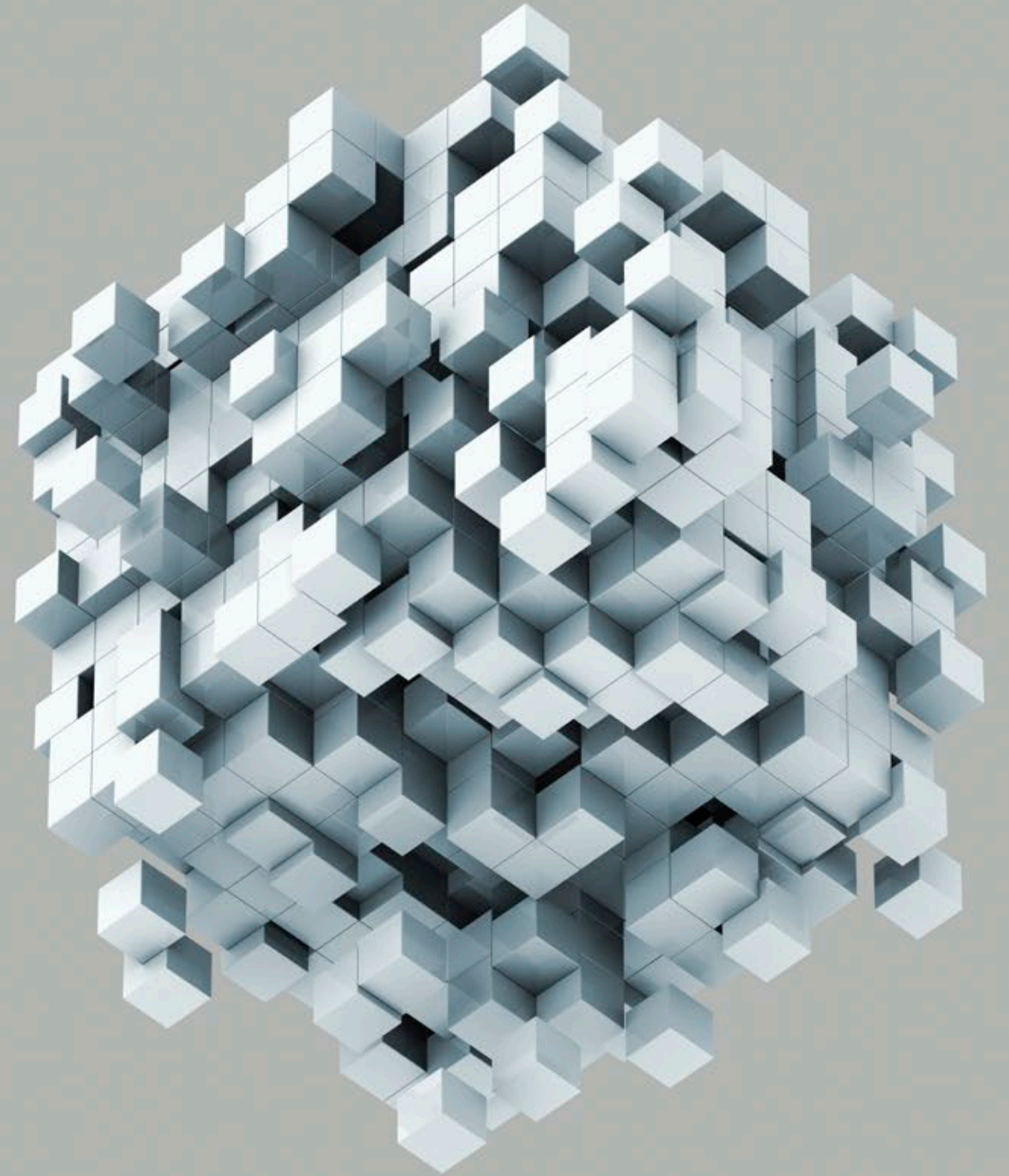
An aerial photograph of a port yard filled with shipping containers and cranes. The containers are arranged in neat rows, with colors including blue, red, orange, and brown. Several large cranes are visible, including a prominent red one at the top and a grey one at the bottom. The ground is paved and marked with yellow and white lines. The text "Core operations is your supply chain." is overlaid in white on the center of the image.

Core operations is your supply chain.

A photograph showing a patient lying on a table inside an MRI machine, viewed through the circular opening. The patient is wearing a blue hospital gown and is positioned centrally within the machine's bore. The machine's interior is white and metallic, with two small rectangular lights (one green, one red) visible on the upper part of the bore. The patient's head is resting on a black cushioned support. The background is bright and slightly out of focus, showing a doorway or another part of the facility.

Core operations is patient scheduling.

**Core operations is
virtually any function
that is core to what
you make or do.**




With all the things that comprise core operations, it's no surprise it makes up a sizable portion of the enterprise budget.



A woman in a business suit is shown from the chest up, looking down at a laptop. Her face is semi-transparent, revealing a detailed cityscape with skyscrapers and a river, likely New York City. The background is a light blue gradient. The text is overlaid on the image in a bold, black, sans-serif font.

Gaining even a modest amount of efficiency through digital transformation can add up to billions saved every year.

A close-up, high-resolution portrait of a man's face. He has light blue eyes, a dark beard, and is looking directly at the camera with a neutral expression. The lighting is soft, highlighting the texture of his skin and the intensity of his gaze. The background is a dark, out-of-focus grey.

**One area where many digital leaders
are focusing to improve core operations?**

The Industrial IoT.





By 2020, it's estimated a whopping 40% of the world's data will come from machines talking to machines through the cloud.

What will those conversations enable?

The ability to push what's humanly possible with drones, robotics and AR.

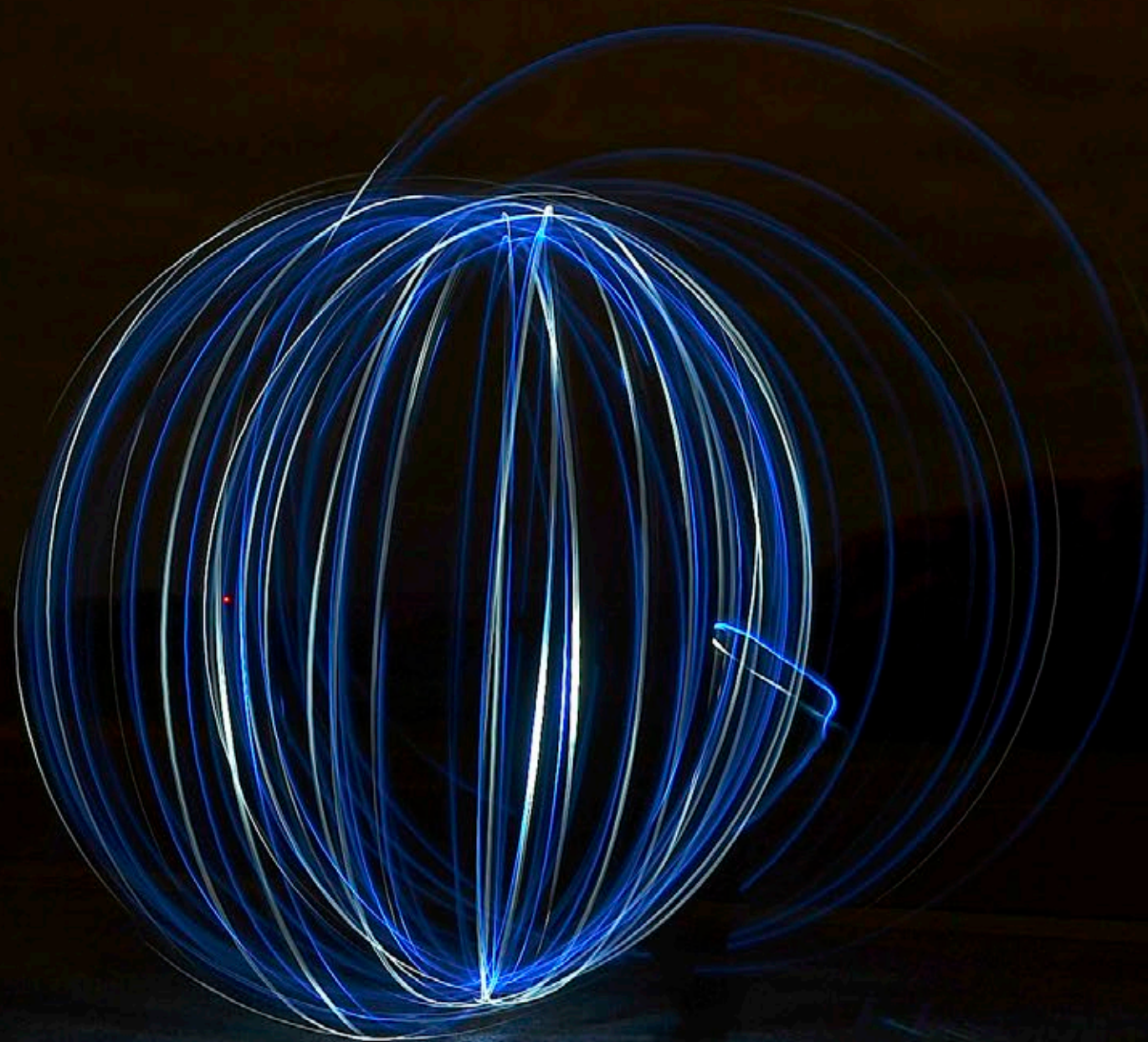




Another area where the IoT is powering the enterprise?

Resource optimization. Not just power and water, but something every bit as valuable.

Time.





Customers don't want to wait for service, especially if the service they're waiting for is an elevator.



Yet if you're the owner of a high-rise hotel or apartments, there's only so much space you can devote to elevator bays.

The solution?



Fit smarter elevators into less space.



By applying predictive analytics to centuries-old technology, Schindler Elevator has created responsive elevators.

How?



**Traffic is anticipated
and passengers are
“clustered” to cut
wait times in half.**



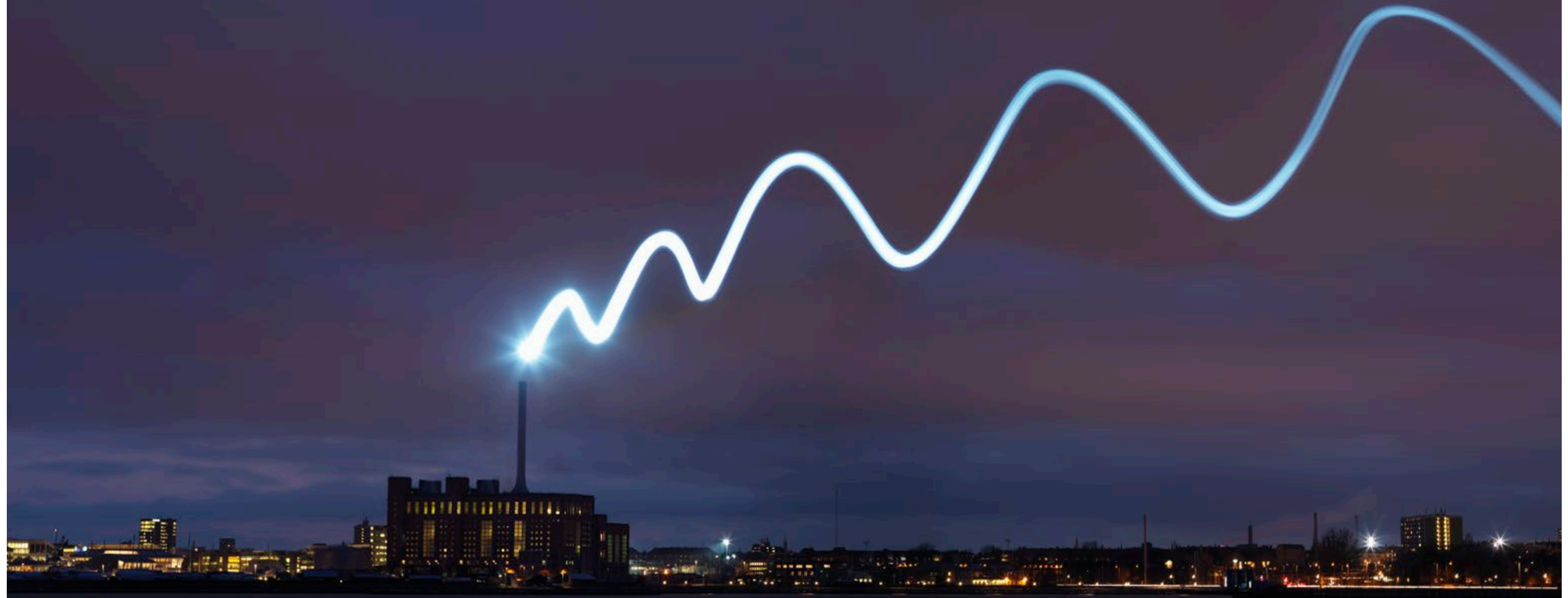
Because of this data-driven approach, fewer elevators are needed, freeing up valuable square footage.

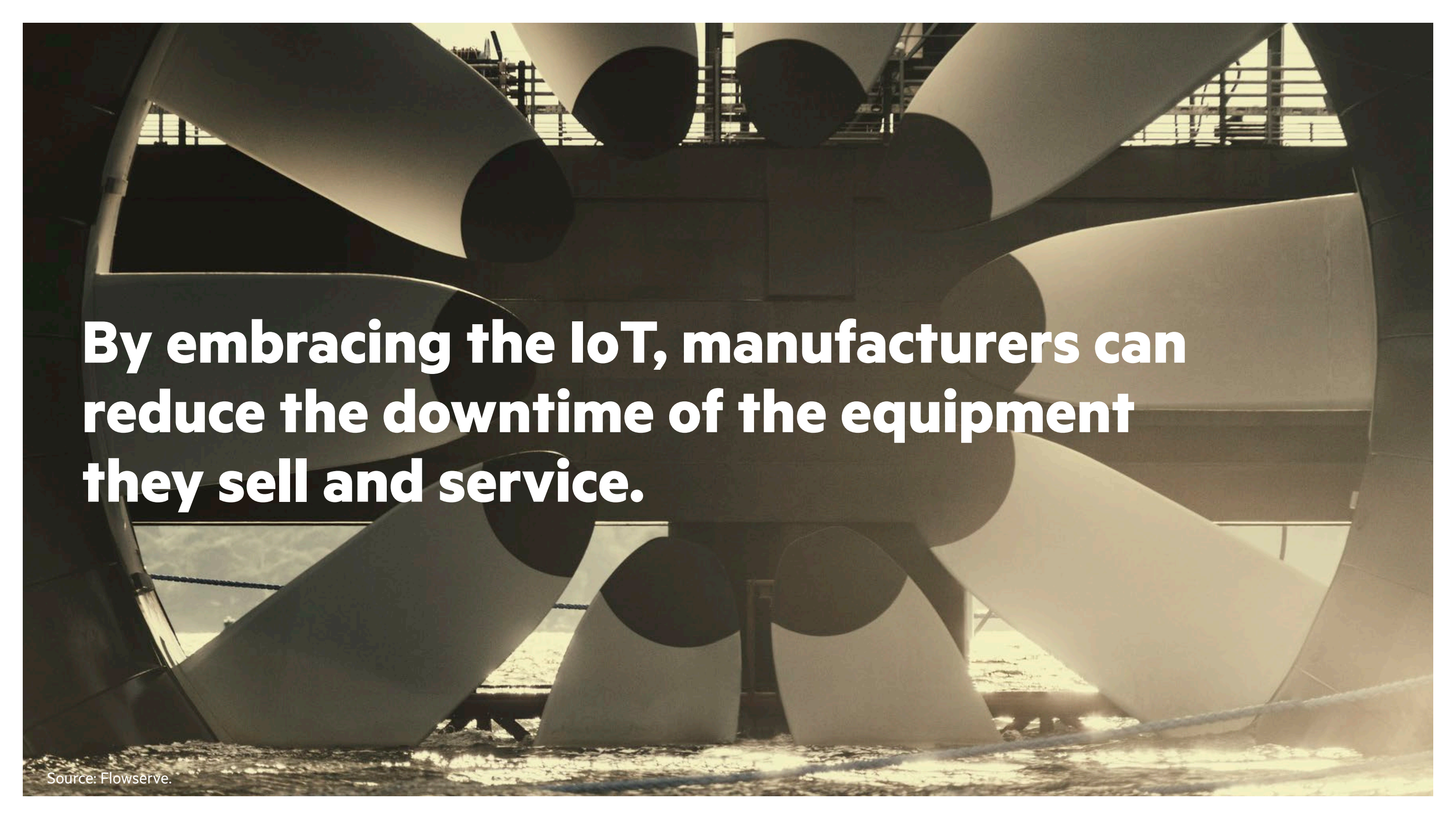
And energy costs?



**They're reduced
by as much as 40%.**

Data can also be used to predict something else — failures before they occur.





By embracing the IoT, manufacturers can reduce the downtime of the equipment they sell and service.

We've seen why digitizing business operations is a sweet spot.

01

**CUSTOMER
EXPERIENCE**

02

**PRODUCTS/
SERVICES**

03

**CORE
OPERATIONS**

So what resources do you need to have in place to gain momentum and make success repeatable across your enterprise?

Read the Enterprise.nxt report and find more thinking at HPE.com/nxt.

Learn more about where you are in your transformation journey compared to other enterprises.

SHARE



**Up next: Creating the engine
for digital transformation.**

SHARE

